



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 6TH DAY OF NOVEMBER, 2002 AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi, Saltzman and Sten, 4.

Commissioner Francesconi arrived at 9:35 a.m.

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

On a Y-4 roll call the Consent Agenda was adopted.

COMMUNICATIONS		Disposition:
1324 Request of Trouble Huggins to address Council regarding the Sit/Lie/Stand regulations (Communication)		PLACED ON FILE
1325 Request of Sam Oakland to address Council to give an update on the Pioneer Post Office eviction (Communication)		PLACED ON FILE
TIME CERTAINS		
1326 TIME CERTAIN: 9:30 AM – Adopt the Northwest 3 rd and 4 th Avenues Streetscape Plan (Resolution introduced by Mayor Katz and Commissioner Francesconi) (Y-4)		36106
*1327 TIME CERTAIN: 10:30 AM – Contract with Resolutions Northwest for \$618,772 for community mediation services for the period February 1, 2003 through June 30, 2005 (Ordinance introduced by Commissioner Francesconi) (Y-4)		177047
*1328 TIME CERTAIN: 11:30 AM – Adopt the Information Technology Administrative Rules as prepared by the Bureau of Information Technology (Ordinance introduced by Mayor Katz) (Y-4)		177048

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<p>*1329 TIME CERTAIN: 11:45 AM – Authorize a labor agreement with the Portland Fire Fighters Association for terms and conditions of employment of certain represented employees (Ordinance introduced by Mayor Katz)</p> <p>Rescheduled to Wednesday, November 6, 2002 at 2:15 p.m.</p>	<p align="center">CONTINUED TO NOVEMBER 13, 2002 AT 9:30 AM</p>	
<p align="center">CONSENT AGENDA – NO DISCUSSION</p> <p>1330 Accept proposal of Bank of America to furnish Procurement Card Services to the City and consortium participants (Purchasing Report - RFP No. 101350)</p> <p>(Y-4)</p>		<p align="center">ACCEPTED</p>
<p align="center">Mayor Vera Katz</p>		
<p>*1331 Authorize acquisition of vehicles for use by City bureaus (Ordinance)</p> <p>(Y-4)</p>	<p align="center">177029</p>	
<p>*1332 Authorize the donation of three vehicles to Portland School District No. 1 (Ordinance)</p> <p>(Y-4)</p>	<p align="center">177030</p>	
<p>*1333 Establish a new classification of and an interim wage for Mapping Data Technician (Ordinance)</p> <p>(Y-4)</p>	<p align="center">177031</p>	
<p>*1334 Create a new Nonrepresented classification of Senior Classification/ Compensation Analyst and establish a compensation rate for the class (Ordinance)</p> <p>(Y-4)</p>	<p align="center">177032</p>	
<p>*1335 Create a new Nonrepresented classification of Water Security Specialist and establish a compensation rate for this classification (Ordinance)</p> <p>(Y-4)</p>	<p align="center">177033</p>	
<p>*1336 Create a new Nonrepresented classification of Solid Waste & Recycling Program Manager and establish a compensation rate for the class (Ordinance)</p> <p>(Y-4)</p>	<p align="center">177034</p>	
<p>*1337 Amend an Intergovernmental Agreement between Multnomah County, acting by and through its District Attorney's Office, for the Police Bureau to provide Detectives trained in child abuse investigations to work on evenings and weekends (Ordinance; amend Contract No. 51581)</p> <p>(Y-4)</p>	<p align="center">177035</p>	

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<p>*1338 Extend contract with Miller, Nash LLP for outside counsel requirements (Ordinance; amend Contract No. 34146) (Y-4)</p>	<p>177036</p>
<p>Commissioner Jim Francesconi</p>	
<p>1339 Accept the project submittals for the 2004-07 Metropolitan Transportation Improvement Program process (Resolution) (Y-4)</p>	<p>36105</p>
<p>Commissioner Dan Saltzman</p>	
<p>*1340 Authorize conveyance of one conservation easement from Riverview Village Homeowner's Association and Pacific Western Homes, Inc. to the City by consent (Ordinance) (Y-4)</p>	<p>177037</p>
<p>*1341 Authorize a contract with CH2M Hill, Inc. to perform a bond feasibility study for the Bureau of Environmental Services (Ordinance) (Y-4)</p>	<p>177038</p>
<p>*1342 Amend agreement with Parametrix, Inc. for professional engineering services for the Montana Pump Station, Project No. 7017 (Ordinance; amend Contract No. 33569) (Y-4)</p>	<p>177039</p>
<p>*1343 Authorize agreement with Pacific Groundwater Group to provide groundwater technical services for remediation and miscellaneous services and studies in the Columbia South Shore Well Field for the Bureau of Water Works at a cost not to exceed \$200,000 (Ordinance) (Y-4)</p>	<p>177040</p>
<p>*1344 Authorize agreement with CH2M Hill, Inc. to provide groundwater technical services for monitoring, test and production well installation and decommissioning in the Columbia South Shore Well Field for the Bureau of Water Works at a cost not to exceed \$400,000 (Ordinance) (Y-4)</p>	<p>177041</p>
<p>Commissioner Erik Sten</p>	
<p>*1345 Amend agreement with Cascade AIDS Project to increase the total available funds by \$10,000 to \$449,125 for the Cascade Aids Project HIV/AIDS Housing Program and provide for payment (Ordinance; amend Contract No. 34318) (Y-4)</p>	<p>177042</p>

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<p>*1346 Agreement with Lutheran Community Services for \$66,870 for the Parkrose Target Area and provide for payment (Ordinance) (Y-4)</p>	<p align="center">177043</p>
<p>*1347 Authorize a Subordination of Contract with Wells Fargo Bank, N.A. regarding Villa Capri Apartments Contract No. 34490 (Ordinance) (Y-4)</p>	<p align="center">177044</p>
<p>*1348 Authorize Memorandum of Understanding with Oregon Trail Chapter of the American Red Cross for provision of assistance during disasters (Ordinance) (Y-4)</p>	<p align="center">177045</p>
<p>*1349 Amend agreement with Providence Health Systems for respiratory evaluations for Portland Fire and Rescue employees, extend the timeline and provide for payment (Ordinance; amend Contract No. 33011) (Y-4)</p>	<p align="center">177046</p>
<p align="center">REGULAR AGENDA</p> <p align="center">Mayor Vera Katz</p>	
<p>*1350 Accept an \$8,000 grant from the Southeast Uplift Neighborhood Weed & Seed Program for the G.R.E.A.T. Families program (Ordinance) Rescheduled to Wednesday, November 6, 2002 at 2:15 p.m. (Y-4)</p>	<p align="center">177049</p>
<p>*1351 Authorize a labor agreement with Municipal Employees, Local 483, Seasonal Maintenance Workers, for terms and conditions of employment of certain represented employees (Ordinance) Rescheduled to Wednesday, November 6, 2002 at 2:15 p.m. (Y-4)</p>	<p align="center">177050</p>
<p align="center">Commissioner Jim Francesconi</p>	
<p>1352 Assess benefited property for costs of constructing pedestrian improvements in the SW Capitol Hwy. from Bertha to Cheltenham Pedestrian Local Improvement District (Hearing; Ordinance; C-9954) Rescheduled to Wednesday, November 6, 2002 at 2:15 p.m.</p>	<p align="center">PASSED TO SECOND READING NOVEMBER 13, 2002 AT 9:30 AM</p>

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<p>1353 Create a local improvement district to construct street improvements in the NE Holman Street Local Improvement District (Hearing; Ordinance; C-10001) Rescheduled to Wednesday, November 6, 2002 at 2:15 p.m. Motion to accept the remonstrances and not form the Local Improvement District: Moved by Commissioner Francesconi and seconded by Commissioner Saltzman. (Y-4)</p>	<p>PASSED TO SECOND READING NOVEMBER 13, 2002 AT 9:30 AM</p>
<p>*1354 Authorize agreement with the Lloyd District Business Improvement District to participate in the Eastside Streetcar Alignment Study and to provide financial support to the City in the amount of \$50,000 (Ordinance) Rescheduled to Wednesday, November 6, 2002 at 2:15 p.m. (Y-4)</p>	<p>177051</p>
<p>*1355 Amend agreement with Portland Streetcar, Inc. to provide professional and technical services related to an Eastside Streetcar Alignment Study in an amount not to exceed \$50,000 (Ordinance; amend Contract No. 31428) Rescheduled to Wednesday, November 6, 2002 at 2:15 p.m. (Y-4)</p>	<p>177052</p>

At 1:42 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 6TH DAY OF NOVEMBER, 2002 AT 2:15 P.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi, Saltzman and Sten, 4.

Commissioner Saltzman arrived at 2:21 p.m.

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

Officer Peter Hurley replaced officer Frome at 1:33 p.m.

<p>1356 TIME CERTAIN: 2:00 PM – Adopt the Action Charts and additional implementing measures of the North Macadam Plan (Resolution introduced by Mayor Katz; Previous Agenda 1319) CONTINUED TO NOVEMBER 7, 2002 AT 2:00 PM TIME CERTAIN</p> <p>Motion to amend the Resolution and Ordinance: Gaveled down by Mayor Katz after no objections.</p>	<p>Disposition:</p> <p>CONTINUED TO NOVEMBER 13, 2002 AT 2:00 PM TIME CERTAIN AS AMENDED</p>
<p>1357 Adopt and implement the North Macadam Plan (Ordinance introduced by Mayor Katz; Previous Agenda 1320) CONTINUED TO NOVEMBER 7, 2002 AT 2:00 PM TIME CERTAIN</p> <p>Motion to amend the recommended zoning code to allow residential parking to be operated as commercial parking if the residential parking ratio is lowered and if approved through a central city parking review: Gaveled down by Mayor Katz after no objections.</p> <p>Motion to allow some buildings to go over 250 feet in height through a design review modification process provided that floor plates of the towers are limited for specific floor-to-floor heights are provided and there are tower spacing requirements are met and their contributions to an open space fund: Gaveled down by Mayor Katz after no objections.</p> <p>Motion to amend the required residential area to allow residential requirements to be met through a covenant when transferred to another site: Gaveled down by Mayor Katz after no objections.</p> <p>Motion to amend the Resolution and Ordinance: Gaveled down by Mayor Katz after no objections.</p>	<p>PASSED TO SECOND READING AS AMENDED NOVEMBER 13, 2002 AT 2:00 PM TIME CERTAIN</p>

REGULAR AGENDA

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<p>1358 Tentatively approve with modifications appeal of the City Engineer, Office of Transportation, overturn Hearings Officer's decision to approve the application of B&E Development, for a 3-lot subdivision with conditions at 3322 SE 39th Avenue (Findings; Previous Agenda 1318; LUR 02-122595 SU)</p> <p>Motion to grant the appeal and modify the Hearings Officer's decision as modified: Moved by Commissioner Francesconi and seconded by Commissioner Saltzman.</p> <p>(Y-4)</p>	<p>FINDINGS ADOPTED</p>
<p>1359 Tentatively deny appeal of Centennial and Pleasant Valley Neighborhood Associations and uphold Hearings Officer's decision with conditions to approve the application of the Portland Bureau of Water Works for a conditional use master plan with environmental review and adjustments</p> <p>for</p> <p>water and park-related developments on Powell Butte at 16198 and 15800 SE Powell Boulevard (Findings; Previous Agenda 1321; LUR 00-00414 CU MS EN EV AD)</p>	<p>CONTINUED TO NOVEMBER 13, 2002 AT 2:00 PM</p>

At 5:15 p.m., Council recessed.

NOVEMBER 7, 2002

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 7TH DAY OF NOVEMBER, 2002 AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi, Saltzman and Sten, 4.

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

<p>1360 TIME CERTAIN: 2:00 PM – Possible continuation of North Macadam Plan from Wednesday, November 6, 2002, Agenda Item Nos. 1356 and 1357</p> <p>Motion to amend allowed heights north of the Marquam Bridge to decrease allowed height adjacent to greenway and increase allowed heights away from greenway: Gaveled down by Mayor Katz after no objections.</p>	<p>Disposition:</p> <p>CONTINUED TO NOVEMBER 13, 2002 AT 2:00 PM TIME CERTAIN AS AMENDED</p>
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At 2:22 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.

NOVEMBER 6, 2002 9:30 AM

Katz: Good morning, everybody, the council will come to order. Karla, please call the roll. Francesconi, Saltzman, Sten, Katz.

Katz: Commissioner Francesconi will be here in a couple of minutes, I hope. Welcome back after a very interesting night. All the implications aren't terribly clear yet, but it's going to be a very interesting congressional session, as well as the legislative session. All right. Let's get to communications. 1324.

Item 1324.

Katz: Okay. Come on up. You have three minutes. Is trouble huggins here? Trouble, you have been called. Come on up, you have three minutes.

Trouble Huggins: Good morning, mayor.

Katz: Good morning.

Huggins: And fellow council member. I am here to discuss the stop-sit-lie law.

Katz: Excuse me, please sit down.

Huggins: Oh, I sit down?

Katz: Yeah.

Huggins: Okay. To discuss the stop-sit-lie law. As I understand it, a quarter of the time a person is walking downtown, we are supposed to stop and either sit or lie down, and I have a problem with this because it's awfully difficult for, for a person to, to judge a quarter of the time that they are downtown. I mean, are they supposed to go by the clock and go like 15 minutes for every 45 minutes they are walking around? You know. That would be okay if there was a place on every street corner, but there's not, or if everybody had a watch, but we don't. And what if somebody doesn't want to be downtown for a full hour or two hours or exactly. Now, that's why I come up with the idea that i'd like to bring to your attention that you can have like a metered chair. It would be similar to the parking meter, but instead of metering parking, it would meter a person's sit-walking ratio. Now, it would be very helpful for the police, that way they could enforce the law. And it would be helpful for citizens to obey the law. The chair would be something maybe like this where it could have a pedometer attached where you could judge a person's walking distance and it could have a stopwatch attached so you could judge a person's sitting time. Now, I understand you are probably thinking, now, this is an idea I should bring to businesses. But, the reason i'm here today is because i'm wondering if the homeless people. They can't afford a chair like this. No. It's pretty expensive. Nor could they afford the expensive meters. So, I was hoping the city council would take into consideration a program that would buy a chair for all the homeless and people that are below income level, low income people. We could call the program "m-faps," money for a place to sit. Now, excuse me, m-faps could give a chair to all homeless or indigent people. It could also -- I have a great idea where the money could come from. It could come from the new parking meters that we have downtown because we all know they are making extra money because you can no longer use other people's time that are parking. Once they leave they take their parking time with them so we know the city has extra money. He could also advertise and have extra donations, but i'm, like I said, i'm really considering and others, trying to impress that it be important for the

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homeless people to have a place to sit. I want to thank you today for listening to me, and really hope that you keep in mind, and I hope you put it on the agenda really soon. Thank you.

Katz: Thank you. Go ahead. P.o. Post office.

Item 1325.

Francesconi: I was hoping to miss you, sam.

*******:** I'm glad to be back in america where the elections aren't rigged. As un, I --

Katz: Sam, identify yourself --

Sam Oakland: Oh, sam oakland, northwest Portland, living sometime in, some time in russia. This is about the pioneer post office eviction. And I want to read a statement and you have the statement, I think, before you, or soon will have. Senator ron wyden has finally come over to the side of the good guys on the pioneer post office issue. You have his official position in front of you. Now, we must work on mr. John fistad and the j.s.a. So that the u.s. Post office will stay on pioneer square where it should stay. It's important the eviction notice be withdrawn now before christmas because time is running out and the post office will have to be moving soon unless the eviction notice is taken away. After all, eviction notices are eviction notices and the u.s. Postal service follows the law. It does not want to leave its historic place, but it operates under an ethical code that prevents it from speaking on its own behalf and thus cannot actually speak to what it wants or needs. This is not the case with the judges who can speak to anything they want and the g.s.a. Is happy to accommodate the judges and not happy to accommodate the pioneer post office. Of course, time is running out. I urge the city council to consider legal action against the general services administration to clear up the situation and remove the eviction notice and bring about a proper review of an acceptable renovation plan. U.s. Senator smith and wyden and representative blumenauer and the people of the city will be there to lend you support. Perhaps, even mr. David wu and stop supporting the judges and again to work for the good of the people in his own district. The u.s. Postal service fully supports the renovation of the pioneer post office and understands the importance of it in the city. It can offer affordable mail units so it can remain on pioneer square. It's ready to roll in covered wagons six days a week to meet postal needs of this historic location while the renovation goes on. While the judges will move easily to mark hatfield federal courthouse, do business as usual, because there are so many vacant chambers there, the u.s. Post office will do the unusual and stay on-site to continue to serve the public where it has served since 1875. I urge the council now to act, to act quickly. There are not many more shopping days until christmas. Let us move now to save the pioneer post office for the people of christmas present. Christmas future. And also in memory of those in christmas past. And finally, I would last, lastly ask the council to please ask the city club to have a debate on the subject with mr. Blumenauer and fistad as the main two debaters. Thank you very much.

Katz: Thank you, sam. Consent agenda. Anybody want to take any items off the consent agenda? Anybody in the audience want to take an item off the consent agenda for discussion? If not, roll call on consent agenda.

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

Katz: Mayor votes aye. Consent agenda adopted. Item 1326.

Item 1326.

Katz: All right. Let me open it up. Just saying a few words to this item. In 1997 a group of community leaders decided that they wanted to create a vision for old town, chinatown, and a vision for the neighborhood. For people to live, as well as to recreate in that community. The result of that vision ended up in a development plan that we here adopted at the city council and at the development commission in 1999. And part of the action items in the development plan and a top priority was streetscape improvements. And as you all know, when the community and the city and the Portland development commission work on these plans, they do not end on a shelf, at least not

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as long as i'm here. We have a unique opportunity today to act on this item. Old town, chinatown has a wonderful, multicultural identity, even though it wasn't originally the home of chinese immigrants who came and built this city, it ended up to be their home and as well as japanese heritage and jewish heritage, I didn't know about that one, so you are going to have to educate me on, on that one. But, and the greek heritage, and we still have semblances of it in old town, chinatown. And so part of the effort of this plan is to enhance the cultural amenities and the redevelopment opportunities. As you know, I have said when I became mayor that if I and this council, because we can't do it alone, and the community couldn't change old town, chinatown to be a place where people could live and walk the streets safely, and recreate and work then we haven't really done much or succeeded much. And so without the community that's sitting here, this couldn't have happened, so I want to extend my appreciation to the planners, certainly, to the developers, absolutely, but more importantly, to the community that volunteers to give that extra time to make this plan a reality. I just want to say that after we adopted this, there is more to come. But this is a bustle start. Having said that, why don't you come on up. I neglected to say that this was an effort on the part of the Portland development commission, as well as pdot, and if you notice there's a lot more of that kind of partnership that's happening between our bureaus, and I really appreciate that effort. Thank you.

Francesconi:

Bill Hoffman, Office of Transportation: Well, thank you. Mayor Katz, members of city council, i'm bill hoffman from the office of transportation. This is Kathryn Krygier from the Portland development commission, and we are going to lead off the presentation today. The, kind of the agenda for the presentation is catherine and I are going to do some introductory comments. Then swin and ben, the architects for the project, are going to take you through a short power-point presentation to show you the plan, itself. Then that's going to be followed by the co-chairs of the steering committee and the chair of the neighborhood association who will make a few comments, and then I know there's members of the community and other members of the steering committee who will want to testify. I would just like to make a few points to kind of start the presentation, and mayor, you really hit on this. This is, this is, this is an example of a successful partnership between the Portland development commission and the office of transportation. And the -- I think it shows the success that these two agencies can have when they work together collaboratively. It's also an example of a transportation project that reaches beyond merely serving traffic issues and looks at the right-of-way in its full sense, and in this case, uses the, the right-of-way and improvements in the right-of-way as a means to enhance economic development and the neighborhood and the quality of life in the neighborhood. And then finally, just want to, to emphasize that the project was very contextual. This is an area that has a very rich cultural history. It has a rich diversity of backgrounds and interest, and when we approached this project, we made a strong commitment to understanding those and to honoring those, and I think when you see the presentation of the project, you will begin to understand how that comes through. Catherine.

Kathryn Krygier, Portland Development Commission: Good morning. I'm catherine from the Portland development commission, senior project coordinator. Just a little bit of background on this. We have taken this plan to the Portland development commission and the plan was approved with the recommendations of the steering committee. What we plan on doing now is, is if it is approved today, the office of transportation will complete the design and engineering and then we will take it back to our commission for approval of the funds. This project is in the urban renewal district, the waterfront renewal district and that's the mechanism for the funding, tax increment financing for this \$4.5 million project. Besides the heritage that the mayor mentioned, it is also home to two historic districts. What's left of our incredible castiron architecture. It's home to many social service agencies, and if you stay up late enough, it's also the center of our nightlife.

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Consequently, this makes it one of our most interesting and vibrant areas in the city. The committee has worked very, very hard on this project. The report and the plan represents a lot of work and is a milestone for the community. As the mayor mentioned, it was a part of the development plan and high priority for the development plan, and this is a really great time for us to actually implement the plan. We can build on the synergy of the chinese garden and the 350,000 housing units that have been built or are being built in the last several years. As bill mentioned, the goals of the project are fairly simple in that on the face, you know, we are doing sidewalks, street trees, streetlights, street furniture, but the aspirations are much higher than that for the community and that is to enhance this cultural identity of the district and also for pdc and for the community to retain and attract new businesses, which is a project that we are working on in tandem with this project at pdc. So, a year ago we hired srg partnership and suenn ho, and they are here today to walk you through the plan.

Suenn Ho, Suenn Ho Design: Good morning, honorable mayor Katz and council members. I am suenn ho, representing suenn ho design, and our project manager, stan, is also in the audience. Ben and I are on the design team, and it is really our honor to have the opportunity to present the project to you today. This is a very exciting time, a project that is truly impressive, an impressive collaboration of the most diverse representation from our community and it marks a significant milestone that this neighborhood has reached. This project represents years of community effort that is based on a common vision that the new chinatown, japan town in old town has all the potential to grow into a fully vibrant neighborhood for all. Honorable mayor let the mid autumn festival parade this past september, which was organized by the chinese garden and the chinese times and the vietnamese community, and as you can see the slide above, the chinese area served as a threshold to a festive scene where a community of young and old, east and west flooded the streets, and a vibrant street life is evident, as an undeniable characteristic of successful urban chinatown. It was incredible.

Katz: It was. It really was incredible.

Ho: There were people in the street, and it's like, like you are passing through into a totally different world. And slide two, please. The process of the third and fourth avenue streetscape plan has been coordinated with several ongoing planning studies adjacent to our project area, and in the image that we are presented here, we see old town, the waterfront district on the east side and then downtown on the south, the district on the west and north, the studies, these studies include burnside urban design master plan, the union station, 6th avenue addition, the northwest broadway urban design master plan and the waterfront development, and it's our intention to be able to communicate with all the other studies in order to have a very coherent design idea for the area and also area at large. Working in close collaboration with the community representing the project team established a design objective and as well as arriving at the jewel box design concept. It sets a rich framework to be developed into the next level of details. The concept focused on creating special areas within old town, chinatown by highlighting 3rd and 4th avenues as primary streets juxtaposed with the secondary side streets. The most noticeable features of the concept included the creative use of streetcrossings and that, that means not just the, the avenues crossing the number streets and the name streets but that also is identifying the gateway opportunities on 3rd and 4th on gateway and glisan. The use of the side streets represent a staging opportunity, giving the public an open space opportunity. And here, we will pass it on to ben and have him describe the details of our design concept.

Ben Ngan, Ngan Associates: Good morning, mayor, and council. I am ben ngan, one of the designers of the project. This slide in front of is you an overall slide of the master plan and it's pretty small, so I will orient you to the design and then I will go to more details closeups so you don't have to squint so hard. If you follow -- if I can get -- here it is, my cursor, 4th avenue is on

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top. 3rd avenue is on the bottom. North is to the right so burnside would be to the left and as you follow my cursor, burnside, couch, davis, everett, flanders, glisan, and hoyt. Just to give you an idea of, of one of the influences of the design, the traffic, 3rd and 4th are very busy. North-south corridors in the city, and they will remain that way. Burnside, everett and glisan, also are busy east-west streets and they connect the bridge heads. The other streets in between, couch, davis, flanders and hoyt are termed more local streets, less traffic, and we found opportunities on them that will, that I will describe later. Let's take a closer look at the design. Let's start with 4th avenue. 4th, and this is 4th and davis. This was identified by many people that we talked to during the stake holder meetings as being the heart of chinatown. It's, it's the home of many successful businesses. Some that have been here through the early and mid 20th century. The enlarged -- we are looking at an enlarged plan of the 4th avenue area, and basically, the design as catherine talked about it, it is sidewalks, trees, and the normal things you would see in a new streetscape plan are an attempt to give it a special identity. We've mixed materials here, secrete sidewalks with special paving in what we term the furnishing zone in the building zone. One of the special paving materials we are considering are the historic cobblestones to see how we can integrate that back into the pedestrian area instead of, instead of the street area, which has its own problems. Also in the design on 4th, and specifically, we are going to introduce additional lighting to bring it up to the current level of 3rd avenue. Street furnishings like benches and trash cans and bike racks will be integrated into the design, as well as opportunities for art, cultural and historic elements, and through the next page, we will figure out a process on how that is, that is done and who will do it. Let's see. Also, you see here curb extensions. On every corner on 4th, there are curb extensions that cross 4th avenue to help pedestrians cross this street. Parking is maintained on both sides of the street as much as possible. The curb extensions take away a minor amount, probably a space per side. 3rd avenue is much like -- 3rd avenue is much like 4th in its design but in actually, the right-of-way is 10 feet wider and there's an additional travel lane on 3rd avenue. In the enlarged plan you can see that the design is much the same. We're still dealing with renovating a 12-foot area. There are curb extensions also crossing 3rd avenue, and you can see that the street trees, if you notice before in the other plan we've kind of mixed colors in our, in our design board. One of the things that we want to try to do is subtly recognize 3rd, different from 4th. Not necessarily I think when you want to come into the district, you want to know that it's all chinatown. You want to know that 3rd and 4th are parts of chinatown, but we want the streets to read slightly differently and one of the things that we can do to do that is to select different types of street trees, and to take that further, what we would like to also do is integrate more asian species of trees to continue this botanical theme introduced by the Portland classical chinese garden, the building of that. Another area, moving to another area, glisan street --

Katz: Ben, are you thinking of planning strips on the sidewalks to do that?

Ngan: I think that we would probably stay within the tree wells similar to the classical chinese garden where there's a 9-foot-by-4-foot area which can be planted with plant materials. Currently, the river district doesn't ask for tree grates to be used and the forrester, we have had conversations with, have asked us to consider plant materials in those holes for the health of the trees. Back to the glisan street area, this is essentially a pretty terrible intersection. Pedestrians that have to cross glisan street have to navigate 100 feet from corner-to-corner at this intersection. The, the, this gives us an opportunity to, to maybe change this and create more pedestrian area, essentially. Our design intent is to remove as much street paving to create a street that's, that's no different than the west side of 4th avenue, essentially, two travel lanes heading westbound and parking on both sides of the street. But what's leftover on the northwest corner, we have an opportunity to create a better bus stop here and on the southwest corner of this intersection, the, the area is large enough to be, to become a plaza area, which could feature a gateway element that would recognize one of the

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historic cultural groups, or many of the historic cultural groups in this neighborhood. Also, we would add street trees which aren't there today and the ornamental streetlights. This is an artist's rendition of what it could be like. Let me go back to slides of the photo. And this is what's drawn from it, from our design. You can see this, this kind of more of a japanese origin gateway element as depicted. This gray mass on the left is, is symbolizing redevelopment of this block that the city owns most of.

Francesconi: Some one of those festival streets you are describing?

Ngan: No, this being glisan street, the heavily traveled traffic street needs to maintain the east-west traffic from the steel bridge. Let's talk about the festival streets, though. In this enlarged plan, we show opportunities for this, using davis and flanders. We picked davis street because it is -- we have been told and we believe that it is the heart of chinatown, and we think that flanders -- we picked flanders street because it's become a, or it's listed in many plans and it's obvious that it's a good pedestrian link between this district and the pearl district, and hopefully, to the riverfront, as well. But let's concentrate on davis street today. Davis street is the sighting of the, the chinese consolidated benevolent association hall. It was built in 1911 as a meeting hall for chinese, and as well as a chinese language school. Still used that way today. It's the only building, I believe, in chinatown still used as its original construction. Many consider this to be the center of chinese culture in Portland. The design of the festival, what we have termed the festival street is an opportunity to capture essentially right-of-way space to create outdoor open space. But, davis and flanders still need to operate like streets and so we are not proposing to block the streets by proposing to change its character. We have different paving in the street surface and maybe the sidewalk area, and at the ends of the block, maybe create a different way to get into the street, like a driveway ramp so that it's a key to motorists that you are entering a special area. We are considering this street to possibly be a street without curbs, too, so that it's one level, so it's more of a level surface without a six inch interruption from building face to building face. These large dots you see in the center are, are different types of streetlights that might key this as a special area, as well, and then to separate traffic from the sidewalks, we would have a system of, of some mechanism --

Francesconi: What's the chinese name for los ramblas?

Ngan: I don't know, suenn? [laughter]

Ho: She just made that up. [talking in chinese]

Katz: And we wouldn't even know it. [laughter]

Ngan: There are some in the audience that will question that later. Anyway, you can see, essentially, two travel lanes in the street and parking on both sides. As I said, in every day use, it functions the same way as it does today. But, it has a richer texture to it and it's, I think when you go there, if we build it this way, you will know that it's a special place. On special days, though, we can block the street and it can become that outdoor space. It can be the place that, essentially, the chinese community, the asian community, or others can come and, and have, essentially, a festival. It is much like the, the celebration that just happened in september for the Portland chinese garden. This is actually just off of flanders street in the parking lot, but this could be staged in the street.

Ho: Well, I am going to, to close this part of the presentation by telling you how, how special it is for me to be the one who is leading the public outreach. I had opportunities to meet with people I have never dreamed of meeting before and conversations that were really heartfelt and it gives the project a lot of spirit and a lot of, of very, very good directions. The whole process was really trying to gear toward getting the community involved with the project and to take ownership of the idea, and the, from the very beginning, we have utilized a bilingual process with ben and myself sitting at c.c.b.a. Hall for six weeks, meeting with people, interviewing stakeholders and getting a lot of ideas at the initial stage and then we have a bilingual process for three public open houses that

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were exceptionally well attended. We have boards describing the information that we have collected from the community, the comments, and then they were able to have, have opportunity to give us more feedback and then we have, we have representation from property owner, business owner, from different ethnic backgrounds, all walks of life came in and really enjoyed the three public open houses. We have also very, very fortunately, they were very generous with their time. We had nine, nine articles in the Portland chinese times and they were very generous with their first page. We have bilingual rep site and thanks to pdc, set that up for us, and we also have bilingual flyers and newsletters, and we tried to reach out as much as possible to all the community members and of course, the, the result has been just spectacular. I also want to make a special note, this is to thank the elders from the chinese service center. From the very beginning, they were a very excited. They thought that we are actually designing and including a new chinatown, and didn't know that we were trying to improve what's there. In any case, they were so inspired that they have written a very nice poem to the project team and I have invited them to come over to present their poem to you today and they have constructed another poem specifically for the city council members. So, I hope that they will have a chance to read that to you later when we have the opportunity today. And now it is my pleasure to introduce you to the two chairs of the steering committee. Mr. Lewis lee and mr. Brian mckarl, and also mr. Howard winer, the president of the old chinatown neighborhood association, and they will tell you how the process has been instrumental to us. Thank you.

Katz: Okay. Who wants to start?

Brian McCarl, Chinatown Investors: I will. Good morning. I just would like to thank --

Katz: Identify yourself.

*****: I'm sorry. Pardon me?

Katz: Identify yourself for the record.

McCarl: Brian mckarl, chinatown investors, 118 southwest porter street in Portland. Good morning. I'd just like to start out by thanking catherine and bruce and bill from pdot together with twin hoe and ben and the rest of the design team members. I think that the cooperation between the design staff and the city staff and our steering committee has been truly remarkable in terms of the process that we have engaged in and I won't go into more depth backs just suffice it to say that they have done really excellent work. The report and resolution before you this morning represents a lot of hard work over two years. We've had -- we have a very diverse neighborhood, and no surprise, we've got a very diverse steering committee. Third and -- 3rd and 4th has been a top priority for implementation within the chinatown development plan that you adopted about three years ago. And the fact that our neighborhood could bring forward a plan of this quality, this depth really speaks volumes about communication, about outreach, and about listening, and I think that the steering committee started with an initial budget of \$10.2 million was the estimate to do this project, and I bring that point to you because I think that we have, in fact, achieved our goals that are expressed in the plan and achieved the neighborhood's values. But, we want you to know that we have taken the issue of, of the money to be spent on this project very seriously. In a time when we know that dollars are very scarce to the city, we have taken that seriously. The committee worked, steering committee worked arduously to prune that budget back to about 4.5 million. There were casualties that a lot of people supported in terms of elements of this plan that people very much wanted to see included, but we were able, I think, through consensus and a lot of discussion over a long period of time able to prune it back and retain the essential character and values that the neighborhood wanted to see in the plan. I think that it's a remarkable plan, but I think that it was done with a lot of attention to the costs that are involved and there were elements that frankly had to be taken out, but we're extremely pleased with the plan that we have got. So I want you to be aware that we went through that process. Two other quick points. 3rd and 4th is

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critical to bring a fresh new look, safe environment, clean environment to a neighborhood that is growing with visitors from the chinese garden, new residents that are moving into the neighborhood and new businesses daily and there's a lot more coming, and so I think that this plan that is in front of you will help facilitate what is, has already started in the neighborhood, but this will help make it grow. And finally I want to say that, that I think our process to get where we are has been as good as our project, and ordinarily, I wouldn't talk about that, but I think that the level of bilingual outreach and the people that have come into this process that I have not seen engaged in 25 years working downtown really is pretty exemplary in terms of, of how we've been able to bring a diverse neighborhood out and get them involved in this process. And so we greatly encourage your support and appreciate the opportunity to have been involved in this.

Louis Lee, Steering Committee Co-Chair: Good morning, mayor Katz, council members. I am louis lee, I am the steering committee co-chair. I practice accounting for quite a while, almost 15 years now. I would like to share one of my experience. Working with one of the clients over ten years ago, at that time, I was working with ethnic chinese clients trying to get a bank loan and a line of credit. The banker after evaluation of the paperwork called me up in st. Louis. We have got it all ready. I would like to have it signed in your office. That was a little unusual, actually, for them to go that far to come to my office. It was all done then, and in retrospect, as I think back, there are reasons why they wanted to come down to my office. I probably will do the same thing if I were them. They just wanted to check me out. It is okay. It just give us a little bit more reason why to work harder for what's coming ahead of us. In front of you this is the 3rd and 4th streetscape plan. I think it goes way beyond putting bricks and mortar on the street. In terms of dredging up the community, it actually would offer an opportunity for the community, the chinese community and the neighborhood mainstems and others, other entities out there, stakeholders out there to closely work together, to foster and build a community with that, I would like to, to leave it in good hands. Thanks.

Howard Weiner, Chair, Old Town-China Town neighborhood Association: Mayor, city council, my name is howard winer, 210 northwest 6th avenue, and I chair the old town chinatown neighborhood association. I don't think I have seen a plan that has done as much outreach and reached the chinese community as this plan and for the asian community as a whole in old town. Those that I was concerned would be contacted and be involved, meaning the benevolent association, the small property owners, just a tremendous outreach, and it also bodes well for the future of the old town, chinatown neighborhood association, which is sore, which has sorely lacked the chinese communities' involvement. This streetscape plan, I believe, is the first public work on the streets since the tri-met mall, which has been about 20 years. Our neighborhood needs all of your support. I want to go for a moment beyond just the streetscape plan and to draw a vision, at least my vision of the neighborhood. I vision old town as a neighborhood where people live, people work, and people come down to visit. We have come a long ways in the last three or four years. We have new projects that are completed. We have new projects as the pacific towers that are coming to completion, and now we need to bring in the amenities. We need to have a plan to bring in a grocery store, doctors, dentists, all, all the amenities that a neighborhood needs, and I believe we are starting to reach the point to where we can really create a neighborhood for all. And we also need a marketing strategy for retail. I am a retailer. I sell skateboards for a living and there are very few other retailers in our neighborhood. And retailers create jobs and therefore, a job strategy to me is creating small business, maybe using oldtown as an incubator for new business and having incentives, and then our historical buildings. All of my life, and i've been a life-long resident of Portland, I have seen the two, three-story buildings that have sat empty. It's time that we come up with a plan that provides incentives for developers, that restores those buildings to their fullest potential and then further develop, as I have mentioned, the housing in the direction we are going. I

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thank the city council. I whole-heartedly support this plan, and I intend to work with the steering committee or on the steering committee and its implementation. Thank you very much.

Katz: Thank you.

Katz: Hello, gentlemen.

*******:** Hello.

Katz: Who wants to start?

Steven Louie: Good morning. My name is Steven Louie, I am the owner of the House of Louie restaurant, which is located on, on Northwest 4th Avenue and Davis Street in Chinatown. I am here to support the streetscape plan, which the steering committee has recommended. I think that it's a very good idea to have something some improvement in Chinatown. So, right now, which we have a classical Chinese garden in Chinatown with the additional improvement. I think this will draw a lot of, of tourists coming into Chinatown and then also in the city of Portland. And then also attract a lot of business people that do some investment in Chinatown. But one lacking is the parking lot in Chinatown is very limited. So, I hope we are able to get more partner space into Chinatown, and right now, you see two parking lots and one parking garage, but, but both of the parking lots already, already, for a long-term parking, so I was hoping able to see some short-term parking that is able to have would you please or two hours, just like the one on, on Front Avenue and Davis Street, the smart park garage. I hope that they can, they are able to develop one of those parking garage in the China, in the heart of Chinatown on 4th Avenue. That would, that would provide a lot of parking space for the community and for Chinatown. Thank you.

Gene Chin, CCBA: Good morning, Mayor, Commissioners. My name is Gene Chin. I've been with the C.C.B.A. for the last 40 years, since 1960, so I've been in the area for over 40 years. I also am a member of the steering committee, the steering committee had been working so hard to make such a plan, and so beautiful and I think the city could not be bereaved for such a good plan, and eventually when you get the Chinatown streetscape done, you know that they are going to bring a lot of Chinese new immigrants and business down there. So I fully support to this project.

Katz: Thank you.

Mike Chang, President CCBA: Good morning, Mayor and Commissioners. My name is Mike Chen, 202 C.C.B.A. President. Thank you for the opportunity here, and I do like to represent the Chinese community and present for, support for the Mayor and the city to develop the Chinatown area, and thank you very much.

Katz: Thank you.

Francesconi: It's an honor, an honor to have three of our Chinese leaders in the community to be in touch with us. It's terrific to have you here today.

Katz: Thank you, gentlemen.

Katz: Actually, I think that's the first time that that has actually happened. Richard?

Richard Harris, Executive Director, Central City Concern: Good morning. My name is Richard Harris, and I'm the executive director of Central City Concern, and the co-chair of the vision's committee. Mrs. Mayor, council people, I would really like to talk just a minute about the, the vision committee and the support that you have shown to the neighborhood in the past four or five years and encouraging the development of that neighborhood. I worked this neighborhood for, for now 23 years, and I have seen a lot of changes take place. I know, though, that there's a lot of, of things we need to do to make it still a better environment for us to work and for people to live and particularly, 3rd and 4th Avenue was part of the vision plan and the development plan and specifically, there was an effort within that planning process to, to bring to life historic part of the neighborhood in such a way that it encouraged business development, housing, and the streetscape is, is certainly going to do that. It also lends itself to adding onto the development at that has occurred with the city investment in the classical Chinese garden. One of the things that I have seen

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clearly is a change in our neighborhood in the last few years since the garden has been there, is that you see many faces in the neighborhood that we have not seen before in the daytime. There are people from all over the city. You see many asian families, so the further development of the, of the streets on 3rd and 4th avenue will, in fact, make that a much more attractive place for people to be and I am sure that it will have a positive influence on, on what happens in the neighborhood. Our neighborhood has, as you know, isn't without its difficulties and its problems, and the vision development plans for the neighborhood are, are actually taking hold and will make a difference down there. There are other things in the, in the pipeline that are important to the neighborhood, including the development of the trailways blocks, the issue of parking has been raised. Community center. There's a whole list of things that we brought forward in the development plan that continue to need action on. And I just wanted to let the council know that we are revisiting the vision's plan. In fact, thursday evening we're having a community meeting to talk about the, the progress made in the development plan and what things need to be continued and added in and supported. So, we hope to be back to the commission with an updated version of the vision's plan.

Katz: Thank you.

Phil Kalberer: Mayor Katz, commissioners, I am phil kalberer 1500 southwest 5th, Portland, Oregon. My role this morning was to give a historic perspective to this plan. The mayor has already done more than an adequate job in that. Suffice it to say that in 1995, we were a pretty divided community in old town chinatown. We came together, put together the vision plan you adopted in 1997 and the development plan you adopted in december of 1999. This 3rd and 4th streetscape plan is an integral part of that, but it is a streetscape plan and there's a lot of challenges beyond that, that we, as a neighborhood, will come together and meet those challenges. That makes more private investment. That makes more job creation. Putting together a retail strategy to attract stronger retail and means enhancing the attributes of the community, which lays the groundwork. Beyond that, I would just like to thank the Portland development commission for its investment in the area, for pdot and also very much to the city, and particularly, the leadership that the mayor has shown. If you see the development that's happened in old town, chinatown in the last four years from the chinese gardens to old town lofts to the port building to many housing projects to redevelopment of old buildings, it's a much different place than it was in 1995. We are proud of it. We have a long ways to go but we thank you for your efforts in achieving what we have achieved.

Katz: Thank you.

Gloria Lee, Executive Director, Portland Classical Chinese Garden: Good morning. I'm gloria lee, the executive director for the Portland classical chinese garden. The official address of 239 northwest everett. Speaking on behalf of the board and the staff of the Portland classical chinese garden, the garden supports a 3rd and 4th avenue streetscape plan and I do sit on the steering committee. Because we see this as the beginning of encouraging and providing for a vibrant neighborhood. The garden receives many international visitors, as well as local visitors, and certainly I would like to take the motif of the garden outside into the community. The festival streets that you saw in the plan would be an example of how the garden could incorporate with the neighborhood as we did in producing the chinese new year's lantern festival when we had 300 school-aged children marching through chinatown, old town. We packed the restaurants that night and the garden was full. And again, this past september when we had the honor of, of mayor leading the mid autumn festival parade, which was the first time a parade of the mid autumn celebration was featured in Portland. We had over 500 people in the parade, and we drew a large crowd and there were many tears and many, in many of the elders' eyes in the chinatown community because this was something that they had dreamt about but were ever able to, were never able to realize. So celebrations like that are very important and I think that our festival streets will provide that opportunity. Additionally, this streetscape plan will extend the cultural richness of

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the garden, and I know all of you have been there so the cultural richness of the garden, of man and nature outside into the larger community. As in the opportunities that ben talked about of incorporating asian trees in the streetscape plan. And lastly, the garden seeks favorable access and multiple reasons for visitors, for residents, for everyone to take advantage of a variety of cultural interests that can stem from museums that exist currently in that neighborhood to restaurants to specialty shops, to the service organizations that currently exist in the neighborhood. We believe that this implementation will yield that community. Thank you.

Katz: Thank you.

Katz: Mr. Kantor.

*******:** Good morning. I'd like to start my remarks with --

Katz: Identify yourself.

Gregg Kantor, Northwest Natural: Gregg Kantor and I am representing northwest natural. We are located at 220 northwest 2nd. And i'd like to start by congratulating commissioner Francesconi and commissioner Saltzman for the success of the ballot measures they led, and I believe that their passage last night is a reflection that Portlanders believe in investing in the future and investing in the quality of life of this community, even in tough economic times. And I think that that's what this project is really all about. Northwest natural has been in the neighborhood in the old town, chinatown neighborhood for, in some form or another, for 140 years. We believe in its future. We believe in the potential it has to be a vital mixed use neighborhood that is really offers a really unique character. One steeped in the historic and cultural traditions of the city. And we know it has the potential to be, to offer business, housing, cultural diversity and, you know, opportunities for shopping, restaurants, and entertainment. We can see that already today. And it's this vision that led us to donate a block for the chinese garden and to work to attract the port of Portland down to another piece of our properties. And the city has done its share, and it shows. The momentum that's been created in the neighborhood is really phenomenal. I have work there had now for almost ten years, and you forget because it happens very incrementally but you forget what the streetscape looked like in the way of people on the street. And I can tell you in the last five or six years, it has changed, absolutely dramatically. It has a whole different feeling but it happened so slowly you forget that the investments you made, the precinct you put in old town, all those things have made a big difference. But, there are still vacant buildings still underutilized buildings and we need to build on that momentum. And that's exactly what the, the 3rd and 4th streetscape improvements do. There are, there are really a signal, I think, that we are not going to let this neighborhood fail, that we believe in the potential and we believe that there is private sector investment that will follow our commitment to the neighborhood. The streetscape improvements in our view link old town chinatown to the river district to the north and to the downtown core, to the south, that they offer a gateway to, to downtown for visitors who are, who are at the convention center coming over the bridge, coming into old town. We also believe that they, that they amplify the identity and the character of this really unique district for the city, and for all of these reasons, northwest natural would encourage you to support the plan and support the investments. Thanks.

Katz: Thank you.

Francesconi: Thank for you your comments, greg. I don't know if you picked that tie accidentally but it's appropriate for this --

Kantor: No, I didn't pick it accidentally. [laughter]

Bill Bach, Port of Portland: Good morning. I'm bill, representing the port of Portland.

Katz: Remember, he was a communications person.

Francesconi: For those who can't see, it has the flags of the world on it.

Bach: Good morning, I am bill representing the port of Portland. 128 northwest everett. I don't know if you all recall, it's been almost five years since the port started the process of relocating

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from the lloyd district to old town chinatown, and we've been in the building for about three years now. At the time we made the commitment, the area was really in transition. It was a controversial move for us, I think, having been in the lloyd district for as many years as we have, and even at the time that we moved, we had to move, drag a few people kicking and screaming into an area that they were not used to. But, it's proven to be everything that we had hoped it would be and those people now, you know, the same people, I think, would say that it's a great neighborhood not to take anything away from, from the lloyd district. The access to light rail, the ability for us to move people back and forth to the airport on pdx max, which due to your leadership helped, helped bring to bear as really made that a very good business location for us. We have people that live in the pearl. I don't think that we have anybody that lives in old town chinatown. I see this plan as being something that helps make old town chinatown into something more than an area just to walk through on your way to the pearl. And it will help, help make, continue the, the kind of investment that has been occurring over the last few years and build on that momentum that the gas company really has stepped up and I think made happen with the chinese garden and our move, too. I think that they really made it possible for us to be down there. So, again, thank you very much for the opportunity to speak.

Katz: Thank you.

Judy Bauman, Executive Director, Link Community Development Corporation: Good morning. My name is judy baughman. I am the executive director of link community development corporation, and our office is at 411 northwest flanders. A building that we created by kind of pointing in the direction of northwest natural gas and the port of Portland building and saying, this neighborhood, like the garden, is a, is awakening. We now have 47 individual investors, kind of small investors that we can all identify with who have staked their future, their home investment in the old town neighborhood. It's very exciting. It's a wonderful neighborhood. It is a gifted transportation neighborhood. And I continually remind them that it is because of the investment of the city of Portland. It's because of the vision of the Portland development commission that their investment is protected, that they made a wise choice, and i'm just here to, to support the program that's in front of the commission. I guess the only question that I would have is, is this a controversial concept? I shouldn't ask a question if I don't know the answer to it. But, especially after watching last night's election returns. I have to believe that this is the kind of vision that the city is, is just fabulously prepared to invest in.

Francesconi: We are awakening to this vision.

Kevin Montgomery-Smith, Portland Business Alliance: I think that I am alone. My name is kevin montgomery smith, representing the Portland business alliance, 520 southwest yamhill. We want to add our voice in support of this concept, this plan and the implementation of this plan. Old town chinatown was one of the neighborhoods that I was led to when I was being recruited to come to Portland, and was just overwhelmed by how wonderful Portland was in general, and I said well, where's the problems? Where are the disadvantaged neighborhoods that need assistance, and somebody said, well, hold on, we will take you there. And coming from the midwest town that had a loft issues I looked around old town chinatown and I said that this is what we aspire to back east. It is truly a general. It's a natural treasure, and it's some place that, that with investments like this from the city and with the marketing effort to, to completely utilize the underutilized buildings in the historic stock that is there conclude a natural or a worldwide treasure as we move forward, so, so to be brief and add in the lovefest, this is a wonderful concept. It is something that was birthed out of a community process that I had never seen before. The type of outreach that, that the co-leaders on the steering committee made and the partners on the city side and on the private side was truly amazing, and we just want to lend our voice in support of this plan.

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Mr. Leung, Executive Director, New Asian Service Center: Good morning mayor and commissioners. My name is leung, the executive director of the new asian service center. Today I served more as a cheerleader to bring you my people who also cheer about the, the chinatown new projects. Let me introduce mr. Tran. And also mr. Ger, he's from china, and I am from hong kong so, bring some diversity together. I think that the reason for us to have the owner to share with the commissioners and the people who have been contributing their efforts to make this project at this stage, is that mr., mr. Tran wrote a nice poem to dedicate when they, when the project tried to gather information from, from the folks in the community so he wrote a nice poem. I think it's the right time to read it again in this location. Hopefully, the city will support the project and turn this poem into a reality and also mr. Tran is so talented, he gave me a challenge. He wrote new poem to the city, so if you allow me to read it, I will, I will try my best to translate it into english. In order to, in order to honor the two gentlemen, I would like to have this in chinese. By the time when mr. Tran wrote that poem, he has, he had surgery so he's not able to do the calligraphy and mr. Quann did it for him so I bring the two men together.

Katz: Bring the mike closer so that people can hear. [speaking in chinese]

Hung: In english, it means within chinatown there is a plan to reform, and it is earnestly seeking for new resources and investment from all sectors. With the projects and the planning all being prepared -- [inaudible] so it's dedicated to this project.

Hung: If you allow mr. Tran to read his new poem, and he would appreciate the city to allow him to share his contribution and his portrait of chinese technology. [speaking in chinese]

Hung: So, in chinese, mr. Tran wrote a poem to the city of Portland. I tried to translate it, and hopefully it makes sense in english. The city hall has the most talented and most dedicated. There are intelligent and capable people. Your achievements are well recognized and appreciated. That's why the city of Portland, the name of the city of Portland has, has well recognized -- I tried to put rhyme in it. He's so talented, I am not that talented.

Katz: Thank you very much. Yes, you can clap. Thank you.

*****: Thank you.

Katz: Thank you for all your effort, energy, and love for this community.

Katz: Thank you. Anybody's want to testify? All right. Questions? Roll call.

Francesconi: I think there's some lessons for all of us and our whole city from this kind of wonderful project that you brought before us and the process that you brought before us. Maybe the first is, just as we need to recruit new businesses, you know, we need to take care of existing businesses, well, that same principle just as we build new neighborhoods that we really need in the pearl and river district and macadam, we have to take care of our existing neighborhoods. And this is an effort that really shows that and the people that have been here a long time can contribute it to our tax base and our city, that's one thing. A second is we have to also concentrate on the little things with our public investments because it can also bring private investment as was said, and so just as in this area, we need to keep bad things out, like the drug-free zone. We need to encourage the good things, and little investments like street trees, the pedestrian improvement, all those kinds of things can work together to, to, to give a heart to the neighborhood that needs a heart and a gathering place for folks, and it can do it without excluding the automobile, which is needed for small business, which leads to the third point, that our neighborhoods have to be built for people. It's the pedestrian scale that's going to give us a competitive advantage from seattle, other cities, and we need to remember that as we support, allow the automobile to support our small businesses. That's a third principle here. The fourth, which is so wonderful that we are not prepared for as a city, is that we have to be more diverse. We have to take advantage of all the talents represented on greg's tie. And the chinese community has been here. They are talented. They contribute to our economy. They contribute to our tax base, and how we involve them and work together as was

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done in this project extends to other groups that are coming because we need that talent to come into our city to prepare us for the 21st century. And maybe the next lesson and the final one, it's the partnerships together where we develop that awakening together, the city as a role with money and resources and talent. The talent of pdc and the talent of pdot is a wonderful combination, and I have heard here today that this was one of the best processes ever. I have to tell you folks I have now heard that on pdc and pdot and park projects about ten times in the last six months, which tells me that the staff is getting it, about how to work with the neighborhoods. And I am really proud of the staff that worked on this project. But it won't work unless we work with the people most affected by the issue, which is the citizens who live there. The businesses that live there. And you did this in a really powerful way. The mayor and I -- I was rude when I was leaning over talking to the mayor but it might be one of the first times the chinese community has been actively here participating and they did that for a custom reasons. One is they felt welcomed. Two, they were outreached and three, they can see that they will get a benefit out of this. And it takes all of that as we kind of work together. The only thing missing is the italian district next to the chinese district, but we are working on the perlieno, which will come later on. But this is a terrific project. There are future things we need to address. Of all the issues you raised here, and phil and the rest of you are working on, we need more middle income housing in the whole central city to support the businesses. We need housing. That's the first to support the businesses here, and then we need community center. We need a piazza. We need parking but we need housing first, but this is a good, a good step. It will connect with other projects and I am proud of all of us. Aye.

Saltzman: Particularly intrigued. I didn't get a chance to ask the question, somebody can probably fill me in afterwards, but this is called the refined jewel box approach, and I really like that, and I know that there's probably a lot of imagery and symbolism related to that title, but I think that this area of chinatown has become somewhat of a tarnished jewel box over the years, some people will say, well, that adds to its character. Certainly not the drug dealing going on, but other things add to the character. And I think that this is going to really provide a much better environment. It's going to provide more cultural identity and neighborhood identity, too. This will be the next great district in Portland. The next great neighborhood, I believe, and by getting all of the elements of this community, the past and the present inhabitants of the community and many of the past inhabitants of the community that have a cultural affiliation and identification with that part of Portland. It really does speak to many ethnic groups over time, including my own heritage. So, I think you have come up with a great plan and we really appreciate all the time and attention and thoughtful deliberations and apparently, much, much consensus that has come about to make this a truly great neighborhood and put a new luster on this, this jewel box, too. Aye.

Sten: This is a terrific piece of work. My hat is really off to all of you. It's not been easy all the way along but I think that this is really a wonderful example of what can happen, and I think what also excites me so much about this is that although it's a plan, it's a plan that's, that's building on things that are already happening. There is condos built, new businesses there. There's all kinds of things going on, a lot of times we build plans that we all feel really good about but it's hard to see them pulled off and this one is chinese garden, it's really on the right track. I also think that probably the, the most difficult thing right now in this era and development nation-wide is how you revitalize a section of town that needs it without moving out the poor people and the ethnic diversity and all the things that have been there, and it's really something that is succeeding very rarely in this country and it makes it so that you have a play, on which two things that shouldn't be after each other, which is a safe community and a place for people of all spectrums, and this is one of the few neighborhoods that I can really see that, you know, it was controversial at times but pdc preserved affordable housing before the prices went up. That's there now. Now you have middle income housing beginning to come in and condominiums and investments and businesses, and the attention

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being paid to making sure that the chinese community has been there from the beginning and weathered the hard times isn't pushed out when the good times come is remarkable. So, I think this is an achievement, a little bit beyond if we can keep it going, just what's even on the face of it because it's really about, can you build an urban area that's safe and prosperous for everyone, and I think that it's really awfully exciting at that point, and it's through the work of brian mckarl and phil and the chinese leadership and the benevolent society, all the folks that have been there, it really is terrific. I do need to spend a little time with some people on whether or not you can accommodate a verge elephant somewhere, somewhere in this neighborhood. We have a very large elephant coming as a gift from, from a chinese arts patron, who is a very unique and remarkable person. We are going to put it in the north park blocks because we need to put it somewhere soon and I think that that's a good place for it but I think that there would be a better place somewhere along, along the streetscape that would be more significant and tied in, and so the good news is we have somewhere to put it but, but I think that there's a better place for it in my opinion, and i'd like to see if there is, if you agree, then let's do it. So, very small thing, but maybe a very large -- well, a very large elephant could be of help in this project. [laughter]

Sten: Aye.

Katz: By the time it gets to me, almost everything has been said. So, my appreciation and thanks to everybody that worked on this project. My appreciation and thanks to everybody that has made an investment in old town, chinatown. We are going to live up to the community dream. There is absolutely no question that it will happen. And let me, let me read the vision because you have got to keep the vision in front of you all the time. Sometimes it gets hard. Sometimes you feel like you have taken a couple of steps backwards instead of ten steps forward but if you don't keep the vision ahead of you, you will never progress. The vision of the old town chinatown streetscape is to create an urban environment that strengthens the identity of this historic district, fosters cultural and economic diversity, and promotes a vibrant pedestrian environment for commercial retail, and residential uses. Let's never forget that. As we progress, i'm going to ask the community at some point, especially the business association and the neighborhood associations to think about two items that could create a little bit of tension as we go on. One is the issue of the drug dealing in old town, chinatown. I have to talk about it. I am responsible to make sure that it doesn't happen, and we work very hard at it. But, I think that we are going to need to have some new tools that you develop yourselves, and i'd be very interested in having a conversation with you on how we can do that as a community. The other one is one that I live with every day, and that's the tension of a neighborhood with night life. And that's something that also I want to ask the community to think about. These are the -- these are the results of all of your hard work. They are positive but they also create tension in a community. And I think that we can begin to respond to that and solve those now today, but only with your help. So, in addition to everything that you have accomplished today and that we will accomplish together, I always like to raise the bar a little higher and push a little harder so sit down and think among yourselves because you can write those beautiful poems, and I have to tell you sound better in chinese than they do in english. If you can, if you have that kind of talent, and I know you have that kind of talent, you can maybe come up with solutions that we have not thought of. So that's the challenge. Call me when you need me to sit down with you to, to talk about it. So, thank you, everybody. Aye. All right. 1327.

Item 1327.

Katz: Everybody settled? We turn this over now to commissioner Francesconi.

Francesconi: This is regarding our mediation services.

Katz: Did you read the item?

Moore: I did.

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Francesconi: When the mayor assigned the bureau to me, you know, I looked to see what I could do to help, not knowing how long I'd be the commissioner and so we -- the issue of crime prevention was something that I thought needed to be dealt with, and then there is this issue of, of community mediation. And so I think that, you know, I had the option of not dealing with it, but I decided I wanted to deal with it. The reason I wanted to deal with it is because we'd been trying to deal with it going back to commissioner Kafoury, and I remember my conversations with her when I got on the council. And commissioner Saltzman really put a lot of time and effort into this, and I came to the conclusion that this issue was paralyzing, phony and preventing it from going forward, so it's an issue that I have chosen to deal with. I guess I want to say just a couple things at the outset. The first is that the city has a long history in supporting community mediation, and we need to continue that. The discussion is how we do it. And clearly, I will try to speak up, and clearly, former commissioner Straum and her husband who are here deserve a lot of credit for getting us into the mediation arena and it's something that we do need to continue to do. I have come to the conclusion after a long time, first I was completely neutral to this coming into this. But looking back at the history, we have tried to restructure this and there's reports going back to 1998 at which we had 15 months of debate and discussion with an advisory committee staff, mediation professionals. That report clearly showed a need to improve services and to look at the issue of contracting. We have done that. We have established a group. We have a report, there was questions about the numbers. We have given the numbers to the auditor, who will testify here today, and I still think that, that the goal is to provide the best mediation to the customer, and I think that we can do that, and we can do it at a cost that saves \$300,000. And we can do it by allowing the city to do what it does best, allowing others to do what they do best, save some money and still be, after all that, higher than 40 other comparable cities in terms of the support they paid for mediation. So, at a time of diminishing resources on city basic services, this is something that, despite the controversy, I think we need to do. So, with that, let me introduce David Lane. David?

David Lane, Director, Office of Neighborhood Involvement: Good morning. I am David Lane from the office of neighborhood involvement, and we are here to issue our final report on, on the budget note in our fiscal year 2003 budget. The note passed unanimously on June 20th directed the bureau to issue a request for proposal for delivery of mediation services. As commissioner Francesconi mentioned, this is the second time in the last five years the council has asked the bureau to look at the possibility of contracting services. The citizens' review panel that looked at the possibility of an RFP in 1997 and included many of the mediation advocates you will hear from today, advocated in their 1998 recommendations for continued exploration into other options for delivery of mediation services. This is the fourth time in the last five years the bureau has engaged in extensive review of the mediation services budget and proposed way to deliver the services in a more cost effective manner. For the past three years, council has approved budget reductions in the mediation services most recently eliminating 1.0 FTE position. In the past for this budget note we engage in an extensive process to review the budget and program cost. Today we are presenting it for approval, the contract with Resolutions Northwest to provide mediation services for the city. We are pleased that Resolutions Northwest has been selected by the review panel, Resolutions Northwest is a very representable firm with over 18 years of experience in Portland and over ten years of service working with Multnomah County. They have extensive experience, including offering a bilingual services, working on juvenile justice issues, and working in the schools. During this current process, we included many of the same mediation advocates who have been working with the center for the past five years. We included current and former staff, we included current and former members of the mediation center, citizens advisory committee, and we asked the city auditor to verify some of the data. The work to bring this contract to you was supported by past volunteers, past staff, professional mediators, the outcome is supported by past five mediation

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center employees. We worked hard with this process to maintain and increase these important mediation services. We have done that. The proposed contract keeps the services and the same facility in northeast Portland, maintains the same procedures, utilizes the same volunteer-based program, utilize some of the same volunteers if they want to, and utilizes our current data base reporting requirements. This proposal increases the staffing level, broadens the scope of mediation services available to residents, adds a bilingual capacity that is critically needed, increases the probability of partnering with Multnomah county and conflict resolution services and saves the city approximately 120,000 next year. Now, i'd like to turn our presentation over to thomas who will present more information about the proposal.

Thomas Lannom, Office of Neighborhood Involvement: I am thomas lannom, the fiscal office manager of the neighborhood involvement. It's relevant I worked at the neighborhood mediation center from 1997 to 2000. The ordinance before you today proposes to contract community mediation services to resolutions northwest, a nonprofit dispute resolution center serving Multnomah county. The ordinance before you today is also about government's responsibility to provide high quality cost effective speed resolution services to citizens. As commissioner Francesconi mentioned, this is not the first time a proposal to contract mediation services has been discussed. In 1997, a similar proposal was discussed and ultimately turned down in favor of strengthening the city-run model. In 1997, discussion was driven by budget reductions related to measure 47. The current proposal is also driven by bureau-wide budget reductions totaling over 273,000 in the past two years. The reason this particular program has been repeatedly identified as a candidate for contracting is that nonprofit models are the national regional and state standard delivery models for mediation services. And typically, operate with a fraction of the budget the city has allocated for mediation. Nation-wide, close to 87% of mediation centers are nonprofits. The primary reason they are recommending contracting the service. It a cost savings of \$31,000 through june 30 of 2005. Overall, savings to the city are slightly less and stand at 277,000 due to the transfer of some staff to vacant positions within the office of neighborhood involvement. Other reasons to contract these services include continuous of services at and in some cases, above current service levels. Diversification of the future funding base which has been an ongoing problem. And increasing the likelihood of a county-wide consolidation of mediation services. Pursuant to a budget note issued by city council in june of 2002, the request for proposals of process to identify potential service providers. A request for proposals, the design committee was convened to design the scope of services portion of the rfp for a community mediation services. The committee was composed of community members, private practitioners, former and current managers, current staff, former contractors, current volunteers, and members of the neighborhood mediation center advisory committee. The committee met publicly three times in july and august of 2002. The basic rfp scope of services, language was lifted from a 1998 request for qualifications designed with extensive public involvement and facilitated process. Virtually all changes agreed upon by the committee were incorporated into the final document. On three additional occasions the committee through different areas of the document e-mailed the document to all persons known to be interested in the, in the rfp process. No public comment was received during the committee meetings or in response to drafts with the rfp but some comments were provided during two rfp prebid conferences attended by perspective contractors. Neighborhood mediation center advisory committee members and members of the public. As a result of the input received during the bid conferences, a number of significant changes were made to the rfp document. Bilingual requirements were added. The service will remain at the king facility in northeast Portland as a result of the input we received. Resolution rates were more clearly defined, and transition issues were more clearly delineated in the final contract. The rfp award committee was comprised of nine people. Four city employees from four different bureaus, and five citizens of Portland. Eight of the

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nine selected resolutions northwest as the award winner. I'd like to turn your attention to the report that I submitted. Page 7 for an overview of some of the advantages of moving to this contracted model. On page 7, basically is a recommendation decision matrix which spells out many of the, 27, in fact, categories that we considered when we took a look at the various service delivery models. And if you note the very first and I think the most important aspect that we looked at was the budgetary aspect of the current city model is 362,152. The proposed contract model, the first full year would be 249,000, and that, of course, is, represents a savings to the city of over 100,000, I believe bfp is here and can testify to that fact. Another of the aspects that are very important is capacity building. If you look at some of those section, you will see aspects of family mediation and victim offender mediation offered by the contractor. One of the things we are doing to a contractive model is putting the services in house under one roof, one telephone number, and so that, that the client is not required to make calls and figure out which mediation service they are supposed to access based on where they happen to sit in the city or the county or what their particular mediation concern is, be it family, victim offender. Be it neighbor-to-neighbor. Another aspect of the contract is that the contractor has proposed even after realizing the savings we have been discussing, adding .75 fte so, right now the city has four fte and we are moving to 4.75 fte. The extra three quarters after person is a development director that is critically needed in an organization of this type. The development director essentially would focus on expanding services and the funding base for the organization to insure its success into the future. One of the measures of efficiency is down in the service quality and quantity area of the average number of days from case acceptance to resolution is about 39 days. So from the day that the client calls until the final disposition of the case is reached, 39 days have elapsed. The contract allows for 30 days. That is a national average, and it's one that we think is very reasonable for these services. A responsiveness measure that we have focused on is the number of days it takes a mediator to call a client back. If a client calls the mediation center on monday, typically, the, well, the average is 4.4 days for a return call. So, that person is likely going to get a return call thursday afternoon or friday morning. The contractor has said that they can provide that same service and have been, in fact, providing that same level of, of, level of service of one to two days for the last 18 years. Turn to page 8 of the report. There's another service quality or quantity aspect that I would like to you look at. It's the perception of credibility of services. I think that some of the issues that have been raised with your office over the past weeks and months have been that the city model is one that's favored by clients because it, it may add something to the speed resolution process in terms of credibility or responsiveness. That sounded like a very good assertion. We took a hard look at that, reviewed mediation literature for the past ten years, found nothing that supported that assertion. Looked at Oregon dispute resolution data for the past four years and found that there was no additional utilization of city offices versus nonprofit offices. The resolution rates aren't significantly better. Parties declining participation rates aren't significantly better, and in essence, there is no difference between a nonprofit model and city model in tellers of the clients' perception of the services. Contractor qualifications. I have mentioned a few of them, and I think that david mentioned a few, as well but I want to point out that resolutions northwest has been operating and the alternative dispute resolution realm for over 17 years. We have had a long standing and very successful contract for mediation services with Multnomah county. And they have a long and proven track record with the annual case load approaching that of the neighborhood mediation center. Page 9 of the report, just one transitional detail, the contractor has, in fact, contacted a number of senior volunteers of the neighborhood mediation center who have indicated their willingness to help in the transition so, there's no lack of support in terms of, of the volunteer base helping the contractor migrate into the new service structure. Impact on current employees. There are currently four staff as I mentioned, three of which are temporary. One of which is permanent. The three temporary

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employees have been informed that there is a likelihood that if council votes aye today, that, that the contract will, in fact, go to resolution's northwest and their positions would end february 1st. The final senior staff member there who is a permanent employee has two options before him. One is to accept a position within the bureau of vacancy that we have at comparable salary. The other is to accept a severance package. Of course the third option would be determined by the bureau of human resources, would likely be redeployment. We have a city international survey in coming to the conclusions that I have been presenting to you today and some of the aspects of, of, of that survey are, are spelled out in the appendix. If you would turn with me to page 1. I want to briefly show you where the neighborhood mediation center falls with respect to other mediation programs of like kinds across the nation. Again, page 1, table 2 illustrates that the city of Portland is by far and away the most generous provider of mediation funding for any city in the 40-city study. 33 cities responded to the study. Several of the cities didn't have a program or didn't have a program comparable to ours. But at 372,000 versus the next runner up, 225,000 per year, you can see that the city of Portland has been, again, very generous in its support. The contract that we have before you today would maintain that level. We would be contracting for approximately 250,000 in the first year, so we are not relinquishing our national leadership in the realm of conflict resolution. By contracting with resolutions northwest. Page 15, table 3, basically spells out the cost per case. I think this is an issue that you have heard a great deal about in the past weeks and months. The auditor's report came out yesterday. They have given the bureau a clean bill of health in terms of the, of the way that we, we conducted this study and the comparison methodology used. Simply saying that the average cost per case for other mediation providers in the study was 274. Our is 653. And an improvement could be made there with this contract. With the contract, we would drop to about \$800, which is the Oregon average. If you look at page 16 of the report, basically, page 17 of the report actually, there is two graphs. The first graph illustrates budget and case load from 1996 through 2002, and basically, what it demonstrates is that up until 1997, the neighborhood mediation center was doing very well in terms of cost per case, but that in 1997, 1998, the case load dropped. The budget went up and that resulted in the increased, increased spending per case. Page 33 of the report, table 12 goes into a progress update. Between the 1998 report and the 2002, where we stand today, and there are a number of areas that we have identified that, that the contractor would be more, would be better positioned to rectify than the current city model. One of them is the utilization of the volunteer mediators. Right now there is excellent utilization of new volunteer mediators in the mediation center in terms of telephone conciliation, but the utilization of senior volunteers is, is far and away very different than the national model and in fact, the state model. Only 18.2% of joint sessions, that is where people agree to sit and talk about a problem together with the mediator are, include a senior mediator so, basically, we are not utilizing the, the mediators that we have trained over the years. Moving to page 46 of the report, just want to point out that one of the responsiveness measures that I discussed before, the average number of days from intake to first contact with a party, that is to say they call on monday, getting a call back on thursday afternoon, friday, that measure has not necessarily improved over the last four years, and in fact, it's steadily, steadily gotten worse from 3.3 days in '99 through up to 4.4 in 2001. And that's even the face of a falling case load. Page 47 of the report goes into some of the volunteer utilization data that I was talking about before, and basically, spells out that again, we are using new volunteers very effectively but we are not necessarily tapping into our senior volunteer staff, which is, which is a shame. Just a side note, I want to make a very, make it clear that these services are very important, obviously, to the city of Portland residents. I worked there. I was at the front lines. I was the office manager and then a mediator at the mediation center. No one understands these services better than I do, specifically the neighborhood mediation center model that the city of Portland funds, and so I am a very strong supporter of the mediation center. It's just a question of

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whether or not we can provide these services in a more cost effective manner. I think that that's the decision that is before you today. Thank you.

Katz: Questions?

Saltzman: Just a couple of questions. I was curious, how many other proposers were there for this? There were two. Southeast uplift and resolutions northwest. We had 32 downloads from the website. Only two actually opted to respond. I talked to an odc commissioner about that point. It seemed like that was an awful small number of responses but I have learned that one response is the typical response across the state, so we don't have a lot of responder -- you -- you don't have a lot of people providing those services, you can't get a lot of responses.

Saltzman: I think you said that the mediation specialist affected by this transition, did you say that there is a vacancy?

Lannom: There is a vacancy, the only permanent staff left could move into, and we have, we have made that offer.

Saltzman: Okay. Thanks.

Sten: It's a tough issue, and yeah, I think that most of your rfp process is revolving around price and speed. Do you have a qualitative analysis that one of these options -- well, the way we are doing it now or the contractor is better or is it really a matter of money?

Lannom: Well, there are some qualitative measures. What we looked at, commissioner, is the odc standards are statewide resolution rates. They stand at about 75% as of last year. That rate is comparable both to resolutions northwest and to the neighborhood mediation center, so there is no -- there is no increase in quality in the sense that we are going to get a better resolution rate or happier clients, necessarily, from moving to this model. What we will get is a lower cost per case, which goes to the dollar amount you talked about. But, we will get a more responsive program right now, it's taking an awful long time for us to call clients back when, in fact, it shouldn't take that long. But in terms of the outcome, in terms of whether or not you are going to end up with more settlements that hold up and are durable over time, the jury is out on that.

Sten: Did we, did we give the advisory committee any chance to, to repropose to the city ways to save money or revamp their program so that they, you know, I am expecting to hear a lot of testimony that there's a lot of people who like having this program part of the city, and, you know, to me, it's not a sense that either side is morally wrong to make that argument. But, do we give the chance to the citizens that have been working with us on the advisory basis to say, you know, can you get your cost down, can you get your time up as an alternative to, to taking the program away?

Lannom: We have worked with the advisory committee. The advisory committee was -- we went to them as soon as the budget note passed days in fact, after it passed to let them know that this was on the table. In 1997, they were also involved in discussions about cost effectiveness in the neighborhood mediation center so I want to remind you, this is not a new issue. It's been around for some time. With respect to their opportunities for inclusion, this particular occasion again, we have the three public meetings. Several advisory committee members did sit, in fact, on the rfp advisory committee, scope of services group that we convened to look at, how we go about constructing the rfp, so, and what services were important to them. In terms of opportunities to reduce the cost, there haven't been any opportunities to reduce the cost. In terms of the city's cost structure, you probably know that 8 a -- that 85% of the budget for most bureaus, the general funded bureaus such as ourselves, is basically handed to us. I mean, we have certain personnel costs that we can't reduce. We have internal service costs that typically can't be reduced. And so that leaves us with a tiny sliver of materials and services that we might have some influence over in terms of reducing the cost structure, and the order of magnitude of the difference between what we are paying and what we could be paying is such that even if we could stop buying papers and erasers and paper clips, that's, that's not going to get us there in the end.

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Sten: I guess I understand that that's your analysis and I am not, you know, I am not trying to sit up here and argue with the analysis. The question was, did we formally ask the advisory committee to see if they could propose a way to do something different. I mean, it sounds like we let them know an rfp was coming but, you know, whether you should have or not, I don't know, but it wasn't any formal question of, can you respond in a way that solves the problem. I guess what I am getting at is, is, you know, and I don't want to hear testimony, I am not trying to jump ahead here, but if there is an argument coming, which is going to come from some very passionate and thoughtful people, that it should stay where it is, you know, did they get a chance to try and convince you that, that should happen through a more formal process?

Lane: Last year, commissioner, from starting almost probably in november but december, certainly, through april, we had a bureau advisory committee that looked at the budget, and we had representatives from every center and all the coalitions were on that process. And during that process, the representative from the mediation center was the mediation center, their past advisory chair. And so we asked all the center managers and all the centers if they had advisory committees to work with them to come up with a variety of proposals and I think if you remember oni presented about 12 different alternatives for ways to keep mediation -- they he weren't all 12, but 12 proposals, including mediation to deliver some, some oni services in different ways. One of those proposals which came from the bureau advisory committee and input from the, the mediation advisory committee was to, to deliver services through the coalitions, but still keep it a city program but have the coalitions contract for some of the services so that was one proposal that came forward from the bureau advisory committee. Over the past three or four years we had the budget reductions. We have gone back through the center of managers to the advisory committee to ask them for ways to, for suggestions for cutting their budgets across the board or for other service delivery models.

Lannom: I think the answer to your question in short is yes, we have. I didn't specifically ask the question, is there a way you can identify that we can provide these services more cost affectively but in general, the question was and has been on the table for a long period of time and I think that that's really the point.

Francesconi: And I looked at it, too, and the idea of splitting up mediation and giving it to the coalitions made no sense to me. It still makes no sense to me because that would really lose the heart of what the mediation program is all about.

Katz: Further questions? Thank you. All right. I just -- this is for the council members. We have about 30 people signed up. I'm going to try to go no later than 1:30. So, anything else, and commissioner Sten, your meeting and my meeting will probably have to be canceled but that will give people maybe a little bit of time to work out any other issues on any other items that may be before us. So, if we can get -- we will get through this, this one. We may -- and I want to get through the, the information technology one, and then we will pull everything back to the afternoon. It will be a very long afternoon. All right. All right. Go ahead.

Gary Blackmer, City Auditor: There were a lot of issues around the cost calculations in the oni report. Because it got so much attention I thought it was appropriate for us to at least look at the methodology that was applied to determined whether it was reasonable and sound so we looked at the statistical analysis sections of the report in terms of the cost comparisons and what we found was that the data sources that they, the oni office used in terms of what other cities were, were reasonable and appropriate, that the methodology they use for calculating costs was valid, and that the calculations and the data displays were accurate. So, in other words, from our standpoint, it appeared to us that oni made a good faith effort to calculate costs in a way that was comparable with other jurisdictions in Oregon and around the country and to present that in a way that accurately portrayed the, the, the city of Portland cost versus the other jurisdictions. I've tried my

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best to stay out of this, and to a certain degree, I think that I have succeeded, except that I did want to share one other experience that I had regarding mediation, and I am a strong proponent of mediation. I think that it's a critical tool for our community and I think that, that one of the things that's good about Portland is that we have a lot of volunteers. We have a lot of professionals out there that make that a part of their life's work, and they apply those tools and problems, problem solving and provide us with a good service. I was trying to develop a mediation program for the independent police review, and in doing so, I approached the neighborhood mediation center, spoke with them, spoke with a lot of people that were involved in the earlier efforts to develop a, a police mediation program. The idea is a very challenging one. Many other cities have tried it and failed. Portland had one for a while, and it kind of went away, and we are trying to figure out why, and, and I think part of it may have been money. Part of it may have been just some of the, some of the structural difficulties that, that they faced. And in fact, a couple of the recommendations they made were, it was critical to have timely mediations. It was critical to have high quality mediations. The interaction between a police officer and a citizen always is charged with a lot of emotions. A lot of preconceptions. A lot of, of difficulties from a mediation standpoint. And working with a group of volunteers while I think that there could be kind of a stratum that could do that, we really felt like we needed to have high quality mediation going on. We put together an rfp for our police mediation services and looked for individuals to go through that process. What we got were nine very highly qualified professionals who I think are going to be doing a great job. We have two mediations scheduled right now. The cost that we proposed for them while we don't know that they necessarily reflect the full cost because this is an innovative program and I think that professionals want to make these things succeed but ultimately, we are using a dual mediation model where we have two mediators in the room with the citizen and the officer, total cost for that is \$300 per mediation. If it's a situation where one mediator is needed or can be involved in it, that mediator would get \$200, so these are, are different magnitudes from what is being spent for our program but I felt it was appropriate to share that with you because we are looking for extremely qualified people to take on challenging issues and we, we have a very good pool of talented people. So, that's all I have. If you have any questions, I will be anticipate to answer them.

Barbara Hart: I am barbara hart of 2224 northeast 25th avenue here in Portland, and I am here today to talk to you as a community mediator. I'm very pleased to be here, and want to let you know that i've been working to build stronger communities, one resolution, one conflict at a time for more than 15 years. I'm proud to be a volunteer mediator with the center for 11 years prior to becoming director in 1998, and I believe strongly that quality community mediation services are essential to Portland's livability and have worked to establish and sustain strong programs in Oregon and across this nation as the past chair of the national association for community mediation. I'm here today to urge you to declare a new beginning for community mediation in Portland by awarding this contract to resolutions northwest. Your positive action today will result in a greater return on our investment and the high quality services that our citizens and neighborhoods deserve. The current model has not allowed for services to respond to the changing needs of our community. Has not sustained innovative approaches. Has not captured the tremendous growth of dispute resolution evidenced here in Oregon and across the united states. This model has not delivered the community building of community mediation, the hallmark of it. Despite the heroic efforts you will hear about today of hundreds of volunteers, many of the nation's leading practitioners and expert staff. We have not been able to deliver the quality services through this outdated model. Five years ago you faced a very similar choice, and you directed a stellar advisory committee to make every effort to expand the core volunteers and reform services. I applauded your decision at the time, and commend you for your leadership and your continuing investment in community mediation services. I can assure you that, that every approach has been tried, every effort has been made,

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every ounce of passion and expertise has been invested without the success that we all looked forward to five years ago. The center's capacity has not expanded. Experienced volunteers are not staying active and committed and helping the center to grow and reach out to the community and all the ways that it should. Outreach and education has not built a broad base of support for the center and for mediation in general across this city. A broad conversation and thorough process has brought to us this point of decision today. And I believe that the only choice that remains for you is to invest in a partnership with a proven leader in the community, resolutions northwest. By voting yes today, you will reinvest in a successful community mediation center with broad community support and begin to bill the center that so many of us have dreamed of and that we truly all deserve. Thank you.

Katz: Questions? Thank you, barbara.

Katz: Three minutes, and I may go to two minutes after I have a sense that there's a balance of pros and cons.

Phil Colombo: Good morning, mayor Katz and commissioner, I am phil, I reside at 3525 northeast 65th avenue in Portland. I appear before you to urge a yes vote on the mediation services contract with resolution's northwest. Serving on the office of neighborhood involvement bureau advisory committee, I took part in discussions over the past two years, assisting dr. Lane and his staff to cope with budget reductions in a way that preserves services to citizens and lowers cost to the city. Two consecutive cost-cutting annual budgets set up the current budget scenario of not being able to make further cuts without adversely affecting programs. The economy would not permit business as usual, so we looked at many ways of doing business differently. One of the ways most of us agree would meet our objectives was to allow private, nonprofit organizations to take some of, to take over some of oni's functions. We envisioned decentralizing some services to the neighborhoods as beneficial, bringing the services closer to those using them, and at a lower cost. Entrusting mediation service to say a nonprofit in addition to saving more than 120,000 next year, may even have the effect of encouraging more citizens to avail themselves of these services. Someone not familiar with mediation could easily look upon nonprofits as a disinterested, fair arbitrator where they might not be so ready to plead their case before public employees. You need not look far for models of positive results. The work being done by the city's private nonprofit neighborhood coalitions over the past two decades stands as testimony to the positive results, decentralization of services can produce. For these reasons, I urge you to approve this contract.

Katz: Thank you.

Elizabeth Kennedy, Executive Director, SE Uplift: I am elizabeth kennedy, the executive director of Southeast uplift and I also participated in the bureau advisory committee. Just a couple of short things. I want to reaffirm that the committee did look at a lot of other options on how to address the budget cuts necessary. This decision was really based on maintaining the integrity of the program while also providing vital services to the city. I don't know that there are any other conclusions that could have been come to while also providing for the integrity of this program. The decision was also supported by southeast uplift and its board of directors as a way to keep providing a vital service. And I want to affirm the process is really good and the product, we feel, is workable, and it is something supported by the communes I work with. So, I would urge to you vote yes on that.

Andy Smith, Chair Linn's Office, Multnomah County: Good morning, mayor and commissioners. My name is andy smith and I am with the chair Linn's office at Multnomah county. I have letter that I would like to read and enter into the record. Dear commissioner Francesconi, I am very pleased to express my strong support for the office of neighborhood involvement's plan to award a contract for providing mediation services. As the former director of oni, I view mediation as an invaluable tool for citizens to resolve conflicts. Each year thousands work with the 95

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neighborhoods associations and neighborhood offices. The key issue facing our community is the challenge of learning how to best resolve the array of disputes which arise between and among our citizens. Although mediation does not always work or guarantee specific results I am convinced in a large number of circumstances mediation offers an advantage over traditional legal approaches, improves direct communication between the participants, allows for creative forward looking problem solving through comprehensive and custom agreements, less expensive for the participants, provides much faster resolution of very emotional and stressful disputes, allows for more predictability and control for the participants. It is my understanding that the proposed contract will save approximately 120,000 per year while maintaining the same level of services. This is a crucial factor and especially in this period of limited resources. I think it is also important to note that investing in this capacity for contracted mediation creates voluntary options. Anyone who does not want to participate can seek formal resolution through the traditional legal system. I am hardened by the ability to make this available to citizens. I want Multnomah county to expand our own capacity for mediation and disputes arising out of areas such as land use, animal services and health care. I look forward to opportunities to partner in this effort and to augment the outstanding tradition of owning and serving the public. Thank you for allowing me the opportunity to share my thoughts and support the issues. Diane linn.

Katz: Thank you.

Katz: Go ahead.

Mike Niemeyer, Executive Director, Oregon Community Dispute Resolution: Mayor Katz, commissioners, my name is mike Niemeyer, the executive director of the Oregon dispute resolution commission. I would like to applaud the city for its long standing interest in community dispute resolution. I think a fundamental function of government is, is the peaceful resolution of conflict and you have really shown great leadership in supporting the peaceful resolution of conflict in our neighborhoods. I would note that, that in evaluating community dispute resolution programs, there is no one standard and we certainly wouldn't offer one at the state level. These programs are, are, there is 25 community dispute resolution programs. In the state, these, that receive state funding, these funds are collected locally and administered locally, and the decisions on, on the value of these programs should be a local one. So, it's net, in that regard that I am not here to weigh in on the merits of when the program versus one, but I can -- I believe enlighten or inform the discussion because we have a relationship for some time with resolution's northwest and I am here just to say that that has been a, a good one. We would note the, the, actually resolutions northwest predated the, the dispute resolution commission. And over the time that we have been working with that program, we've, we can speak to their leadership, competency and managing an effective program. The, also more recently the resolutions northwest has begun working with juvenile victim offender programs to expand work for local schools, added a youth and family component, and most recently worked with the expanding services to the latino community. I would also note that in evaluating community dispute resolution programs, there's a number of measures that could be applied in addition to, to cost per case, there's the issue of access to justice, our disputes, are disputes being resolved effectively. Costs to, to savings to police. More peaceful communities. The, the increased capacity of the participants to resolve future disputes. The creation of competent mediators. Whether or not people are actually being heard. So again, there's just a number of ways that, that we can evaluate the merits of these programs and i've just, just comment that we have had a good relationship with resolutions northwest through our state program.

Kristen Erbes, Executive Director, Oregon Mediation Association: Kristen erbes, executive director of Oregon mediation association, 722 southwest 2nd. I've been asked to read the testimony of donna silverberg, our board president. Honorable mayor and city commissioners. Thank you for the opportunity to provide further input into the process regarding effective and sustainable

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community mediation services for the city of Portland. I commend and support Portland's continued commitment to provide quality mediation services to its citizens. We are pleased that you continue to recognize the important service that a city's community can provide to its members in the form of peaceful, nonviolent, conflict resolution. One critical thing that government can do for its citizenry is to provide all opportunities for citizens to reach longer lasting, more meaningful resolutions of the issues they face. I was honored to be asked to serve on the advisory group who reviewed and commented on the request for proposals, from which the current contractor was selected. It is on this process, I would like to comment. The rfp advisory group met in open meetings at city hall with the assistance of staff from the office of neighborhood involvement to review and discuss the scope of services and minimum qualifications of potential contractors. The meetings were well organized and staff provided background information and answers to our questions that were necessary to support a thoughtful discussion and well drafted rfp. The advisory group was comprised of Portland mediators and practitioners who have served both the staff or advisors to community mediation centers in Oregon and in other states. Additionally, I was staffed to the state's dispute resolution commission and served as the acting director in 1997. In that role, I reviewed numbers of responses to similar community mediation services rfp's. I am pleased to report that after reviewing a great deal of information about the current services and services from other community mediation services around the country, the advisory group discussed and drafted to what I believe is a very strong rfp. The level of services, while lower than national averages is the minimum that the city should expect to receive from any service provider. The types of services listed are also those which the city should expect to receive from service providers. Mediation and communication skills training and awareness helps each of us better, be better prepared to interact in a more positive and problem-solving fashion. This rfp addressed and sought those services that can help make that happen. I was only involved in the drafting of the rfp and not in the process of reviewing the responses. As the president of the Oregon mediation association, a nonprofit organization, that is dedicated to the support and advocacy of mediation throughout Oregon, I can report the service provider selected, resolutions northwest, is an institutional member of oma. Additionally, the executive director, betsy coddington was the mediator of the year in 1999, for her exemplary leadership and mediation service and has served on the board of directors since 2001. Resolutions northwest is a member in good standing and has signed onto oma's core standards.

Katz: Your time is up. I am going to cut everybody off at 3 because we are running out of time.

Marjorie Bontje: My name is marjorie. I am an intern with neighborhood mediation center currently. I have participated in their excellent training and continued excellent training and I am here to support neighborhood mediation center staying with the city directly. The city of Portland directly for a couple of reasons. One, is that my wish and my belief or my belief is that when it is directly with the city of Portland, there is the option and the possibility and the reminder that mediation is a service that we all can participate in. It is, you know, for, not for just citizens out there, but us, me, all of us. My belief is that having it directly brings that to the forefront somewhat more. I also would like to see it stay with the city of Portland because I know that you pay a living wage. I have been an employee of nonprofit organizations, and it is always an issue for wages, whether they are adequate or not for professionals. This is a huge issue. It's always an issue about whether funding will be made. I am not speaking against a resolutions northwest, not at all. I mean, I am thankful for --

Francesconi: We don't think that you are.

Bontje: I am not. But, I am promoting it being with the city because I think that it's really important that the city government look to keep people with decent wages, that we support that. I do not support the city pass it go onto another organization that will not meet such standards, and I know that there is a job description out, which pays, is advertised at \$13 an hour, and that, and I

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think that that's barely a living wage, so that is one huge issue. I do have -- I don't understand -- I don't know, but I hear that there are -- the history -- I don't know the history of all the issues that have gone on about, about programming and how things work, what kind of considerations were made and who discussed what and what agendas. I don't know anything about that. I do have an idea for how to deal with the economics, which is what I heard, was the major reason for this putting out the rftp and that was to reduce the amount of, of money that is paid out to wages. There have been instances where they have tried this and done this and I am proposing that the city, rather than participating in allowing its citizens and its employees to work or supporting other citizens to work for wages that aren't accurate that, what we might want to do when we consider this, instead of, of lessening the frontline workers, which is on which the case when there is budget cuts, that we look to see, distribute the wealth or the misfortune or the budget cuts as we are experiencing it, which would mean that we all take a cut, all of us. Me, well, I am volunteering right now but if I were, I would be, too. The citizens and yourselves.

Katz: Thank you.

Bontje: Thank you very much. If I can help in any way, please.

Elaine Walsh, Volunteer Neighborhood Mediation Advisory Committee: Hello mayor and council members. My name is Elaine Walsh and I live at 2818 Northeast 10th Avenue. I'm here on behalf of the volunteer neighborhood mediation advisory committee to oppose the plan to spin-off the neighborhood mediation program to Resolutions Northwest. Our committee has publicly stated its opposition to this plan via direct meetings, many e-mails and correspondence to council members. Having served on this committee for four years, I am aware of the same plan put forward and rejected by council five years ago. After extensive research and study, the plan was rejected by the then mediation staff, advisory committee, local experts, and key community leaders. I ask you why are we here again with this same flawed proposal? I draw the attention to the, the March 1998, and I am leaving this for council, page 50, recommendations of that committee that you have heard Thomas speak about. And I read it very differently. It states "the advisory committee does not recommend issuing a request for proposal at this time because it is not clear that there is both capacity and interest in the community to provide these services. Also the advisory committee believes a spin-off at this time could jeopardize the existence of community mediation services because of mediation centers need for strength, focus and support. The advisory committee does not recommend that the mediation center work to create a non-for-profit at this time. The issue raised above regarding the survival of services as well as questions about staff compensation continue to be factors. But more importantly, our research indicates that a great amount of preparation and groundwork would need to be done to insure successful transition to a nonprofit. We want to be sure that the best choice for the center has been explored. A certainty that we are unable to obtain in the short time that we have had to work. This program began over 25 years ago, continues to offer naturally recognized mediation services for our citizens. This center has experienced diverse, culturally responsive and knowledgeable staff and an array of 25 volunteers trained in the unique and effective volunteer, voluntary neighbor-to-neighbor model. The use of our trained volunteers supports but does not replace the cost effectiveness of the program. Our center has also had an added advantage of effective African-American leadership all of its 25 years of existence. Mediation services may be similar but their differences are critical. The training experience of our staff and volunteers focus on the unique voluntariness of the service which encourages neighbors to come forward and resolve disputes which can fester into significant public safety problems, thus saving resources of our other city bureaus and particularly, police. We believe that the fact that the service is city sponsored and operated lends important credibility to the service in the eyes of the consumers. A nonprofit operation such as Resolutions Northwest does not have the same weight of authority. In closing, a stated factor in this proposal seems to focus --

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Katz: No, your time is up

Francesconi: Do you want to give it to us?

Katz: I have got to tell you, you can do it in two minutes, we got the message, we will do it three for a while.

Michael Cannarella: I am michael. I am -- my address is 1565 southwest highland parkway, Portland. Thank you for the opportunity to speak with you. I worked within this program and volunteered time at the Portland neighborhood mediation center about three hours per week for the last nine months. I have worked closely with the staff, received training from them, and I have mediated some neighborhood disputes. My testimony is unique in that I am an outside observer of a program that you were debating the future of today. The logic of this rfp is I am told to cut the fat, make the Portland neighborhood mediation center more cost effective. In fact, thomas lannum, the program manager for the office of neighborhood involvement in july in the skanner newspaper called the Portland neighborhood mediation center a big, fat gas-guzzling cadillac. That's what he called it. I am here to tell you he's dead wrong. The Portland neighborhood mediation center is one of those new hybrid cars, gas and electric. Here's why. The car has four cylinders. Four fte, and yet it delivers six fte. Six cylinders of power. 25 people or more volunteer 3 hours per week to this program. We, the volunteers, are the battery power that kicks in and makes this hybrid car more efficient at little cost to the city. This isn't your average car, though. It has some needs that other cars don't need. First, it needs dedicated experienced staff that can both mentor the diverse set of volunteers and be an effective mediator. A city job with city benefits and a retirement plan is the best way of assuring that you have skillful staff in continuity in a program so reliant on volunteers. Second, because mediation is a process, rather than a tangible product, it is extremely helpful to have the city of Portland behind it. I've been there. I'm on the phone. It's important to have it on the letterhead. It's important to say, the Portland neighborhood mediation center. This is not a legal course of process. Parties have to agree to participate. Getting the parties to the table for a mediation session is a large part of the battle. A city run program gets people to the table in ways that a contractor never could. Third, diversity, it's a wonderful thing. Multiculturalism and diversity makes my life richer. But I don't have to tell you that there's a downside to all this diversity. Today, there are more, even more ways that people can misunderstand each other than ever before. I was at the Oregon mediation association annual conference this past weekend. These are good people, but not a very diverse group. Not representative of the population of Oregon. The private sector in Oregon is not training mediators who reflected the diversity of our city or state. The city of Portland, the neighborhood mediation center is doing that. This is a litmus test. Is this the city that works or is it not?

Katz: Thank you.

Sten: Can I ask a question? Be brief with your answer but I want you to take off your partisan hat, can this dispute be mediated. [laughter]

Cannarella: I don't have anything to gain.

Sten: I am serious, I want you to think about this because we have got, and this is credible. You have a room full of mediates going at each others throats, and you are one of them, and both sides are, so I am serious, I am asking this question to everybody in the room, I mean, how you do mediate this, this discussion?

Cannarella: Your questions were right on target, I thought because is it, is it, are we just talking about money? Are we talking about the quality of the program? And what thomas said is we are talking about money. So you all have to decide what's more important. The quality of the program or the money.

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Sten: Is that how you mediate? I mean, so you are saying to us, I mean, is there any, I am trying to ask, is there any middle ground that I should be pushing the two sides to discuss. I am asking you as a mediator.

Cannarella: Again, you asked the right question. Did the office of neighborhood involvement allow this program an opportunity to be more cost effective? The answer is no.

Francesconi: This has been an issue for five years. Come on.

Cannarella: Elaine is on the advisory committee --

Katz: All right. Let's not argue.

Shari Bandes, Interim Program Manager, Neighborhood Mediation Center: I am cheri, I am the current interim manager of the neighborhood mediation center. I've been manager with the mediation center for all of about six weeks, although I have been involved on and off as both a volunteer and staff since 1998. What I know is that the mediation program, itself, is an excellent one. Staff and volunteers provide remarkable services to city residents. What I don't know are the origins of what are broken between the mediation center and the city. I only know the relationship has been broken for quite some time, long before david lane and I were ever involved. As you are well aware, any time a win-lose scenario such as this one is decided, a lot of people will be relieved while the rest will be angry. I was hired knowing a city council decision was imminent, and all the mediators in this room know how difficult it is sometimes to maintain neutrality. But like the good mediator I have been practicing detachment of the outcome. If you decide the program should remain with the city, I want you to know that I will do a mediator and manager's best to mend whatever it is that has been broken. If you decide to contract the services with resolutions northwest, I will work to make that transition a smooth one. What my testimony here is today is as a manager and in the interest of the least disruption of services to the citizens of Portland, I urge council to make a timely decision on this matter so that we can put our energy into moving forward.

Katz: Let me ask you a question -- I don't know your background and I view myself as a, as a relatively neutral person in this dispute. I haven't had time to really look at all the, at all the issues, although I did ask my office of finance and management some questions. They basically concur with the findings of the auditor. But, do you have a clue as to what all of this is about in terms of the history, that this is gotten to, to such a heightened pitch? I know that we were looking at, at dollars and cents, but, you know, I sense that there's more to it than that. Do you, as somebody who is, who has come in without a lot of history, have you been able to identify what that is?

Bandes: In the short time that I have been here and knowing that the council is going to be making a decision, I have not done that type of investigation. All I know is as I mentioned, when I, I first came to the mediation center actually in '98, I became a volunteer in '98, I think that things at that point had already been broken. The relationship had been broken. And I don't know the roots of that.

Katz: Thank you.

Francesconi: Just a brief comment. Your testimony was terrific. And your comments were terrific, including the point about we have got to make a timely decision and you are a professional and you will handle it, whatever we decide, we move forward, so I want to tell you, I appreciate it. The other editorial comment that I want to make is, is the history is important. In my look at this, which was not real in-depth but I looked at it, in every dispute there is truth on both sides, and there is truth on both sides on the history. What I think that we need to focus on is, is how do we get the best services to the customer at the appropriate cost? Rather than focusing on the history? That's what I think that we need to do now. And then move forward.

Katz: Let's continue.

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Sumner Sharpe: 110 northeast boeing street. I have given you a document and I have other copies here available for those who want it. To talk to this matter. I only have three minutes. The issue before you, or the crux of the issue is should you award a 2.5-year contract for neighborhood-to-neighborhood mediation services for more than 618,000 to an agency that does not have experience in neighbor-to-neighbor mediation and the rfp provides for a two-year extension at a cost of more than \$1 million. This is not a small matter. The question commissioner Sten raised is why had it only worked with the advisory committee and my discussion is they have not been advised of issues they have not been involved in, and in fact they recently had a retreat, and you can talk to this, in developing goals and objectives for the agency and there was no response to that, so it hasn't been an effort to work with them. This process issue, why was the budget note changed the last minute without opportunity for public comment? Why did resolutions northwest staff and the city staff meet before the rfp was issued to discuss consolidation of the programs? Was that fair? And was this recommendation before you a foregoing conclusion? Why did the city agree to discuss disputable data with us and then, and then issue the rfp without discussing the data with us? Look at thomas's report. He says table one, there is no mention there, a line in there which says neighbor-to-neighbor mediation services. It's not in the report. It's not a factor considered by the city in making this award. Let me jump to some budget items. The report, table 3, a very important point, 42 pages issued two days ago and we have a revise version. We haven't had time to look at it. Table 3, neighborhood mediation center cost per case is \$653. Resolutions northwest cost per case is \$786 per case. Which is more cost effective? The center equipment, the computers, the furnishings, software are being given to resolutions northwest. These are city assets paid for with public dollars. There is no consideration of that in the budget line item which would have changed the budget results and is it the city's policy to give city owned assets to private contractors? More than 13,000 is in the budget for transition contingency. No explanation of how that money will be spent. The five-year plan, the resolutions northwest talks about in their proposal says that they want to have a full-time development, and they are asking the city to pay for three quarters of the position in this contract. The budget comparisons show an increase in the neighborhood mediation budgetline but that's declining. Let me conclude by saying that the bottom line, I agree with commissioner Francesconi, is not, is how to insure the citizens of the city, quality, community-based neighbor-to-neighbor mediation services within the budget constraints established by the council not by only an rfp because that was never discussed publicly. That money was never discussed.

Francesconi: Because of your involvement, is there another point you want to make you didn't have a chance to make? I did have a couple more.

Francesconi: Hit the, the one, one or two points you didn't have a chance.

Sharpe: I think that if the comparison of costs, future cost included recognition of what's happened in the center, in terms of the changes in the senior staff, and you projected that out, it's a, into two years you would find the comparison with the resolutions northwest budget comparable. I think that the issue of money has gone away. I think it's an issue of quality of service and a commitment, it's a question of the city's commitment to insure quality of city-based services. I think that that's what's missing in this process. More than 200,000 of the neighborhood mediation centers budgetline resides in downtown office. Doesn't reside in the center. That money has been taken out over the years and brought downtown. I think that speaks to the relationship and I think it's not ban good one to be honest with you. Having -- I think it's not been a good one to be honest with you. When I was in the metropolitan commission in the 1998 involvement, I just don't think the effort has been put in to work together in a cooperative way to make this program work well for the city -- within the city. That's my opinion.

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Holly Welds: I am holly welds, live at 6405, southwest huber in Portland. I want to address finite issue and then a larger issue. The first is that from prior testimony today and in the oni report, there is an implication that because the vast majority of mediation programs used the nonprofit service delivery model, that it is the preferred model. I would like to say that I spoke with the executive director of the national association for community mediation and she reported to me that she knew of no studies that clarified whether the national trend toward nonprofit mediation centers was because it was a superior model or the result of budget cuts similar to those Portland is facing, or historical accident. Portland's neighborhood mediation center is different from many programs in that it was established by the city 25 years ago to improve neighborhood relations without waiting for an independent conflict resolution program to develop, which is the normal source of the nonprofits. My second and major concern is about oni oversight of the nmc. Previous testimony stated that oni was exploring for the last four or five years the option of contracting out services. I can state that in the past two years, at least, they have not done that with advisory committee input. There's been rearranging of deck chairs about how quickly services are provided but at no time have we been told this has to shape up or ship out. And I think that we needed to be told that. The first time that most of the 1998 benchmarks listed in table 12 on page 33 in the oni report have been brought to our attention is when they are used to argue for contracting out the program. When I complained to oni staff that oni had not brought the 1998 benchmarks directly to the advisory committee, I was told the reality is that often this kind of guidance is not raised until there's a tight budget year and noncompliance is used to justify cuts. I was a bit appalled at that. I think it is also significant that, that the ac developed a three-year plan for the center in october of 2001, and we have yet to hear back from oni's staff at all on that. Or to either encourage us or tell us we were headed in the wrong direction or to let us know that the so-called cost effectiveness problem should be dealt with before we moved into new areas. Did not get that word from oni.

Katz: I am looking at the resolution. I don't have exhibit a attached to my resolution. Does anybody have it? Can we have copies of that?

Sten: I guess—this is hypothetical. If the board was told, deliver the same services for less money, would you say “no, we can't do it?” or would you say we can do it?

Weld: I think there have been changes in the staffing that would make it possible now, yes. I agree there were issues on cost of the program. I am saying that we were not approached to, to address those.

Saltzman: So you think that you could deliver those for less money?

Weld: Yes, I think so. Either less money or more productivity. I really believe that for sure.

Sten: Thanks.

Mary Larson: I am mary larson. My address is 3814 northeast failing, and I am a volunteer at the Portland neighborhood mediation center, and I want to offer you a different perspective than maybe what you have heard. I want to tell you how I chose to become a volunteer mediator at the Portland mediation center. I've good long history of volunteerism. Working in both volunteer, past executive director of the Oregon hemophilia organization, centered around how we could get volunteers to work, I have been a past president of general women federation club, which is the 40-year and under level, which at the time that I was serving our new senator, elizabeth dole, was also serving in that same organization. And i'm also, have been a long-time, seven, eight-year casa, a court appointed special advocate for abuse and neglected children, and those are the two areas that I am now choosing to work with in the Portland mediation center and as a casa, I see them in two different ways. One, as a casa, we are simply directing the people that, that have to work with us. As a Portland mediator, from the mediation center, we -- we begin that very first telephone call with these people as starting our mediation at that time, asking them to work with us. Asking them to settle, settle their disputes with us. My position in choosing to become a volunteer with the

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Portland mediation center had to do with how was the training? The training and in both organizations have been absolutely excellent in both organizations, as well as the Portland mediation center, I have the, the availability of a staff person at all times to be able to discuss how I work with, with my cases and how they are going to be resolved. I think that is probably, in my viewpoint, the essence of how we want to run these programs, is how well are volunteers are trained. How well we keep them trained and keep them running, and that's why I support the Portland mediation center and that was why I continued to choose to work with them. Thank you.

Margaret Strahan: I don't know if it's afternoon or not but good whatever. Good to you and the council and congratulations on your win on the park levy. I think that that suggests that the city intends to care for its citizens in spite of the economic climate. I don't know why i'm so nervous this morning. Maybe because I have worked with this program since 1976 in one way or another. And some of this, the struggles that erik asked about, I could respond to but not during my three minutes. I want to put a face on some of the problems and I want to talk about a cold rainy december day during the month that I was leaving the council, and very busy and very sad because i'd lost my election. My phone rang and it was my private line, which was pretty unusual. Usually that came from neighborhood offices. But this was an elderly black woman and she was crying, and I could hear this terrible, terrible racket in the background. It was a pig squealing. She had mong neighbors, at least I think they were, they were asian neighbors who didn't speak any english, who had a sick child. They believed somehow that killing this pig in their backyard related to, to the sickness of the child, and I don't even understand that. I just know that this was an elderly lady that was hysterical because there was a pig being killed next to her backyard and it was squealing. I put her on hold. I called the mediation center. They were there with the, within 15 minutes with someone that spoke the language that needed to be spoke and they also had a policeman to back it up. This was resolved. There was more medical help brought for the family. The elderly lady was not subjected to the death of the pig. The point I want to make is that I know that that work that day, that worked that day because it was a Portland city program. When you deal with people from other countries that don't have nonprofits, that don't understand our culture, that don't understand our language, they do have government and they do understand when somebody comes from the government that it may mean that they need to listen. Now, I realize that there may be studies that show that this isn't true and that what my story is, is one incident, but I would wonder how many programs did not meet with other cultures successfully because they were not part of that government. I think that it's important that this stay with the city. Now, I would be glad to answer erik's question.

Katz: Why don't you answer commissioner Sten's question.

Strahan: Whichever one. I will try the one about some of the history of this, and it goes back, way, way back when I had the, the commission that included this. At that time they attempted to get rid of this. That group came in with their budget cuts saying let's get rid of, of mediation. It seems to me, and we moved it from that agency to ona, the office of neighborhood association at that time because it was a direct service, and it didn't really work as well as it should under the commission and because I felt that it was a dynamic, important program. I think that part of this problem is that you have a very small program and an agency that has services with lots of, of other citizen involved things. Who wants to stand up and say I fought with my neighbor and I had to go to an agency to get it solved? Nobody really wants to do that. If you work in a neighborhood association, you may well be willing to stand up and say, I work with a neighborhood association and we did y, x, and z. So, I think it's hard to get people to come forward that have been served by mediation. I think that it sits out there in the neighborhood all, all by itself, so to speak, and the people that are managing it are downtown. They are not -- these folk don't build the same relationships. You all know that. If you have got an outpost office you don't have the same

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relationships as somebody you work with day in and day out, and I think that mediation becomes a very easy program to get rid of because they don't have as much visible support, and neighborhoods do and seniors do and some of the other programs within one do, but this one doesn't, so it's easy to say, let's cut our budget by cutting this program. Finally, I do think that with the loss of some of the long-time employees that the budget could now match a lower per-case cost.

Katz: Thank you.

*****: Thank you.

Bridget Bayer: Hello, I am Bridget Bayer, 2243 Northeast 20th, and I just started as a volunteer mediator in the spring this year. I was being trained and I started to hear some stuff about what was going on with this organization and its relationship with the city and to tell you the truth, I really didn't understand if there was one benefit to having it be privatized or publicized, public dollars, and during the spring I have been taking some classes in conflict resolution to become a mediator, professionally, and Chief Louie from the Hillsboro Police who I asked the neighborhood mediation center there to send some information over to you, I hope you have received it, taught one of the classes, handling difficult people, crisis intervention class, and he has expressed strongly how great the Portland mediation center program was, that they did a national search of mediation programs and found that they modeled theirs after the Portland one because it was the best and because it came from the city. It enhanced credibility and that's the number one reason why I am here to speak about this in favor of keeping it within the city and it enhances the credibility of the volunteer voice online dealing with two different parties, especially the second party when you, you want to bring them to the table, when you want to bring them to resolution, which they, themselves, to want come to a resolution.

Katz: Thank you very much.

Robert W. Boyer: Good afternoon, Mayor and members of the City Council. I'm Robert W. Boyer of 3236 Northeast Liberty Court. I'm a long-time advocate for neighborhood mediation. I think you recall in the '90s and '80s, I was the only one who came up to advocate for that program. I go back to the old Model City days that started the neighborhood associations and now we started with eight or nine and now we have over 90. But I am here to talk about your honor and members of the City Council, where are all of the African-Americans gone? They were working for Metropolitan Human Relations Commission and Portland Neighborhood Mediation Center with budget cuts, we still serve up to over 500, over 600 a year. 25 years ago there were nine. There was a center in North Portland, a center in Northeast, and a center in Southeast Portland. Now there are one. There's been consolidated by budget cuts. Of the four and a half people, one person is downtown. That's the Sighting Coordinator. The other people are there at the center. I feel that my observations need an answer. As one who has worked in this city to establish a diverse workforce, I see two programs terminating hard working African-American city workers from Metropolitan Human Relations Commission and Neighborhood Mediation Centers, all under ONI. I question, after the, after Emanuel Parrish died, an African-American male director of the Neighborhood Mediation Storm Trackers there has been a consistent disassembling of the Neighborhood Mediation Center and the African-American city workers. First, there was five African-Americans and now the last one, it might be one, left at the Metropolitan Human Relations Center and the Portland Neighborhood Mediation. All under ONI. Two of the smallest programs in the city that are housed in the crowded at the King facility. Number one, the first person was Carolyn Monroe, an African-American female at the Neighborhood Mediation Center was the intake person. After Emanuel Paris died, Barbara Heart came in as interim program director. First thing that she did was upgrade that position. Carolyn Monroe was fired. Thomas was hired and what is weird to me, his skills was above an intake person and now you have seen that he is the physical manager of ONI. But, at the same time, he was a board member of a resolution Northwest. I question, but Carolyn Monroe was not. Number two, Linda Hunter, African-

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american female and now she's gone. Dora, now she's gone. Eddie has been transferred, and the last one is david little. If this is successful, then he's gone. Where has all the folks gone? Thank you.

*****: Good afternoon, mayor, commissioners. I don't have a prepared speech.

Katz: Identify yourself for the record.

Lolita Allen: I am sorry I am lolita alan. I reside at 3265 northeast Portland boulevard. Can you hear me okay? All right. And I am a volunteer for the neighborhood mediation center. I have undergone that training, and I am here today to point out to you that part of the reason even though I am a city employee, that I became a part of this volunteer effort is because I am committed to the nonviolent peace-keeping resolution of conflict among neighborhoods. In addition to that, I have done other volunteer type work, which includes the city's tip program, the trauma intervention program where I am convinced with many of the traumas, I have had to go and consult and console the victim at 3:00 and 4:00 in the morning, which may well have resulted from violence that took place that caused death or, or very near death circumstances, could well have been averted had they come to know about the neighborhood mediation option, which many are the times simply not being, how would you say, advertised well enough for them to know that that's an option. I also first became a volunteer because i, too, had a need to resolve something when I bought a futon bed, probably the third one from this same establishment for one of my children. I am a mother, a grandmother, and a great grandmother and one of few things that I can afford to do as a city employee is offer them a bed so they will move out, okay. And so far it has worked reasonably well but at this time, the futon that I purchased, unbeknownst to me as a fault in it and when I appealed to the owner, thinking that I had some credibility having purchased previous futons, I was treated in a really very deshuffled manner and was so appalled and taken back, and for the people who know me, that doesn't happen very often. [laughter]

Allen: And so it came to my attention that I should try mediation. Clearly I had no money as a city employee do, to engage an attorney, seriously. Single, mother, head of household, so I was really at that point thinking that I was grasping at straws. When I called the friendly man that answered the phone, led me to believe that I wasn't crazy when I said, you can come and see it yourself. It simply doesn't lay down and then restore itself, and rather than come to my home, he asked me a few more questions and agreed to contact the owner of the futon factory. My parting words were, I don't know how this is going to work unless you can perform a miracle because clearly he was so rude to me, the only thing that I can grasp at is that perhaps he will treat you differently because you are a male. Within minutes she returned my call. It turned out that after he contacted that owner, the matter was resolved. That made me want to volunteer. Thank you.

Mary Franklin: I am mary franklin. I reside at 698 lakebay court in lake oswego. I signed on as a volunteer mediator and have not participated as actively in the last year as I had in the beginning. But, I am very bothered by the, the, what's going on as far as taking it away from the city. One of the things that it seems to me in Portland is that Portland take great pride in its relationships with its city, the people in the communities and so forth and puts a lot of emphasis opt community, and I think to take this program away, I don't think it's about the dollars. I don't think it's about everything that everybody is raising. I think there's underlying issues that are driving this, this dispute and that have been driving it in the past, and I think that the program is a valuable one and does have more bite because it's part of the city. And in the interactions also in the community, I belong to a lot of, of, a lot of networking groups and different associations and am president of a couple of groups and one of the things I notice in most of the groups that I participate in, is they are not racially represented, and that's one of the things that I think is very important about the neighborhood mediation is that it is racially represented. I had the privilege of sitting in and co-facilitating a mediation with eddie collins and, and it was really quite a remarkable experience and

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me, as a caucasian woman and with eddie collins, who is an african-american man, it was a great combination, and I really -- I think the city owes it to its communities to continue its commitment to, to continue that relationship.

Brendan Dummigan, Board of Directors, Resolutions NW: Good afternoon. I am brendan. I reside at 2828 northeast 8th avenue and I am on the board of directors of resolutions northwest. And I am also an attorney here in town that has represented the latino community for the past nine years. At the law firm of squires and lopez. And the purpose of my being here today is to assure you, mayor Katz and the council members that if resolutions northwest is awarded this contract, that as a member of the board, we are, as an organization and on the board, very aware of the increasing demand that the latino community is putting on all services, and have taken steps in the creation and training of programs designed to deal with the latino community that has enlisted the, the help and services of volunteer mediators who are bilingual, bicultural, and we plan to continue expanding that program and those services, regardless of your decision. Thank you.

*****: A quick --

Sten: A quick question. Has your board had any conversations with the advisories board of the current program about thoughts, transitions, advice, if things were to move forward or otherwise?

Dummigan: I can say that I personally have not been part of this conversation, due to my busy schedule, I may have had some of those.

*****: I came to urge you today to keep the neighborhood mediation services and not to convert it to --

Katz: Identify yourself for the record.

Carol Wong: I'm sorry, I am so nervous. My name is carol wong. I am a volunteer mediator at the center. My address is 3606 northeast alameda in Portland. I live in a nice neighborhood which was invaded by a drug house about three years ago, and that's what motivated me to get involved with neighborhood mediation. We are working with persuading parties to consider mediation, to resolve problems that they don't want to face. We, we persuade those people who need support because they are afraid of bullying in their neighborhood. We have to convince the bullies themselves to come in. We have to convince those who want their ticket validated just because they know that they are right about an issue. We have to convince the ones who have been thinking, if I ignore it, it will go away. The difference between neighborhood mediation centers, activities and resolutions northwest activities, as I understand it, is that they are operating in a legally mandated environment where the parties have been brought to the table because they have to be there. It's not volunteer on their part. By virtue of that fact, they are more inclined to come to a resolution. If they don't come to a resolution, they know that the matter is going to go to court. The whole situation is different at neighborhood mediation centers because unlike my neighborhood, where we talk over, over a problem over the fence, and we seem to get along, a lot of Portland neighborhoods are not that way. And people cannot talk to their neighbors and they don't really want to talk to their neighbors because they are afraid of them. This might not be a cheap service to provide. However, it's much better than the alternative. Within the past month, I permanently have mediated with two parties fighting for years. Actually, two cases that have been fighting for years, and one case had been fighting for 18 years, and the other case, eight or ten years. These two cases alone impacted, if you consider the people living in the houses only, 16 people. Police, animal control, nuisance departments of every variety have been called to these address, to these addresses over the years for every little thing. Each led to a written and when we were able to mediate each of these cases were resolved with a written agreement and best of all, the parties have agreed to mediate any further issues that arise between them in the future. I don't know how many future police calls, nuisance calls, pet calls have been saved, but I can say without a doubt that without, that with the long standing historical battles, these people had neither would have agreed to even call me to, or,,

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or to talk to me when I called about consideration, considering mediation. Had it not been for the fact that I could call and say, hi. I'm calling from the city of Portland neighborhood mediation service. Is this a good time to talk. I have more but I will just give it to her.

Betty Walker: I'm Betty Walker, 3124 Northeast 17th and I am speaking somewhat on behalf of the citizens that used the service through the years and have appreciated they are and how reluctant in the first place people are, are to call in people and there's been a concern that it's being put out to nonprofit, somewhat removed from the experiences of neighborhood-to-neighborhood contacts that people would be more reluctant to call. But partly I want to speak in appreciation to the many things that have been resolved and the high quality of staff and the, and the training of the, and the people that I have spoken of and the volunteers that I think that they have done a very good job and really were concerned about trying something different and I don't -- they are concerned of losing the quality when the emphasis seems to be quite a bit just on, on benchmark of funding benchmark and it might put pressure for people to take less difficult cases or to not -- anyway, there is a high degree of concern because they are accustomed to that program, and I really think that it's, it's too bad to, to dilute it the way they feel, and make, and they don't have a lot of experience in diversity and I think that the other thing is that, is that the mediation has served the communities all over the city. It hasn't just served the northeast but you wonder if the northeast would be served, as well, with this transfer. Anyway, they urge you not to do that and to keep it with the city.

Chris Sheesley, President, In Accord Conflict Resolution Service: Hi, there. I am Christopher, the president of In Accord, Conflict Resolution Service and I am in private practice. I hope you all are doing all right and holding up through this process. I have several roles as a private practitioner, two of which plug into the city. I am on the independent police review commission's mediation roster and I serve as a mediator for the, and facilitator for the residential program. As a professional mediator, I am very steeped in the concept of neutrality and it's engrained in me so I am very seldom partisan but I am here today in favor of the idea of moving this program to Resolutions Northwest, and I reached that conclusion really on, as an outgrowth of my credentials in the community mediation field. I started my work about 12 years ago with a program in Everett, Washington, which is the largest program in the Northwest, and I want to highlight that it's a nonprofit organization, and by community mediation standards, it is a mammoth program with 12 people on staff generated over, over 8,000 calls a year, which is, of course, about ten times with the Portland program was producing and was really a beacon throughout the region and helps spur the development of programs all throughout Washington and throughout the region. So, my career began in the nonprofit community mediation sector and I know that that can be a very successful model. In 1995 I was hired by Clark County and the City of Vancouver to develop and direct the community mediation program for the City of Vancouver. And Clark County. But in 1998 that program had eight people on staff, had about a 350,000 budget. We had seven separate sources of income. 60 volunteers. 20% of whom were from Portland, and we were receiving about 1200 calls a year. In short, the Vancouver program exceeded Portland's output and by all objective measures, that should not have been the case in terms of resources and population base. So, I, along with many others in the professional mediation field, feel strongly that the Portland program is right for change. Having established and operated several programs and being supportive of the community mediation concept, I believe that Resolutions Northwest is simultaneously the best and really the only option to facilitate the change that's needed for the Portland mediation program. I'd like to note that I was one of the authors of the Resolutions Northwest proposal and I back that effort with my reputation because I believe in the reputation for delivering quality services. Their spirit of collaboration and their conscientious programmatic growth, so I believe the city will be well served by a collaboration with Resolutions Northwest. And I'd like to highlight that the model of

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municipalities, subcontracting the services to nonprofits has proven to be a successful model across the country. So, I urge you to vote in favor of that contract.

Betsy Coddington: I am betsy coddington, executive director of resolutions northwest and in the interest of time, I am going to yield my testimony to charles wiggins.

Katz: You can't yield but that's all right. Where is that individual?

Katz: All right, thank you. Come on up.

Charles Wiggins: Thank you mayor and commissioner, I am charles wiggins and I live at 1905 southeast larch avenue in Portland. I am employed as a professor of law and also as a mediator and for the last 15 years, I have been working to establish and support community mediation programs both in the united states and in, and in 2 foreign countries. I have mediated scores of cases. I've been on the board and been the executive director of the san diego mediation center and so I have, I have some experience in this field. I am also a ten-year resident of the city of Portland. I'd like to speak first to commissioner Francesconi's question, quote, we need to provide the best services to the customer at the lowest cost. Great question. This is about money, obviously, but it's about more than money. It's about two other things. One of which is quality and the other of which is aspirational. Let me speak first to the quality issue. From what I have heard and from what I have read in preparing this testimony, the current system provides a woefully low ratio of face-to-face interactions to telephone conversations. Throughout the country and the world, the standard is that you can get settlement by ways other than face-to-face interaction. You cannot get resolution and this problem ought to be -- this program ought to be about resolving conflict not just settling cases. Secondly, the model of volunteers. Our model in san diego and throughout the world where I have set up programs is that the more experience you get as a mediator the more useful you become to the center. And from what I have gathered, the experience here is just the opposite. I would suggest that there is no, no problem with it not being a city agency. Ngo's 501-c-8's operate throughout the country and world. San diego has a 15-person full-time staff, generates about a million and a half dollars in actual revenues in addition to other moneys, and it is a 501-c-3. Thirdly, there has been a continuing and continual angry and demeaning response from staff and members from the current city agency to questions about services in public meetings repeatedly. This has been skewed as a racial issue. It implicates the good will of many people who have been trying to work for mediation services in this city and it should stop. Secondly, aspirational. It's almost impossible to think too big for a mediation program in a city. It defies belief that services and visibility of the mediation center have not increased appreciably. It can't be because there is less conflict in Portland.

Katz: I am going to give you about 30 seconds more.

Wiggins: The san diego mediation center is at the forefront of every major dispute in our city in a variety of contexts and I think the important thing for resolutions northwest should they get the contract as I am convinced that they should, will be to capture the energy you have seen in this room today from committed volunteers and continue the energy and especially the diversity of that program in a new guise. Thank you.

Patricia Yamal Soto: My name is patricia, and I am a youth and family advocate and I have worked with the community for about ten years in Portland, Oregon, and I am a volunteer mediator with solutions northwest. I am here to tell you about my experience being a volunteer mediator. Up until a year ago, I had little knowledge about what mediation was about and because of the partnership that resolution northwest had with different latino agencies I was recruited. I was interested in the training and I decided to take it. 30 hours of intensive training with great people gave me, me the notion and the security that I really wanted to do it, that job, I really wanted to work more with the community, more than what I am already doing. I've been doing mediations for about a year. I fell in love with mediation because it's a new way for me to serve my community,

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something that they have never been exposed. It's a fairly new program for my community and one of the things that I like the most is the fact that it's a nonprofit, it's not threatened or government, and i'm sharing that with you from a foreign perspective, with all due respect. I'm sorry, I am really, really nervous. I've never really talked here. I love the training, and I discover a new passion, which is mediation, and I even, right now I am taking up, up resolution northwest, taking a new training for victim offenders mediation, which I am thrilled to take it. I am looking forward to doing neighborhood mediation, as well, with the, within my community. I love the, the fact that I feel comfortable enough with the agency to be consulted because of my cultural expert and I see consult with them any time that I need to. To practice my mediation and keep, acquire more mediation skills almost on a monthly basis. Thank you.

Katz: Thank you.

Linda jaramillo: Good morning, mayor Katz and commissioners. My name is linda, and I am the manager of the violence prevention program for Multnomah county health department. Both in my personal and professional experience, I need to let you know that I share their common value of mediation as a nonviolent means of resolving conflict. What I am here to talk about today is I know you have two decisions before you. One is to determine whether to no longer serve mediation through the city but the other is to contract it out. And I wanted to speak to the second, is to assure you that resolutions northwest is a quality organization. They have been long-time partners of the violence prevention program and we have had many opportunities to do joint projects. They have the experience, skills and history with people of many diverse groups, race, ethnicity, geographic area, socioeconomic circumstances and so forth. Some of those examples is that resolutions northwest has been a leader in the peace makers conference that brings together thousands of middle and high school aged students over the last eight years. Through both in Portland and in other parts of the state. Many of those young people who attend the conference have become volunteer mediators as they have grown older. We are mediators, as youth so, they have done that. They have worked with us to help resolve conflict within communities, housing units and so forth. They have trained community groups and young people in schools, and where we have partnerships to do mediation. There is cultural competence, there is nothing more challenging, frankly, in the work, and I am not talking ethnic culture, between victim and offender. That's a skill that they have, along with family mediation on a personal level, I need to say that members of my family have benefited from the mediation that they provided to families around custodial, chide custodial issues. Some that have changed reasonable agreements over many, many years. So I tell you this on a personal and professional level that you will get quality service from resolutions northwest.

Pat Sherman: Good morning. My name is pat sherman. I live at 6705 north warwick avenue and i'm presently on the staff of self-enhancement incorporated and I am a mediator for the Portland neighborhood mediations center. And today I would like to talk about two parts of the issue. The first one being the, the weight in which the city carries as far as their name goes. I recently worked with a mediation case where it was involving two people, two neighbors and a neighborhood association. When I attempted to call the neighborhood association and just left my name, it took me approximately about 2.5 weeks to get that person to call me back and the only way that I was able to do that, as I see now, is when I call back again and left the message that this was my name with the Portland mediation center. That call came back within the same time that I was on my shift, which is a three-hour time so I do want to really emphasize what impact it does have. It does carry just the name, not only the, the other things that come along with it, such as when the police officers go out to different homes and they work with disputes, when they are able to just give those cards out and say, hey look, you need to maybe call the, the Portland mediation center and possibly they can work with you with this so, there's a lot of things that, that the name or the city carries. The other thing that I want to stress a bit about is the cultural aspect. As I said before, I do work for

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an organization that serves many, many african-american children with families, and so that brings me to, to say a couple things as far as why I came to the mediation center myself. I came there number one because I was recruited by an african-american male who was there. That was really an exciting piece for me. Also having to be able to work with an organization that at that time had two african-american males on their staff who really understood the community and was respected there and really had a lot of knowledge about what was going on with peace making and community people, so I am a bit appalled when we talk about culture, when we talk about any other culture, they are addressed as culture but when they talk about african-american, it's kind of brought up as a race issue. It's really not about that it's about diversity. The african-american community has been a part of this city for many, many years and we are not going away, and so has things have happened and other people have testified, the lack of more and more positions being taken away or terminated that are hailed by -- held by caring individuals that happen to be african-americans is, is really a shame. So, basically, i'm asking that the city does, in fact, keep the current contract as it stands with the city of Portland for mediation purposes because of the fact that it does carry a lot of weight with that name, and also to not disrupt another african-american position that has to be with the city.

Francesconi: Do you, just so we are here, do you understand we hired one of the african-americans in oni already? And we've offered a position to the other african-american in oni and we have very few positions in oni at all. Do you know that?

Sherman: Again, like I said, that would also be the weight of the city and what, what that works with because I know it works heavy along with the police department because I worked with the mediation piece where the officer had referred them to, to the center to do that. But when you take that away and you have everybody or anyone that says, I am going to go to mediation, well some of those party people are not going to hear you unless they have that, quote city of Portland because it's a mandate thing I better at least call and find out. With that thought, they don't have it.

Judith Mowry: My name is judith now re and I live at 4032 southeast belmont street. Oh, boy. I sat here before you five or six years ago and I was in the group saying you have got to save that program. You have got to give us another chance. I was the chair of the advisory committee that came up with the report that's been referenced a couple times. I didn't come with a prepared statement because I didn't want to say anything you have already heard. You are smart people and you can get it. I know you know mediation is important. I know you know it changes lives and I know you know it's an important aspect for the city so I want to hit some clarifications of things I have heard and a few points I would really like to you consider. I want to make it clear to people that this is not about cutting mediation services, that it is about, about changing the service delivery. The city would still fund it. As I understand it, it doesn't change private or public sector. We're not -- we are not rfping this out to a private organization. We are still going to be using public funding. You know, this is tough. I have loved that center and I have -- I care very deeply about people in it. This has been a very painful experience. Believe me, I have lost sleep over this but I have lost sleep over this for the last nine years. I started as a volunteer nine years ago. Many of the ways in which this was broken was broken then. And I want to be clear. I don't think all the problems originate from the center. This is a popular position to take for some, but I will say I don't think that the advisory committee is well informed and I think that that's one of the problems. When the advisory committee came before you six years ago and said, here's what we think it's going to take to make this really a viable, top quality city program we had some recommendations in place. We needed to strengthen the relationship with the city. We needed to strengthen the funding. We needed to diversify funding and build partnerships. We needed to -- we needed to do all of those things. I have experienced the committee somebody strongly disempowered. I don't know what the answer is but I just know we have been trying to resolve the problems for so long that I think it's

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time for a different approach. I need to clarify that I was around during the time when this came up and there was a comment made by Sumner that r and w was met before the rfp was developed. I think it's important to clarify time structure there. I was up here saying bad pros years ago because the director of ONI at that time, Diane Lynn had met with originally Lou, who was with Youth and Family Services, and then some other providers, including Betsy Coddington from r and w, and so this was at that time. Those conversations were ended when the advisory committee was formed and given the task of looking at doing this program. And it's my, to my knowledge there has been no side meetings or anything, any of that. You know, certainly, there are advantages to having, you know, you can say well, it's, it really helps, there is others of us that feel that that's a disadvantage to a complete voluntary program. I think we trade obstacles. We are ready for some new ones. We need some -- one last thing it's important, I am sorry, I really hope no matter what happens here today that this community of people who care so much about mediation and care so much about these services will do everything possible to make sure whatever the delivery model, it happens in the best possible way and that we work cooperatively and collaboratively because the work is important. There's a greater good here and we must stay committed to the bigger picture.

Katz: Could you describe what the elephant in the room looks like on this one? You said you would go back many years. I need to know that.

Mowry: You know, sometimes I feel there is so many elephants, Mayor Katz, that we are in a zoo. Honestly. There are in any perspective, you can find a lot of different ideas about what it is. Personally, I feel that there is a problem in the terms of how political everything becomes, you know. There is a way in which things become this way when it's political, and I know you guys are politicians, so it's not always necessarily a bad thing, but in my time there, there have been three different commissioners. Three different leaders of ONI. Things change. Perspectives change. The commitment to an advisory committee that actually has some role in shaping the program comes and goes depending on who is in charge. I don't know how you can grow anything that way. So, for me, that is a big issue, is the lack of consistency and that we spend all our time on this battle. There's so much of this energy that can be going into more. Does that help?

Francesconi: Which leads to my question. I think you said twice, a new model, okay. Or a new program. I don't want to put words in your mouth but the bottom line question now, given that history, do we contract this out or not? Do we vote yes or no? What do you relationship?

Mowry: Well, I have to say, I say that we vote yes and I say, you know, I served on the committee that helped develop the rfp. I believe it sets out standards that are really important and sets out standards that the city has for long-time proposed that they want. I am all for continuing conversations. If issues are raised here around concerns around how the program might look, I think that I would really encourage, as I have heard you doing, Commissioner Sten, further dialogue, but I think, I mean, I think that r and w is, is completely credible, reliable. People have said well, they do a different kind of thing. I don't think that that means that they are incapable of doing this kind of thing. So, I am comfortable with the contracting out. I have to say, it's too bad. I'm sorry we are here. And but, you know, I really am someone who has put in -- I don't think it's an exaggeration to say that almost thousands of hours over nine years of my volunteer time to try to make this program better. And I know many of us have put in so much time. I just don't see it happening.

Garet Martin: I am Garet Martin. Excuse me, commissioners, and the mayor is not here, but I am Garrett Martin, live at 5944 Northwest Saltzman Road, not related to Commissioner Saltzman, I understand. Although, he, we certainly have made a lot of news over the years. I'm a member of the neighborhood mediation centers advisory committee, and I've been really moved by, by what I have heard from a lot of volunteers here today. I've been very moved. I, too, have -- I got involved because in the '80s, I had a neighbor conflict with a fairly -- with a very influential public figure,

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and I was so impressed with the handling of the situation by the, by the staff and by the volunteers who actually mediated my case. One of whom was, was hearing impaired and read lips. That really impressed me. Anyway, that's why I decided -- I became very devoted to the whole idea of mediation. And i've been real frustrated this last year on the advisory committee watching, seeing what's happening because i, too, would like to be devoting my time to the goals that the advisory committee said for the center, one of which is to educate the community on the actual conflict resolution skills, so that some of these complaints don't get so ugly and end up at the center. We haven't been able to pursue our goals on the neighborhood advisory committee because, because I have -- I feel that, that the reason we haven't been able to pursue our goals is because of all these budgetary concerns but also because of the, of the influence that oni has had on the, on the morale of the center, the linda hunter is gone. I frankly felt linda was open to working with the advisory committee, very open to working on the goals. She's gone. I have watched, you know, I have watched the influence on, on commissioner Saltzman, commissioner Francesconi, by oni. I am not happy. I'm not happy that, that our voice, as a commissioner appointee to this advisory committee, that our voice has not been solicited and has often not been heard. And I feel that the volunteers, I feel that you are going to -- if, in fact, you farm it out, you know, you are going to lose a lot of volunteers, a lot of dedicated people and you are also going to, I think you are going to risk losing a lot of public faith because I do think that the city -- the name "Portland," and the city being directly responsible for this program makes a huge difference.

Katz: That's all. Come on up. I don't know where sam is on the issue and I really don't care. [laughter]

Katz: No, come on up. I have worked with sam over the year on the i-5 trade on transportation corridor, and I know that he's a facilitator, so educate us. Identify yourself for the record.

Sam [last name not given]: I am sam, 11524 southwest vacuna court, Portland, Oregon. I am an attorney by training, a mediator by choice. My job is to help people navigate the intersection of logic and emotion and I have never seen a case with the possible exception of my pro bono mediation of the holocaust memorial that was more difficult and problematic than this one. I have - - I was the only bidder many years ago when an rfp went out on this particular process. The request was to do it for "x" dollars. I responded that it couldn't be done it for that and I don't remember what amount of money I put in. For what was on the table then. I have given countless hours of my time to the neighborhood mediation center in the form of doing helping with the volunteer training, helping the city attorney's office on some of the legal issues surrounding mediation, confidentiality that are difficult to understand. Helping the directors provide forms and creation of best practices or good practices for the center. In my capacity as the advisory committee member I was on the executive committee of the neighborhood mediation center advisory committee. And I guess to be brutally honest, I have a lot of personal feelings surrounding this, and it is difficult for me to navigate myself through this intersection of logic and emotion. I will say, however, that I have been the loyal opposition against the positions taken by some members of the community who have supported, some members of staff who have taken positions that I thought were inappropriate. I have also been the loyal opposition against owning and for some of the things that they have done and the way that they have handled it. I am probably the only volunteer whose volunteered hundreds of hours of time that was not asked to continue to volunteer because my positions of the opposition were not well heard and not well received and that was very offensive to me. I believe that both parties, and since I have been on both sides of this issue, both parties need some nonverbal reality therapy. This would be the hug, the shaking of the shoulders, and then the hug again. This is a crime. It's a shame that we have gotten to this part. There is blame to spread around everywhere. And I don't know what the solution is. To the process. I truly don't. I think that jim Francesconi inherited a situation that has been brewing for years, as you have heard. I don't think

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that it's been handled well by either of the sides. And in the holocaust memorial case when parks commissioner Jordan said something, that will stay with me forever, I just hate to see well intentioned, good citizens fighting and that's what we have here. There's got to be a way to resolve this. I don't know what it is at this point.

Katz: You don't know what it is?

Sam: The only thing that I could suggest is a process -- I don't. The only thing that I could suggest is a process with you paren, mayor Katz, maybe one or two other commissioners present, where we have a facilitated dialogue, and this can not be one of these touchy feely group hugging I feel your pain kind of facilitations. You will need a facilitator and mediator there who can hold his or her own and talk candidly about race. Talk candidly about perceptions. Talk candidly about quality of performance on an individual, an organizational level, and deal with some incredibly hurt feelings and strong personalities. That's the only success. I am concerned about the timing of that. Vis-a-vis, the goal of maintaining mediation services, and the constant flow. But, I guess -- in my heart of hearts in the moment I will tell you I think it deserves a chance. One last chance to sit down, but it would have to be with you, for sure, at the table with your innate ability to be fair and give reality therapy and keep people on task. Thank you.

Katz: Thank you. Thank you for indulging me. I truly didn't know where Sam was coming on this issue but I have such great respect for the work that he did with this bistate task force that studied a very difficult issue and we had people from Washington, the state of Washington and the state of Oregon seeing him in the audience, I asked him to come up. All right. Anybody else want to testify? Come on up quickly.

Charles Ford: Good afternoon. My name is Charles Ford, I reside at 420 North Commercial Avenue in Portland. The last time I sat at this table was to speak on behalf of a program that no longer existed, and that was the oversight of the police department. I came here today, and you might notice I didn't sign up because I had reservation about whether I wanted to speak a lot. I wish I had a lot of time because there is a lot of history here and a lot of us, of it is being ignored and I don't think it's being done intentionally. It's just a lack of. The mediation program started in 1988 as a result of the federal funding. It's a citizen-based and still is a citizen-based group. There's been a lot of hard days with mediation. I am a recipient of having received it, services for mediation where me and a young lady in our community had a bitter dispute. I agreed to mediate with that person and we did and we did it through the mediation program. Today, that program stands high in my memory as a professional organization did a job of two bull headed people, I was one of them and the other was a woman that we worked through and came out. I want to respond to commissioner Sten, is there an avenue to mediate this? I think that there is. I think first of all we have to go back out. I have heard a lot today. We have to go back and be honest with ourselves and that's what we are not doing. Going back to when this program started. It started with an agenda and that was to serve blacks and other minorities, low income people. Today, that's no longer existing. In fact for a long time it hasn't. We spreaded our wings far, far too far. We tried to accommodate the city of Portland and the metropolitan area. I have nothing bad to say about resolution forces. I am familiar with them. They do a good job, I am sure. I think that program does a wonderful job. I would like to take this last recommendation mayor and look at this program and the total policy. Not what was said and based on the policy but look at the philosophy of the program. I think we should make an effort to do so. I won't try to address the employee thing because that's a hard issue and it could be sometimes summarized as a racial issue. Again, I want to state if we really want this program and want this community to come together around this area, then we do need to sit down and further talk through before we make a final decision on this resolution. Thank you very much.

*****: Thank you for allowing me to --

Katz: Identify yourself.

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Solomon: My name is solomon, and I reside at 4336 southeast hash. I am a mediator, a facilitator and also a trainer for volunteers. I am also a volunteer for both resolution and the mediation center, so when I came here I found myself in a quandary wanting to say who I should encourage you to award the contract to. But I find myself also looking at a very global perspective for Portland. I see mediation. An avenue to resolve conflicts and also to prevent conflict. Now, the way I see conflict coming about to Portland is one, through immigration with so many people moving in here. I also see conflict coming around in some of the schools, and since i've been here for six years, i've seen the population increase and with that, we should all expect that there will be a certain amount of conflict, so i'm sitting here wondering how come we are having population increase in this city and yet we are cutting services for funding for services that were, that will mitigate conflict that will arise out of immigration expansion. I know that we are faced with budget constraint, but we have to ask ourselves what kind of investment can we make to serve the long-term interests of Portland if you, in the schools, if people coming in here are engaged in that type of conflict that I foresee and we don't have the services in place for them, then what happens? Some of them end up in jail. And it cost us, the city, the state more money to maintain folks in prison. I also know that it cost so much money to actually get professional mediators to mediate things. The type of mediation work that I do, I know that both the, the resolution are very critical. One thing that I can say is that both of them do have some benefits with the resolution of west, they, they also work with the schools. Part of the job that I do is to go to the schools to try and resolve conflicts among the students, also to try, to help and train students to resolve conflicts among themselves.

Katz: Thank you. All right. Council.

Francesconi: I am ready for a vote.

Katz: Let's see if there are any questions and if there's any discussion.

Saltzman: I have one question, I guess, david, yeah, you. There's been a lot of issue about how the identification of being a city mediator carries a lot of weight. How a resolution of northwest answer the phones and identify themselves when they are calling people. Will it be Portland calling from a Portland office of mediations or resolutions northwest?

Lane: Commissioner, we haven't gotten exactly to that level of detail but it's something that is a good consideration. We plan to, to, in the contract to set up an advisory committee of citizens who would come in and advise them and that's one of the issues but I see no reason why they couldn't answer Portland mediation services, something like that.

Saltzman: When they call somebody they could say this they are calling from, from, or on behalf of Portland mediation?

Lane: And they will have the same phone number as in the contract, the same phone number and the same location.

Saltzman: Great.

Katz: I have a question. The physical assets, since nobody, nobody else had the contract early on, we just, we have seen it, and, about a half an hour ago, you are turning permanently all the physical assets. I know it's correct. I can read. Is this what you usually do and what happens if the contract is dissolved? Should we be getting those physical assets back? That doesn't seem to appear to be in the contract.

Lane: Right. There is no provision for the return of those.

Katz: And why not?

Lane: Well, most of those actually, those, the assets that we are talking about are computers that were purchased four and five years ago so I have already outspent their useful lives. The bureau of information technology standard, computers, that they are advising bureaus to buy today, are, are completely different than the ones that they have out there so it's no real great cost to the city to

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transfer these assets and in fact, it's a great benefit and a lift to the contractor in terms of being able to pick up services as soon as the light turns on february 1st.

Katz: That's another issue. I'm not sure that the council is opposed to turning those assets, but you have got other assets, other than computers that if, if the contract dissolves should be turned back to the city, so the city can make a decision as to where to donate that equipment if it, if it can't use it.

Lane: And we can do that, and we follow standard it procedures when we, we turf out other computers so we do that here, too.

Katz: Computers, the laptop computer, fax machine, the cabinets, desk chairs.

Lane: That's the model that the city followed when it contracted with elders in action some years ago transferring those, many of those assets over.

Katz: That may not be a problem but if the contract dissolves, it would be nice if the city had an opportunity to make a decision where to turn those, or at least work with whoever we contract with and have a say about those.

Sten: One more question.

Katz: That needs to be changed.

Sten: Doctor, let me ask you, trying to think how to ask this. There is a variety of issues swirling around this and it's difficult and I appreciate it's a difficult situation for everybody. I think that there's an issue of cost. That's been pretty clearly explained to me. There is the issue of service and I have to conclude from the hearing that, that the service is going to be good at both places. And you know, but from a general standpoint, it's going to be, as I look at it, slightly different because they are different and about the same quality. And then the, there is a whole range of issues that really to me have to do with people's feeling of inclusion in this. People's fears of what type of diversity will be involved in there is a new approach, all these issues, and, I mean, it just -- it does strike me and I am looking to you as the director that some of those issues could be talked through better than they have been. I am surprised that nobody, you know, has had a formal discussion between the advisory council of the old operation or the current operation, I should say, and the board of the new group to see, you know. Is there something that's, that would get to the place where at least some -- I don't think that everybody is going to be happy but it's a pretty odd situation, people who are, who are trained professionals and mediating, just, just not even trying to work out some of the issues that, that, that creep just below the question of, is it contracted out or kept in-house, and the last testimony got it, is there anything you are willing to do to take that on or is it, is it, you know, I am saying this before we get to a vote on the council.

Lane: Commissioner, that is a difficult question. We feel, you know, I think that, you know, I think that a couple people testified this has been a long time problem. It's been an issue, the elephants that the mayor made reference to have been in the room. Commissioner Saltzman and I worked on those. Extensively, we tried to revamp the, the advisory committee in terms of procedures for, for appointments and things like that. The two directors that I have worked with are both excellent mediators and community people and they tried and we worked together to try to work with the advisory committee. I think that the passion you heard today has made a very, made it problematic for us to do that and we have done that, and again, our bureau advisory committee had representation from the mediation advisory committee who, and every member of the committee was asked to go back and talk with their respective constituency to get ideas and concerns and comments to bring them forward to a centralized conversation. I think that that happened on some levels but not on others. So, I feel like from a bureau's perspective, we have worked with labor relations, we have worked with the city attorney's office extensively on a variety of issues dealing with the, with the mediation center since i've been director, and we have worked very hard and it's just -- the passions and the interest make this very, very challenging, challenging opportunity for us.

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Sten: I guess that's a no. You know, kind of building on an answer, I have just got to ask you directly, what, in your mind, are the elephants in the room because that's a phrase you used?

Lane: I picked that up from the mayor. I think that there's passions on the advisory committee that have been challenging to us. There's just the fiscal reality that when we have gone to the advisory committee and presented across the board cuts, that they have been met with strong, strong opposition. And the lack of willingness to come forward with some other proposals, and there's been a myriad of personnel problems, and the, the most previous director who was a wonderful person frankly got burned out dealing with all the issues internally out there.

Sten: Thank you.

Katz: Okay. Further questions? Thank you. All right. We will take a motion to authorize -- well, roll call.

Francesconi: This is now about two issues. One is can we provide the quality mediation services that our citizens deserve at a cost that our citizens can afford, and can we on the council exercise the leadership it takes to move this thing forward? Those are the two issues. On the first issue, you know, we have an opportunity now to increase surface at more than \$300 less per case with more translation. This is the testimony that we have. With translation to our growing latino community at faster services in face-to-face contacts. I don't know how you resolve anything over the phone given my experience and the opportunity with additional resources. And we are now in a situation where we had a national model and vancouver is doing more for less right across the river. Folks, this doesn't make a lot of sense to me. So, on the first issue, it's a clear case that we need to support this. But I want to talk a little more about the question of leadership here. First let me briefly talk personally. I want people to like me. It's one of the difficulties I face, I think in being a leader. And certainly as a politician, I really want people to like me, especially people from, that I care about, many of whom testified. So, with that, you know, predisposition, I spent a lot of time on the holocaust memorial thinking that I could resolve a dispute that was not resolvable. And in the process of spending all that time on another situation that I inherited, I ended up prolonging the controversy and deepening the antagonism so I thought that it was me, that I didn't have adequate skill and that my roll as the commissioner in charge was the wrong role to be doing that. I think that that's true. My job is not to mediate at this point in time. The way I view my job. Even though I like doing it. So I asked sam to do it as a volunteer to do this because there's nobody better. Sam couldn't resolve that. I really believe that that was one of the rare decisions, that you have got to make a decision unpopular or not and move on for the good of the neighborhood, for the good of the holocaust memorial, and in this situation, for the good of mediation. If we care about mediation, we need to make this decision because it is always going to come up now in diminishing resources. We now know that even if we do this, we have the most expensive mediation in the country. Even if we make this change according to the report that we have here. So, this -- we have got to bring some stability to the mediation system. Do you think this contractor that we have an opportunity is going to sit around while we try to mediate this? We have an opportunity to get it to a responsible contractor with a contract that has all kinds of things in it that they have to deliver on. All the things I just talked about. So, I think that sometimes leadership means not doing the popular thing, ending a controversy, and trying to move on. I also think that we run the risk of undercutting not only our staff on this issue but other staff that try to present us with cost saving ideas that are controversial. I think we undercut them and I don't think we want to go there. I also think that we send the wrong message to our other employees out there, our police, our firefighters and others when we leave \$200,000 on the table here when we can improve services. I don't think that we want to go there. So, I commit to doing what I can to have the healing but the healing is not going to happen until the decision, prolonging the decision, prolongs the wound. We have got to make that decision and then we have got to trite make sure the contract is adhered to. Make sure, which

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includes the volunteers, make sure that we hold the contractor to this and then we start the healing process, and that's what I want to spend my time on. But the healing process is only -- that focuses on the participants. Above all else of course we have to keep the eye on the customer who benefits from the mediation service, and all the evidence that we have in front of us says that this contract will, this approach will allow us to do it. I just can't undo the past but now let's work on the present and let's work together. Aye.

Saltzman: As the previous commissioner in charge of oni, I have some role in initiating this look at doing the rfp process, and I really believe that with all due respect to emanuel parris, margaret, charles ford, bob boyer, elaine walsh, many people who have been with this program from the start, and I have certainly come to appreciate the rich history this program does have from model city days. But, if you survey the landscape there is not much left of model cities anywhere these days. And I think that that goes to say we need to look at doing things differently. This is a different era in which we live. We don't have federal government pumping in massive dollars any more. So, we have to look at our general fund dollars, make sure that they are spent as cost effectively as possible. That's a job we are elected here to do among other things. I believe that -- that's a job that we are elected here to do. While this is a painful process, as commissioner Francesconi said the sooner we get the decision behind us, the sooner the healing can begin. What we are looking at, if you look at the statistics, and this is an excellent report put together. We are seeing declining case loads right now. The case loads are going down. Response times are going up. So something is not, you know, the service we, we aspire to is not being delivered. We have a contractor that's contractually committed to achieving higher service levels, at least better or the same response volume, case volume, but adding multilingual capabilities and adding family disputes and victim offender mediation. Those are areas that, that we practically have zero ability to do and also going into the schools. I was very impressed to know that resolutions northwest performs that service so we will get a broad array of mediation services contractually committed to achieving specific outcomes and we are going to save money in doing it, and there's nothing wrong with saving money in doing this. So, like I said with all due respect to the richness of the history, it is time to make a change and I believe the resolution of northwest proposal and contract before us is a sound one. Aye.

Sten: A couple thoughts before I vote. As difficult situation, and I actually respect a lot of commissioner Francesconi's argument we need to make a decision and get moving. In one way or the other. You know, a couple of thoughts, and it's always, you know, these are more constructive because it's, it's always easy after the fact to see where, where some things maybe could have been improved but I don't think that, that at least from one commissioner, you know, my view of that budget note and there's a lot of budget notes exactly, and so I would be the first to say that I don't always give deep thought on the way the budget note is written but I wasn't viewing it as oni's mission was to get an rfp done but to explore one and look at that. I think that, you know, it's clear to me that if the city appoints an advisory committee, we ought to formally talk to them about these issues and I would have liked to have seen the advisory committee have a chance to respond with a cost cutting measure of their own. Those are things that it seems to me in the future would make a lot of sense and I would like to, to ask very clearly that, that the advisory committee and the board of the nonprofit have a conversation about how to address some of these issues. To be frank I really don't find either side's argument compelling for the reason that neither side has really, and its because of the passion, I understand that, address the other side's issues, which I think is something that has to do with what you do in mediation, and I would have found a lot of the arguments more compelling if you would have spoke to kind of a little more why, you know, what's, what's legitimate on the other side's point of view. There may be, you know, whether or not substantively there's more room between the two sides to even out the pieces, i'm not sure. It sounds like there is

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to me. I haven't listened and continue to prod and ask that which I have been asking all morning long, I don't think and I do agree that I don't think at this point another structured mediation is going to work. You don't have willing parties, basically, in a whole bunch of friends, so I think that we have to have to move onto this. It's the thing that you see up here from time to time, but it's too bad we didn't get to a little more middle ground and I think that there is some more talk about leadership that should have have been shown from the city's side to really either, you know, put the advisory committee and some of the other folks into a position of having to either solve the problem or move on as opposed to kind of work around that process, which is what I think that we did because when we have a few people and not the whole advisory committee involved we are not working with that committee no matter how we frame it. That, all being said and listened today, I think that the best course of action at this point and somewhat regrettably to me is to move on and support the contract because I don't see it going, I don't see it going forward. Aye.

Katz: I put together the original budget note to review this over the next year because, because I will be very honest with you, this was a financial decision that we had to make. Everybody took cuts. Everybody took cuts. And maybe we moved too quickly to amend the budget note to make this occur this year without a lot of discussion. So, to that extent, I think that all of us are somewhat to blame on that issue and we need to be a little bit more careful next time. I did ask the office of finance and management, a neutral party, to review the information that sumner and others presented me. And basically they concluded that the process, the rfp process was fair and unbiased. They did not find anything out of the ordinary with regard to the structure of the questions within the rfp, and the savings for this year is about 25,000 for the next year, 121, and the following year 130, almost 132. And so I have to admit that that document probably weighed a lot heavier on my decision than anything that I heard today. I want -- sam, thank you for having faith in me to see if I could pull everybody together, but I will tell you quite honestly listening to this debate, I think it's too late. There are too many elephants in the room, including those of us sitting back here, including current oni and former staff of oni, including people in the community that couldn't mediate this problem. And it is unfortunate. I wish that maybe that we could resolve it. We can't and it's probably time that it's out of oni, out of our hands, and directly to a nonprofit organization. Whose responsibility is going to be, and not point fingers about racism and race, but responsibility is going to be to pull everybody together. You have got a wonderful community of, of volunteers who care about this, and if you don't pull this together, we will. This is my threat to you, we will review your contract very carefully on that point. So, because of all of those reasons, I am going to have to vote aye. All right. Let's move on, we have one more item before we take a break. There is a woman who came in, we are going to be probably starting at 2:00, but it's going to be much later because I have got unfinished business ahead of us, okay. You are more than welcome to stay here. Let's move on quickly. It's 1:25. It's 132. -- it's 1328.

Item 1328.

Tim Grewe, Chief Administrative Officer: We do have some people here that have been waiting for quite a while to provide testimony to you, so let me just give a brief introduction.

Katz: The other option is to hold you over but we have a long, long agenda.

Grewe: So let me say this -- to give this some context for your decision making.

Katz: Identify yourself.

Grewe: Tim grew, chief administrative officer for the city. The action today is for, to get guidance from you on the it administrative policies, and I want to represent this as another milestone in implementing the directions you gave us as part of the administrative review process. You might recall in september you passed the it strategic plan. That is now -- that action is now part of a routine approach to management that we have the omf strategic plan and then strategic plans for each one of our business areas. Those plans guide our business decisions, our work plans, our rate

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models, literally everything we do on behalf of our customers. But, but, the, the component of our management approach that really translates to, the goals and strategies into action on the ground floor are the administrative policies. You previously approved the administrative policies for our human resources bureau. We are asking for the same action today on these policies, and I should say that we follow a routine consistent approach now to all development of the administrative policies and o.m. and f service areas. I first have a presentation made on the problem that the policy is addressing. And if the problem is significant, I authorized the development of policies to proceed. Staff works with stakeholders, people that have some expertise in the area and drafting what we think the policy of procedure ought to be. That comes back to me, and then we send that draft out to all the effective bureaus or any bureau for that matter who wants to see it. They have no less than 15 days and typically more than four weeks to review that policy and give us input. We then review that policy -- that input and where we feel it is appropriate, make modifications to the policy at which time if I am comfortable with it, I authorize the policy and bring it to you for approval. Today we are bringing the first new set of policies to you for approval as a group. But I wanted to give you assurances that we work very hard to communicate with our bureaus as we formulate the policies. I will stop short. We do not follow the least common denominator, meaning we will make our decisions based on what we believe is in the best interest to see it as a whole and typically that means that we have a majority consensus that the policies are in a format that can be approved, I will not tell you that we have 100% agreement in all cases. So I will stop there if, that's enough for the council to act upon. That's fine. Glenn may want to add a few things.

Katz: Why don't you introduce yourself and don't go through the presentation but identify -- I know you have been wanting to do that. Identify three very critical issues, briefly, about what we need to be aware of.

Glenn Meyer, Manager, Bureau of Information Technology: Okay. First off, my name is glenn meyer, the bureau of information technology director. Before I do that I want to thank all the bureau managers and directors who offered important customer feedback and constructive criticism on the administrative rules and especially the city it managers and staff would worked over the last six months to aggregate all these things. Probably the three most critical issues that we face happen to be business continuity and system security, those are challenges that we face that are unfunded right now. In terms of being prepared for e-government and approving access to citizens, one of the basic things that we need to do is, again, work on the system security, but also have, have, have guidance from you which we will be asking for at the council work session december 10th for development of the city of roses web portal so, it's e-government and the web portal, system security and then just really overall support for the changes that we are asking for. Let me just talk about, well, why don't I just -- in the interest of time then, just introduce the people that we have. We have got lisa yo, as you recall is a member of my external advisory committee and the chief information officer for Multnomah county. This time for the first time we have tim sandage, the president elect of the local information system security association. He also is the information assurance manager for the air force national guard regional operation security center and tim and I work on homeland security issues and other things. And then we will have deputy chief jim barry speaking on behalf of fire chief ed wilson and bureau of licenses director, jim wadsworth and I have asked them to keep their commence very brief. [inaudible].

Francesconi: I brought my bureau managers together and this subject came up. You don't have to respond in much detail but the issue first of all, there's more acceptance of this, so we are not refighting the old asr battles. That's not the issue. But the question of cost and accountability, which translates into governance structure and how the bureaus will have input, especially when you get into, you get into the standards area, people are really concerned about it from, from at least in, not all my bureaus, some of my bureaus. So they, one, one bureau, parks is more concerned

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about the cost because it's been technology deficient and as you up the standards, where does the money come from. Transportation is more concerned about having input. They are concerned about cost but more concerned about input. So I wanted to raise this.

Grewe: On the cost issue, jim, commissioner we are trying as hard as we can to self-finance this transition into the health, and when I say self-financed, we are, we got the inflation going but we are trying to work within those means to meet some very expensive transition area issues. And I am confident we will be able to do most of that. But for things like business continuation, enhancing the city's level of security in the wake of the 9-11 event, bringing our equipment up to current it standards, customizing business practices and aligning it software and applications with that are going to be expensive propositions. My hope is and my guarantee to you is that every time we engage in one of those processes, you will have a very clear business plan from us and that business plan should show you a return on that investment over time. Otherwise, we need to be questioned why we are doing it in the first place. As to the communications, I am almost at a loss of words as to how to respond to that. These issues that are before you today actually go back for over 2.5 to three years to the original itsp. We have had committee after committee after committee of discussions.

Francesconi: I think it's the future. What's the input in the future? I don't want to be --

Grewe: Let me explain the process a little bit more thoroughly. Before an issue is brought to my attention to have a policy --

Francesconi: I have got a better idea why don't you sit down with brandt. He's a team player and you two can work this out.

Meyer: I'd be happy to.

Katz: I think that there is, there is a history there, too, with the bureau and that's been a problem but I think with the new leadership in the bureau that ought to improve dramatically. And if it doesn't, I need to know that. Thank you. All right. Guests.

Lisa Yo, Multnomah County Chief Information Officer: Lisa yo, Multnomah county chief information officer and I am here to encourage your support, obviously, of adopting these it rules. I want to give you a quick perspective on what, how these rules have benefited the county. Multnomah county's first foremost strategic plan was adopted in march of '96 and in 1997, we adopted a similar set, very similar set of it rules. We call them our policies and procedures. We benefited in a number of ways but I will give three specific examples. One is having a single repository for all our it policies and procedures and clarify who has authority and responsibility for those. What I have seen is we have been able to make faster progress in areas of policy implementation, things like responding to anti-viruses in the last year, we now have a county-wide policy that allows us to, to address and trap viruses at three different levels, respond more quickly where in previous years some departments were able to respond quickly than others so, clearly having one set of policies is what you want to do.

Katz: Let me interrupt. For the people who think that they are here for the 2:00, we are going to have to clear this chamber were we are finished with this item so don't get terribly comfortable. All right. Go ahead.

Yo: Two other brief examples. The county manages rits. We have a four-year p.c. Replacement cycle where the cost for desk top pc's and software licenses are budget the annually, which enables us to have volume discounts this. Year by standardizing county-wide through a collaborative process, we call our enterprise architecture process, it's something that glenn and I have talked about, we standardized on a particular maker of pc's. We reduced our cost per computer by \$200. We also standardized on one network operating system, and we are saving next year \$180,000 that currently we are having to pay to novell for network licenses. We are saving that next year. So, there are some real substantive and tangible benefit to say standardization, and they are definitely

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out there for the getting if the city continues in the direction to which you have started with your it consolidation. The last thing I want to mention is, a third example which is the county's single and integrated hr and finance system which I know is another one of the goals or initiatives of the bureau of it's plan. We have the county two years ago implemented the sap integrated h.r. And finance system. Everyone knows it was speculative and yes, it was difficult. We were fortunate and we are able to go live on schedule and budget and the question for the last two years, we were looking at was, are we reaping the benefits that we gained, expected to gain and the answer is a resounding yes. We now have financial and hr reports that we get in real time. We used to get monthly reports. Reports that we would be a month old data where we were trying to reconcile our budgets. We now can make decisions today and see the impact tomorrow. We are currently merging our financial information out of sap with other system's data. So, for example, we are looking at the percent of contracts that we are awarding to minority and small businesses and women-owned businesses, county-wide. We weren't able to do this finance in h.r. Data management prior to this integrated system. There are others. I will be happy to provide those to you. I encourage you to support these.

Tim Sandvich, Information Securities Association: Great. As Glenn said I am Tim Sandvich and I am with the information system security association, which is a nonprofit organization that represents security professionals within the Portland metro area. We are an interception organization but I happen to be part of the Portland chapter. I am used to dealing with enterprise level security concepts, policies and procedures. I have reviewed the policies and procedures as they have laid them out for the virus protection network access, remote access and so forth and agree that based on due diligence and due care procedures and best practices of the it security industry, this is an instrumental step in putting forth an enterprise level security policy and from that standpoint, it's going to protect the overall functionality, operation, and cost savings to the overall enterprise within the city. So, just to support this and be very brief, it's, it's in the best interest and best practices arena to support this type of policy and bring it in within overall enterprise architecture.

Jim Wadsworth, Director, Bureau of Licenses: Mayor Katz, commissioners I am Jim Wadsworth and I want to echo the comments that Tim made, and talked to, to the inclusiveness that my bureau has received from BIT and being able to look at our business needs and take pieces of the administrative rules that, that needed to be adjusted and adjust them in such a way that we were able to get the most for our business.

Katz: Thank you.

Jim Beery, Fire Bureau: Mayor Katz and commissioner, I am Jim Beery from the fire bureau. I am here to speak on behalf of chief Ed Wilson and the fire bureau in support of the bureau of information technologies administrative rules. The rules are comprehensive and provide a solid foundation for implementation of BIT's five-year strategic business plan. Portland fire and rescue is very happy to see that the rules address system security, backup and recovery in one place. We know that there's more work that will be required, particularly in the area of cybersecurity, and we look forward to working with BIT to address the city's real needs. We strongly -- if I can finish, we support the corporate approach that is the bedrock of the five-year plan and the BIT administrative rules.

Katz: My apologies to all of you. I know you have spent a lot of lot of time. We are so far behind. Anybody else want to testify? Roll call.

Francesconi: This is really important work that I underestimated. Thanks for all your work. Aye.

Saltzman: Yes. Don't attribute our short attention spans to the -- not taking away from the importance of this work you have done. So my kudos to Glenn and to everybody whose helped us and everybody in the city government. We have to make this work. I'm getting tired of hearing all

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the horror stories of the past and some of those horror stories are still with us. We need to be moving to common soft wears and hardware. It makes so much sense that it defies, you know, defies logic why we haven't done it up until now and I think that Multnomah county has given us the best example, so good work. Aye.

Sten: Great job, aye.

Katz: Thank you all. I know that in the past this has been somewhat difficult but we have new bureau managers in many of the bureaus that may have caused us a little bit of heartache and I know your work will go forward. We will try to find the resources to move it forward, but your smarts and brains are more important sometimes than money. Aye. All right. We are going to come back at 2:15. Meanwhile, tim and the fire bureau, i'd like a recess for the next item and see if we can come to some resolution. All right. 2:15, everybody. We're going to have to clear the chamber.

At 1:42 p.m., Council recessed.

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Katz: All right, where's commissioner Saltzman?

Moore: He's on his way.

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

Francesconi: Here. **Sten:** Here.

Katz: Item 1329.

Item 1329.

Yvonne Deckard, Director, Bureau of Human Resources: Good morning, mayor, council, for the record, my name is yvonne deckard and I am the director for the bureau of human resources. Actually, this is a very quick item because at this time, I would like to, to ask for a one-week delay on this item.

Katz: Any objections? I want this item, though, to come back next week, and if we have to, we will have, we will go and do, into executive session on wednesday, if we have to. All right. Any objections? Hearing none, the item will be referred back to my office and come back in a week. Thank you. All right. 1350.

Item 1350.

Katz: All right. Nobody is here to testify on it, right? Anybody here to testify? Roll call.

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

Katz: Actually, this is a wonderful program. I am not going to tell you any more about it. Aye. 1351.

Item 1351.

David Schaff, Labor Relations Manager: Good afternoon. I'm david shaf, the labor relations manager for the city of Portland. This is the first contract that the city has negotiated, the first new contract that the city has negotiated in the last 15 years, and I am here to answer any questions that you may have. We believe that it's a good contract. We have met the interests of the city of Portland in the wages, hours and conditions of employment, and the local 483 in coming to, to a new contract for this fairly small group of seasonal maintenance workers.

Katz: Questions by council?

Francesconi: Is 483 here?

Katz: Anybody want to testify?

Schaff: They were at some point but I think that they have left.

Katz: I think I told everybody to come back at 2:15, and it's 2:23. All right. Roll call.

Francesconi: Actually, this is a very good contract, and so I appreciate your work on this. I also appreciate the union working with us on this. I actually had some early conversations in generalities, and I wasn't sure we were going to be able to get there, so this is a good thing for our seasonal workers in terms of, of wages and some other benefits and it's a good thing for the city that needs some flexibility with seasonal workers. So, thank you for doing this and thank the union for coming together. Aye.

Saltzman: Aye.

Sten: Well, quickly, I think this is a good contract and good work, and I think it also really even though it's not easy node this climate gets us a little closer and actually a lot closer on the issues of livable wage, like we required the contractors to do and give us some stability and we got some good things in return, so nice work, aye.

Katz: Good work, aye. 1352.

Item 1352.

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Katz: All right. Thank you for being so patient.

Andrew Aebi, Local Improvement District Administrator: You are welcome, mayor. Good afternoon, mayor, commissioners. The final assessment for the southwest capital highway from, from Cheltenham to Bertha local improvement district is slightly below the original estimate and no remonstrances were received.

Katz: Anybody want to testify? Roll call. Sorry, this is a second. Move to second. So is the next one. 1353.

Item 1353.

Aebi: Good afternoon, mayor, commissioners. Again, andrew aebi, local improvement district administrator. Since we had the resolution of intent hearing at the beginning of october, we have since received two remonstrances representing 30% of the assessable area within the proposed local improvement district. City code provides city council retain jurisdiction to make a decision whether to form the local improvement district provided that less than 60% of the property owners remonstrate. The report to council, that's before you recommends the, sustaining the two remonstrances that were submitted. The options are to accept the recommendation contained in the report to council and to decline to form the lid; or council may overrule the remonstrances and decide to form the l.i.d.. Whatever your decision may be, the -- I do believe that this has shown that the revised l.i.d. Process has worked. I think it's important to know that people don't support projects unless the process worked well, and one of the supporters who contacted me on monday to say that while she was disappointed that her neighbors didn't share the enthusiasm for moving forward, she said that the process was excellent. I might also point out that we have attempted to be inclusive and invited all property owners to participate in this process, and in fact all those property owners who did participate in the process were, in fact, supportive of moving forward. And this l.i.d. might have attracted more support in better economic times or if we had been able to leverage a small amount of other resources. The process model, the title 17 code changes that will be before you next week, and i'd like to point out that not only have we come up with the less expensive way of doing street improvements, but if you decide not to move this project forward, we have saved almost \$10,000 by having this early check-in with both the property owners and with council and not having those costs as a result of the l.i.d. not being performed. Finally it's worth reiterating that this is very unusual and it's a substandard street. The lid's that we have considered in the past having for fully unimproved streets, dirt and gravel streets. One of the things that we had a lot of discussions on during the l.i.d. Redesign process is the appropriateness of the design standards that we have, and I think that the message here is that while costs are certainly important, it's also important we build streets that work and not try to do them on the cheap. In other words, build streets that provide proper drainage and functional for the future. Thank you.

Francesconi: Because we -- because we had a brief, emphasize brief, briefing, I think that, I want to make sure that I understand this, and I think that I can explain it a little to the council, so it was a 52-48%. The 52% wanted to, to do this pretty expensive, very expensive improvement. 48% did not, is that right?

Aebi: Well, yes and no. We reached out to all the property owners. One of the problems that we run into in this day in age is just getting people to respond. We had a petition deadline of the middle of september, and we worked very, very hard to, to contact the remaining two property owners, couldn't get a response. We extended the process by two weeks, and then we really felt that we needed to have some resolution on this, so we went ahead and scheduled the time and manner hearing. One of the property owners, whom I contacted, was neutral, sounded very

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appreciative of the process. You know, I can't really count people for or against until they either sign the petition or tell me they don't support the project.

Francesconi: But technically, four-- it was close. The four's were just a little above those opposed, right?

Aebi: Yes. So what we had, we had five property owners, two of whom were for, two of whom are now against. One of whom is neutral. The two property owners in favor had larger assessments, and I think that one of the things that's really significant about this lid is the people with the largest assessments, and in fact, voted for the proposal and usually, it's the opposite case for the people with the lower assessments wind up supporting it.

Francesconi: And how much assessment would we be putting on the lower assessments? The people that voted no, how much money would they have to pay if we approve this?

Aebi: One property owner would favored it would have about an R18,000 assessment because her property directly fronts holman and it is not on a corner lot. We would be offering a corner lot discount for the other property owners. Their assessments would run in the 6 to \$7,000 range. When we did the lid redesign process several years ago the average cost to the property owner was between 12 and \$13,000, and we were shooting for a 50% reduction, so for those other two property owners, that's pretty close to what we were shooting for several years ago.

Francesconi: Okay, ask you correct me if I am wrong, so council, the reason that he -- that the transportation just recommended against this, despite technically meeting the existing rules, is because we are changing the process for lid and because of a prior council discussion on this close a vote imposing 12,000 on one and 6,000 on another when we have a road here that's, that's been, that's been partially improved is functional but it's not great, so based on an earlier council discussion, pdot felt that the council didn't want to impose this much on such a close vote when we changed the process so they asked my advice. And I said I don't want to do it either. So, I recommend against it. So, did I summarize the issues correctly for the council? Or add to it, if I misunderstood? Go ahead.

Aebi: Well, I think the crux of the issue here is you have basically got a stalemate. You have two property owners in favor. You have two against. You know, that's a close vote, anyway you look at it. But it's, it's still not a real strong consensus one way or the other. I think in the, in the final analysis, this is, as you point out, a substandard, not a fully improved street so as much benefit as we would get from this, it's not as much benefit if it were a complete dirt and gravel street.

Francesconi: I want to do the recommendation, which is say again? I'd like to move that we accept the remonstrances and not form the lid. That's my motion.

Katz: Fair enough. That's the motion.

Aebi: The recommendation is to accept the report to council and then vote against --

Katz: Accept the remonstrances and bring this back for the second reading. All right. Roll call.

Francesconi: I want to thank those property owners who were willing, two property owners to pay a lot to get that street improved. It's just that, that we do live in a democratic process here, and it's just -- we don't want to impose that much, and we are working to revise the lid process. Aye.

Saltzman: Aye.

Sten: Aye.

Katz: Mayor votes aye. All right. 1354.

Item 1354 and 1355.

Katz: All right. Anybody want to testify on this issue?

Francesconi: This is a big deal here, folks. Brief but big.

Katz: Why don't we read 1355, as well, please. Streetcar.

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Katz: All right. Vickie, go ahead.

Vicki Diede, Office of Transportation: Several months ago the lloyd district business improvement district came to the Portland development commission and indicated that they would like the development commission to authorize the expenditures of \$100,000 that are within the, the Oregon convention center urban renewal area to look at the idea of a streetcar alignment, look at a feasibility study and do an alignment analysis. Those -- pdc came to pdot and asked us to put together a work plan to do that, which we have done, and we have amended the master agreement between pdc and pdot to do that work. In fact, I think the amendment was at council last week. And then in addition to that, the, the lloyd b.i.d. Is more than willing to put in \$50,000 of their own resources towards the study. It will be combined with 25,000 from pdot resources for the entire -- to fund the entire thing. And also in the ordinance authorizing the agreement we asked commissioner Francesconi put together an east side alignment committee chaired by the lloyd bid. Our schedule was awful today, even before not getting through everything this morning, and hank is the chair of the bid, did send a letter in support of these actions. And then secondly, the amendment to the agreement for Portland streetcar is to provide the professional and technical services is far, as far as project management, some operational analysis, and some community relations to do the work.

Katz: They will be in business forever, I think. All right. Anybody else want to testify on this item? Where's pdc. Are you, are you here on this one, too?

*****: I am not but I would be happy to --

Katz: Is pdc not involved in this?

Diede: They are, indeed. The money from pdc, the \$100,000 will be for, after we have gone through some of the alignment refinement, we will issue an rfp for engineering work on the process, so we will be bringing that piece of it back to the council at a later date, and you are the, the pdc is a big part of it.

Larry Brown, Portland Development Commission: I am with the development commission. At the commission's last meeting, it did approve moving ahead with this very worthy project. We were particularly impressed with the, the way the business community and the lloyd district stepped forward to be a partner with the city, and the commission and studying this very future looking effort and extending the streetcar to the east side. So, we are real pleased and hope that you will support this effort with your, with your vote. Thank you.

Francesconi: The mayor is reading the Oregonian just projected that, that ted kulongoski is going to be the next governor.

Katz: All right. All right. Thank you. Anybody want to testify? All right. Roll call.

Francesconi: Actually, I just want to say a word. This is a big deal for a couple of reasons. One is it's a big deal for the east side, potentially, and the reason that is if you look around land value around the streetcar, it had gone up 40% in a tough real estate market. And that's a credit to first congressman blumenauer, commissioner Hales, who has really led the way and the whole city council. This is a benefit that hopefully we can extend to the east side, and it really takes the leadership of hank ashford, who has put bid but also pdc without tax increment and this is an area with tax increment, as opposed to some others, and they are willing to invest in this. This is potentially a really big deal. It's also a big deal for the central city because the time has come that we not have a downtown but we have a central city. To do that, we have to be united with transportation, infrastructure, and other things. So, here's a potential to have a loop in a circulation system where we use the streetcar more than land development, but also as a circulator, a transportation function, and that's a big deal. The third reason it's a big deal is now some

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discussions are beginning about the future role of the streetcar in a regional transportation system with some help from the federal government about funding it. We can't continue to do this on the backs of just Portland citizens, and so those discussions as part of looking at the extension of the streetcar to the east side and then macadam and potentially lake oswego, it's intensifying those discussions. So for all those reasons, this is a very good, tiny baby step that we couldn't have done without pdc and the, and the lloyd district and we appreciate it very much. Aye.

Saltzman: Well, I think -- I know there's a lot of enthusiasm for a streetcar on the east side of the river and I think that that enthusiasm is shared by all of us up here, as well. And this is a great, as jim said, a baby step but it's a step towards bringing to reality, I think, a dream, many Portlanders have of seeing streetcar throughout our city, including the east side and providing a loop system, aye.

Sten: Aye.

Katz: This is very exciting. I just want to give a lot of credit to my bureau, the Portland development commission because if you look historically at how much money has been spent on transportation issues, using tax increment financing to finance some very major and important transportation expenditures, it's, it's been them and, and it was huge and it's made this a possibility, so thank you and thank you to the commission. Aye. 1355.

Francesconi: And keep it up.

Francesconi: Aye oh, one other thing while we are speaking of streetcar, there is another message out there in addition to streetcar, it's not technically on this vote, and that is, one precondition for this expansion of the streetcar is we have to pave and fix the potholes in the neighborhood streets, so if we don't figure out a way to do that, this isn't going to happen. Aye.

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

Katz: You are placing conditions on this. This is a pretty clear, clean vote. Aye. All right. We are onto this. This is all inside baseball folks. We're onto the afternoon agenda. 1356.

Moore: Do we want to do the land use cases first?

Katz: Oh, yeah. Okay, 1358.

Item 1358.

Katz: Okay.

Eric Engstrom, Bureau of Development Services: Good afternoon, mayor Katz, and commissioners. My name is eric engstrom with the bureau of development. Last week, you voted to tentatively uphold an appeal filed by the city engineer regarding several conditions of approval that were imposed related to sidewalk improvements on southeast 39th. I returned today with, with findings to incorporate that decision. There is a memo, a cover memo that should be in front of you, hopefully, that outlines the changes I have made. Basically, the new findings are the same as the findings of the hearings officer, except for the modifications listed.

Katz: Go ahead.

Engstrom: Basically, we have, we have changed the findings on the improvements in section 34.70.020, and that's on page 15 of the decision. We have changed some findings on 34.70 for sidewalks on pages 20 and 21, we have changed transportation rule findings. We have changed several conditioning of approval, a few of those changes are renumbering the substantive changes is we have gone back to pdot's original recommendations with regard to condition a-5 and then condition c-2 has been added per pdot's language that they requested last week. Are there any questions on the changes? You also asked me last week to report back to you on, on how the, the new private street standards and new land division code might have helped this applicant, as you recall, this was a case that was filed under title 34 and one of the issues was that they had hoped to

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do higher density development at the r-2.5 density and had to fall back to the other density because of the width of the streets that the bureau required so I have a bit more information added onto the memo listing what I have looked into on that issue. The new standards on the surface seem to indicate that we would have the same result in terms of, of if we wanted to, a higher density having onstreet parking and probably a 26-28-foot wide street. That's the bad news from the developer's perspective. The good news is there's a couple new things in the code that may offer some more flexibility and some opportunities. One of which is that we now have more flexibility in how we design the turnaround at the end the street, which was one of the constraints he had. We could do a hammer head-style turnaround and we didn't do that under title 34. The, the, and other changes, we have created the type of street, the common green, which is a pedestrian green street that would allow a lot of access, a sidewalk as opposed to a vehicle street so that creates some different design opportunities on the site that, that might work for higher density development. We have also, as of just last week, adopted the transportation system plan, which in december we will change the offstreet parking requirements for the new lots that we are creating, such that on this site there wouldn't be any offstreet parking required, which, which raises the possibility of someone doing an entirely pedestrian development on this site without, without a vehicle street at all. The remaining issue, though, is how we accommodate guest parking and visitors that are still going to come to a site even if they don't have offstreet parking and designed it to be a transit oriented development. And our decision to go towards the 28-foot wide street with the old or new code is, is based on an issue of, of neighborhood impacts for visitor parking and even if we have families living there that rely heavily on transit the chances are that a lot of them are going to have cars and if there's -- in this situation, there are no, there's no onstreet parking on 39th, and so we would be looking at, at if we didn't have onstreet parking in the new private street, we would be looking at, at people walking a couple blocks to their car, if they had a car. One of the issues was the applicant really wanted to be able to provide onstreet parking but still have a narrower 20-foot wide street and that boils down to, to a fire code and fire code policy b-1 issue, and frankly, the bureau of development services standards are based really on the fire bureau's needs for street width and until we can get some discussion with the fire bureau on the street width, we are not going to be able to easily change our administrative rules. Were there any questions on that? I have outlined that in the memo.

Katz: Catherine, do you have any questions? He did what we told him to do? Council? Any questions?

Saltzman: Appreciate the follow-up on the street width, though.

Katz: Take a motion.

Francesconi: I move we adopt the revised findings, is that good enough? And overturn the hearing's officer.

Kathryn Beaumont, Sr. Deputy City Attorney: I think what you are doing is you are granting the appeal and modifying the hearings' officer's decision and upholding his decision as modified.

Francesconi: That's what we were doing. This is when we miss commissioner Hales -- I said this is when we miss commissioner Hales the most. That's what I move.

Saltzman: I second it.

Katz: Roll call.

Francesconi: This is a little victory for sidewalks and some more pedestrian-friendly 39th, and I say little because it's not a pedestrian friendly street at all but as big victory for the process. Pdot said that they would could this, and they did it. That's terrific, aye.

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

Katz: Mayor votes aye. 1359.

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Item 1359.

Duncan Brown, Bureau of Development Services: Duncan brown, bds. We have just received the draft findings prepared by the applicant, and a, are reviewing them right now. The findings will be ready for adoption next week at this time.

Katz: Thank you. This will come back to be continued next week, wednesday.

*****: November 13th.

Katz: Yeah, we are still here, okay. Any objections? Hearing none, so ordered. All right. Let's get to today's business. Item 1356 and 1357.

Item 1356 and 1357.

Katz: Marie and her staff, where is she? Stevie and the rest of, of the staff, you will point them all out to the council. Presented us, again, a nice list of decision factors, except today we are going to move some of those decisions so that we can adopt this next week. It should be -- do they all have that?

Sten: I am sure we do.

*****: You should have --

Katz: Karla is giving it. Before you start, mr. Kelly.

Gil Kelley, Director, Bureau of Planning: Just wanted to do a brief introduction. Marie is going to walk you through in a few minutes the packet you receive that does have our proposed amendments that respond to the concerns you raised at the last meeting. And those involve the height above 250, and we think that we addressed this issue now, that gets both at the additional open space public benefit issue, very nicely and neatly, and also gets at the issue of, of design that was concerned, that you had concerns about last time and so forth. We are going to talk about the required housing provision, shared parking and matt brown will come up from pdot at that point and join us. Stormwater setback. We want to clarify about the alternative road alignment in the north end and what we mean thereby measuring from top of bank and so forth. And talk about the, the height -- the height issue north of the marquam bridge, and we have proposals that we think respond to many of the concerns that we have heard there, as well, and you will hear testimony on that today. And finally, we would like to talk about an official name change for the plan district, the south waterfront. Before getting into that, though, i'd like to introduce betsy ames, the assistant director of bureau of planning who is going to briefly walk you through the impact analysis that was done. I believe that this is actually the first -- first that's been presented to council under your new policy.

Katz: The transportation system's plan? No? Go ahead.

Betsy Ames, Bureau of Planning: Betsy ames, bureau of planning. You have had our impact analysis report for north macadam for over a month now, and have had an opportunity to review it and ask questions, so I didn't want to spend a lot of time but commissioner Saltzman did ask that we have an opportunity to talk about it in a public setting, so I will walk you through it briefly, tell you something about the process that we use to develop it, and, and some of the questions you might have. If any of you need a copy, I have copies here that karla can distribute.

Katz: Betsy, talk into the mike.

Ames First, an overview of how we put the document together. We, we were the first to, to write up a, a, an impact analysis report so this is going to be an iterative process. Sam adams has already worked with lmf to hire consultants to work on a work group to evaluate how we do these in the future and possibly having templates and agreements between bureaus on how they get processed, but we were the first out of the chute, and so there is definitely room for improvement. In future impact analysis reports. We, based on the discussions of the core group had, and the, the input that

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we had gotten over the course of the north macadam planning process, we put together our ideas of, of what should be in each of these sections in the impact analysis report. We also, staff from the bureau of planning also met with a number of implementation staff from the then office of planning and development and review to go over what concerns they thought should be included and we did do those. We put together a draft which we distributed to the different members of the, of the, of the core group of six bureaus, parks, pdot, bes, pdc, opdr, and planning and also copied those to other, other staff in those bureaus, including the directors to make sure that, that it got wide distribution. We heard back from parks and bes that they didn't have any comments to add. Pdc did have some comments and we incorporated a number of those into our final document. The bureau of development services because of the timing constraints and because of vacation schedules weren't able to get there final comments to us, but did provide you with a memo and copied us on that, that it was delivered to you before the first hearing on, on north macadam. I'd like to walk briefly through the document, it's divided into six main sections, and the first section is regarding the purpose and intent of the plan, and you have discussed this at length and heard a lot about it during testimony, as well, the various goals and objectives that the district is trying to meet, the vision for the district, and, and the dreams we all have for the district. They are outlined, you know, more specifically information about our growth management objectives, economic development objectives, urban design, housing, environment, transportation, and open space objectives are outlined in the report and there's much more in-depth analysis of how the regulations made the comprehensive plan and other mandated goals and objectives in the legal findings that came over with the, the north macadam report. The second section is applicability, as you know, the north macadam district is around 140 acres in size along 6500 feet of riverfront. There are 28 property owners in the district and the regulations, depending on which regulations they are, and the incentives apply to each of those properties in different ways. There have been some, such as greenway overlays that have been narrowed but some of the requirements of the greenway overlay zone and the reviews required have been changed. There's additional standards with development within 100 feet. You have had quite a bit of discussion about the setbacks from the top of the bank and how wide the greenway should be, both as a regular matter and an aspirational matter. There are some implementation measures that will be a little more complicated but then there's also some of the allowances in the plan that provide greater flexibility for the developers. The third section is regarding alternatives that were considered and coordination. As in most plans, there is a balance between providing regulatory certainty and development flexibility, and we hope that we've struck the appropriate balance. And you have had a lot of discussions about the height and the f.a.r. Increase, both proponents for the recommended plan, as well as proponents for increasing the height and f.a.r., as well as testimony from some asking for less height and f.a.r. The plan includes performance-based landscaping standards and for the greenway and those were subject to much discussion in the core group with varying positions on whether it's best to go with a standards-based approach or a performance-based approach, and differing opinions amongst different bureaus and the staff proposed and the planning commission recommended going with the performance-based landscaping standards because of the increased flexibility that that would allow and then increased diversity of treatments along the greenway. Other alternatives include development agreements as future items, as well as some other future action items for the district that can achieve some of our goals and I know you have heard a lot about whether it's appropriate to put some things in regulations or we should be relying on development agreements to achieve those, again, it's a balance that we try to achieve through this plan. The fourth section, oh, and as part of the section on alternatives, we discussed nonconforming uses or nonconforming situations

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that might be created under the plan. There are, I believe, three properties, maybe only two, that, where we are creating nonconforming situations. One is the old spaghetti factory site, which currently includes a building within 100 feet of the greenway and surface parking within 300 feet of the greenway, both of which won't be allowed under the new code. It doesn't mean that they have to go away. It's just that they are nonconforming situations that will remain there. And then also the, the Zidel site, which has development within the 100 feet of the river and, and has development that exceeds the nonlandscaped area allowed within the greenway setback. It is river-related so it doesn't have a problem with the river-related --

Francesconi: Can everybody hear? I am not sure these folks can hear.

Saltzman: Let me ask you a question on the -- I guess I didn't realize that we were not allowing parking lots within 300 feet of the greenway. Is this something we just made up?

Ames: Surface parking.

Saltzman: That's something that was decided by somebody to be a restriction?

Kelley: Yeah. That's been part of this proposal for some time.

Saltzman: And what's the underlying logic?

Ames: Do you want to check that out --

Francesconi: River, I can answer that one.

Katz: Run-off.

Saltzman: Sometimes we have a history in the city of sometimes developing regulations that later come back to bite us in really bad ways and I just want to find out, you know, what's this all about.

Marie Johnson, Bureau of Planning: The plan seeks overall to limit surface parking throughout the district for land use and urban form reasons because we are -- this is part of the central city and we are looking for an overall urban character in the district. There are some allowances for the development of new surface parking in the district. We believe that the character along the greenway is particularly important and that having a greenway condition that, that borders the surface parking lot detracts from the character of the greenway and detracts from the prominence and importance of the riverfront development.

Saltzman: Okay. Thanks.

Ames: Thanks, marie. The fourth section of the report talks about stakeholder involvement and there have been a number of groups and individuals involved throughout the process. Most of which you have heard from during your 10 hours of hearings and deliberations on this plan. Property owners, district associations, neighborhood associations, residents, environmental groups and design associations among others. The project has been noteworthy and I know that you've witnessed this during the hearings for having a diversity of opinions. And some of those opinions vary -- are very polarized. So there are people who want to have advocated for increased certainty and increased regulations, others who have advocated for less -- more flexibility and less restrictions on what can be done. Of course there's been a lot of diversity of opinion on the greenway setback, and we tried to strike a balance, and that's what the planning commission and all of you are trying to do as well. We highlighted a couple questions that we knew would be raised, and have regarding building form, transportation, and greenway regulations. The implementation and evaluation section, which is the fifth section, covers a number of different elements. The start-up costs include producing hand-outs, training staff, making sure bds is permitting land use review, all are aware of what the new regulations are and how to implement those. The street plan still needs to be completed, and will require approximately two months to be done, and \$15,000. The office of transportation will also be conducting a survey of the bank in the district so there's -- the

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top of bank in the district so there's a concrete line we measure the setback from, and the design coordination plan for the green consist way -- greenway setback area has been discussed and we're currently working with the mayor's office and the other bureaus to determine the funding for that. To ensure that it happens.

Katz: I think we figured it out. Everybody's going to pay a little bit.

Ames: The second item is the reviews with -- and what the likely fees will be. The north macadam greenway review, opdr -- bds, will be developing that fee and ensuring that it covers their cost of service. The type 3 central city parking review fees will be the same, and we're also creating a type 2 central city parking review, and bds is researching an estimate for how much that will be. The impact of the reviews on administration of those -- of our regulations, margaret mahoney's memo of october 9th goes into some of that as well. The greenway design guidelines are going to be administered through design review rather than through greenway review. In some ways this eliminates additional review for the applicant. It does make design review a bit more complicated, and I believe you've heard testimony about needing to have someone appointed to the design commission that also has landscaping and landscape design experience, and who understands storm water and the green side of design as well as the urban form built aspect of design. Bds raised a concern about some of the technical knowledge that they might need and don't have within the bureau. A specific example is that the north macadam greenway review will allow water work to compensate for setback reduction. This is going to be an issue as we get more fish friendly regulations that we're going to need people in the review bureaus that have a full understanding of what appropriate repairing habitat is. They also raise some concerns about the landscape requirements and needing to have additional expertise to be able to appropriately apply those. It is much easier to determine whether trees are planted ten feet apart and are of a certain call per and how much bushes you have, et cetera, than during the performance phase approach that is included in this plan. The bds also raised concerns about moving the -- creating a new type 2 central city parking review that there would be as much analysis needed for that as for a type 3. The type 2 central city parking review is for limited circumstances. It's for supplemental parking and in the early years, and we wanted to ensure that there was some flexibility in the early years for the district to move it forward, and didn't want to add additional burdens to the applicants. There's a little bit more about the enforcement challenges of landscaping requirements as well, ensuring that those will be met.

Katz: Thank you.

Ames: The last section is the financial impacts and benefits. Again, there's a diversity of opinions, and some people are saying that they need the extra f.a.r. In light a -- height allowances that are allowed through this plan and aren't allowed today to make their development projects work. Others are saying that they wouldn't want to take advantage of the height and therefore it's not an incentive. Portland development commission has been concerned about the potential loss of tax increment financing due to funding due to the tax exempt status of the institutional uses in the district. The reduction of developable land due to the greenway provisions, and also the uncertainty of whether property owners will take advantage of that increased height and f.a.r. There is a diversity of opinions on it, and no real good concrete information.

Katz: We could pave the greenway, if that's what they want.

Ames: In addition, we feel that by supporting the location of ohsu in the district, and allowing for increased residential and commercial development in the district, that it will jump-start the district and allow things to happen there.

Katz: Are you almost finished, betsy?

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Ames: Yes. It goes into some of the less easily quantifiable benefits as well as far as environment, economic parks, recreation, open space, housing, and transportation. After that section on page 12 and page 13 is a table where we tried to identify whether there would be impacts of each of the varied regulations on cost, benefits, and the review processes that people would need to go through. It's fairly self explanatory. It has a number of footnotes where things get a little mushier, and for some people it will be an increase cost, some people it will be less of a cost, et cetera. And the last page is a table showing the different reviews compared to what the existing reviews required in the district are, and whether efficiencies are gained or complexity added as part of this.

Katz: Thank you. Questions?

Saltzman: I just want to say I appreciate council's indulgence in having this presentation. I think these regulatory impact analyses are hallmarks of our regulatory reform effort, so we need to make sure -- and I appreciate this is still a work in progress and you're the first ones through the gate, but it's important for all future role making actions in the future that we have this report as part of our agenda, because other people will be reading these report and we have to make sure we're reading them, or at least we're aware of what's in them as well if this regulatory reform effort is really going to work. So I appreciate this.

Ames: And just as a note, we're -- in projects that are in the development stage now or going to the planning commission in the near future, we're working on these so the planning commission has the same level of information and has an opportunity to review the information and use it in their decision-making as well as providing input into how the reports can be strengthened for the city council's consideration.

Katz: I think I asked the question, which part of this gives the office of development services the biggest problem? And their response was the performance measurements for landscape. And if that's the answer, then that is going to be a little difficult. There's no question. But it's in the direction we ought to be going as opposed to requiring, you know --

Ames: And I did raise the point that through the regulatory improvement process we've identified a need for revisiting the tree and landscaping city wide, and we agree with that, and -- but feel that for this district we need to do something through this plan to get moving on that. And we'll be looking at this and other examples as we move forward in revising those.

Katz: Thank you.

Kelley: Also to some extent, to the extent that we engage a majority or all even of the district in this greenway master plan, this may be alleviated somewhat for the regulating agency.

Katz: Right. But what you really ought to be concerned about is the end result. What you don't want are trees every x feet with x width, you want a little diversity and a little creativity in the greenway design. Okay. The questions on this, you're right, commissioner Saltzman, this is the first one. It's probably not all the way we want to see them, but it a beginning. And we said rather than doing moratoriums on all of these projects, that we -- the ones we knew were going to move ahead we would certainly make sure that we've got this analysis done. All right. Let's move on. Let me just tell the public, we're not opening this up to public testimony with the exception of the amendments in this analysis that you're going to be hearing about. And if we don't change our initial recommendation, we won't be hearing testimony on that as well. It's only on those that we change. Everybody understand that? Okay.

Johnson: You have before you I believe two different documents that will be using -- we'll than using as guides today through the hearings process and your deliberations. One is a packet of materials. It's a memorandum with attachments, it's a packet of materials for the hearing, and the other is a council agenda and decision guide for your deliberations. So what i'll be doing right now

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is briefly reviewing the amendments that staff has developed several of these are revised based on council's direction and -- direction to staff last week. So i'll be reviewing those, and quickly discussing a couple of items, and then we'll open it up to testimony and then come back for deliberations. So on the first item, amendment 11 is revision to our previous shared parking proposal that staff brought last week. The provision has been changed -- actually, i'll let matt brown speak to this provision.

Matt Brown, Project Manager, Office of Transportation: Matt brown, project manager with the Portland office of transportation. One thing -- I want to thank marie and stevie for putting the language together so quickly on this. We've added a third option from last week that looks at providing an option for people to use the shared parking, but that sort of negates our concern about not overbuilding the parking for office, especially in the early years of the district. So the third option basically would give property owners or developers an option of which way they'd like to go. They can either go the original proposal if they want to build 1.7 residential units and keep them accessory to the residential units themselves, they can go that option and still build the office parking sort of through the process that we'd outlined previously, or if they would like to share the parking, they can then bring the residential parking in with a maximum of 1.3 spaces per unit. That goes through a central city parking review along with the rest of the proposal. The one difference, one caveat here that's a little different than what we had talked about last week was that the only way we can craft this right now is to think about the parking being shared for commercial use as being short-term parking. That's the only appropriate approval criteria we have at this point. To get in and modify the central city parking review criteria, sort of open that up to all the other uses would be problematic for the central city. So we suggest that we do go with option 3. It does allow some flexibility in providing or offering shared parking opportunities. We think in the future hopefully in the next year or two as we update the central city transportation management plan that we'll be able to sort of tackle this larger shared parking, looking at more of the eight-hour kind of day for office parking uses, things like that, that we'll be able to tackle that and develop criteria at that point.

Katz: Didn't we land on this last week?

Brown: Yes.

Katz: Is it something we need to have hearing on? Did we change it?

Johnson: There are some changes to the code language to capture the council's intent.

Katz: Basically you're recommending option 3.

Johnson: Correct. That is the code provision you have in your packet for today.

Katz: Gotcha. All right. Amendment 1.

Johnson: The next item is a provision to allow additional height in some areas of the district, and in -- let me back up. This is an -- we have developed a staff amendment to allow additional height in some areas of the district if they meet certain standards. Council had been generally supportive of the idea of having some areas where additional height could be provided if there was some certainty that additional design review would happen, and there was some certainty that we were supporting the kinds of development we'd like, and open space provision were called for. So the proposal you have in front of you would allow buildings taller than 250 feet if they support the vision of the district of providing residential towers or providing floor-to-floor heights that support bioscience development, provide tower spacing that limits where the towers can be placed. Exhibits design excellence, maintains public views and enhances the skyline of the district. The specific provisions i'd like to call your attention to are on the second page of this particular item. It calls for maximum heights not too exceed 325 feet in height, including projections, rooftop

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mechanical equipment, et cetera. The building needs to provide one of the following -- either the average floor-to-floor height of the building must be at least 16 feet, or no floor area of the building above 75 feet is larger than 10,000 square feet. The first provision gets at the needs of bioscience, and the second provision gets at the particular residential form that we'd like to promote.

Saltzman: Is that the towers?

Johnson: Correct. So by -- so if it's a residential building it could be -- what we're saying is this calls out a particular building form that's attractive for residential towers or for bioscience the next aspect of the provision is that we're limiting the spacing of these portions of the towers to be at least 2 hundred -- 200 feet from other towers of this height. And then the other provision under "d" is that the applicant must contribute \$5 to north macadam public open space fund for every square foot of floor area earned over 250 feet of height. And the height is approved through a modification through design review.

Katz: Let me explain what -- where we were going. There was some concerns on the council whether we ought to do the transfer or not. There was also concern on the council -- on the design. The language we had on the design didn't give any additional criteria for the design commission to look at so that we don't end up 50 years from now with a tower of -- with a wall of towers. We talked about it and talked about it and talk abouted about it, and then I think it was joe who came up with the idea, well, instead of doing all of the transfers, play with those numbers, why don't we just create a fund to be used for open space and green spaces. Did I capture that? I know you like that.

Francesconi: It was my idea.

Katz: But you weren't in the room. [laughter]

Kelley: The fund has existed already. We're just using it in a slightly different way.

Katz: But we didn't tie it to this particular issue. So that's what marie is bringing back to you. And so what we have are far more criteria for design review so that we get what we really envision we want, as well as potentially additional dollars for commissioner Francesconi's fund.

Johnson: In addition to the development --

Francesconi: Call it that, would you? Put that in the code.

Johnson: In addition to the development standards i've called out, the development would need to be consistent with a purpose statement here, which speaks to supporting the economic goals of the district and providing exceptional and varied skyline appropriate to the district setting. And providing opportunities for visual access through the district, and continuing to maintain public views. So the design commission, when they're reviewing a proposal that comes in under this provision, would look at the purpose statement to see if the development was consistent with the purpose statement, and other -- the other provisions would be looked at as development standards.

Katz: Questions? Go ahead.

Sten: If you went from 250 to 325, how much money would that be at this rate of --

Johnson: It would be approximately \$250,000.

Sten: How did you get to that number?

Johnson: Per building.

Sten: And what's the logic behind that number?

Kelley: We're trying to offset the private benefit if you will of being able to go taller with the public -- stated public benefit of acquiring sufficient park space to achieve the interior park goals. And so this doesn't get us all the way there. There will be other tools to come into play, but this gives us a substantial leg up in that effort. We don't yet have hard development pro formas from

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any of the developments, so it's hard to, you know, know where the upper end of this might be. But this seems to be a number that gets a substantial amount of money if it were used toward the park space.

Francesconi: I --

Katz: Just a minute.

Sten: I don't have a sense -- I have a clear sense on the last proposal. I appreciate this is more workable that you got x amount of land. I'm worried that as this starts to get rolling that land is not available, and --

Katz: What --

Sten: Land is not available to buy. You get the land under the other proposal, and b, it may not be a significant amount of money against what that parcel is worth down here if things are rolling, I don't know.

Francesconi: Again, if I could respond. I can't come up with the amount of money, I just came up with the idea, because I thought it might create a little more flexibility. We want to make sure this happens if it needs to happen, or else it doesn't do anybody any good. So it's my understanding that this amount is about a third of what would have been requested before. Is that right? I think we figured the value of the land was going to be about three times that.

Kelley: I think that was -- I think it's more than that.

Francesconi: So there was no science to this, commissioner Sten. We were trying to do something that would give us the money to make this happen. My only thought was that at the right time we have a pro forma, we can look at it and we can make some adjustments either way, I think. That's at least my thought.

Kelley: I would respond --

Katz: Could you respond to his issue with -- with regards to the available land?

Kelley: I think you're right, this is not a substitute for the city through pdc acting aggressively in the beginning to acquire land. Either through negotiated development agreements or outright acquisitions or trades. I think that has to happen, or -- particularly early on, because this provision may not be either under this version or last week's, until the next generation of buildings come forward, although I have spoken since the last meeting with representatives from ohsu and they're giving serious consideration to one of their first couple of buildings actually being above 250 feet for biomedical. So it may happen sooner than I thought the last time around. But I don't think we can count on that to acquire the first set of lands. This will help, though, with park improvement and with subsequent acquisitions of smaller outlying parcels, so I think it can generate substantial assistance to that effort, but it's not meant to be the sole means by which we get the interior parks. I think you're right about that.

Johnson: Could I point out that this is one element of a broader strategy, so there are a number of other incentives in the code for providing additional open space or additional funding --

Katz: Why don't you review that, because you went through that with me and I think the council needs to hear that.

Johnson: The first and most basic element is if someone is to contribute open space, they can transfer some or all of their floor area ratio as they negotiate with parks bureau to their receiving site in the district. So they can take advantage of the development potential on the park land. If they donate park land, they also can get floor area bonuses for that donation. In addition, we have bonuses for contributions to open space fund, and with the f.a.r. Increase that council supported last week, allowing up to 9-1 floor area ratio, you specified a certain portion of that needs to be dedicated to open -- some sort of open space provision, either open space fund, open space --

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additional land or greenway provision. So those pieces work together in addition to the development agreement process and this proposal in front of us to help reinforce -- to help us try to achieve our open space goals for the district.

Sten: That makes sense. I understand the argument.

Katz: Commissioner Saltzman.

Saltzman: I think this height amendment goes a long way towards addressing concerns that I had even going above 250. But i'm curious, first I need to ask, why are the payments to this fund in 1990 dollars?

Kelley: That's the way the central city code is presently written. That's a general standard. It's probably something we want to review in some future course of action when we look at a number of central city provisions, but --

Saltzman: I assume \$5 in 1990 is about six or \$7 today.

Kelley: Something along those lines. It's a benchmark established in the code.

Saltzman: My other question is, and this I think does allay one of the concerns I had about the height, I think we all have a wall of tall buildings, so they have to be -- if you're going to do two 325-foot buildings they have to be at least 200 feet. That's a block.

Kelley: That's essentially a block spacing.

Katz: Are you satisfied with that? In our conversation you said you wanted to think about --

Kelley: Yeah, we were playing with different numbers. When we talked it was a different number, and I wasn't comfortable then. I'm comfortable with this number. We talked about both lower and higher numbers than this, and we did a quick modeling on the ground of how you might both have flexibility in tower placement, but you'd guarantee some of -- sort of a minimum breathing space, if you will. And I think this is the right number.

Saltzman: Still subject to seating corridor protection.

Kelley: Absolutely. It doesn't override any of the rules we have in place for street corridors and setbacks.

Johnson: As we had shown in a graphic we provided last week, the protected view of mt. Hood from terwilliger boulevard would not be affected by increasing heights to 325. And we specifically added the provision about including mechanical within that 325-foot height limit so we wouldn't inadvertently end up with buildings taller than that.

Sten: On getting to the 9-1 f.a.r., do they have to -- does the property owner have to make the greenway and open space f.a.r. bonuses and get to that 9-1 before they can get into this provision of going up to 325, or can you go either way?

Johnson: I think practically it would be difficult for them to be -- to achieve height over 250 feet without also getting to 9-1 floor area.

Sten: The obvious question is, if we have a whole set of f.a.r. bonus these are very carefully limited to try and get open space, and you can buy it for less than the going rate of open space, it doesn't work together. We've undercut ourselves.

kelley: I understand your point. I think this comes on top of that, because they would need the f.a.r. First to really -- I think marie's point to make use of this, even. So you are buying an additional way in which to use that f.a.r., but you can't buy the f.a.r. this way.

Sten: If the -- I understand trying to get a number, but if the -- at least -- I can only speak to myself, but my goal is to allow higher heights if as part of doing that it makes the district better. I was comfortable last time with the notion that you get some more open space, you get higher heights. I think you get -- the district gets more with open space and it lose -- than it loses by having higher heights. But there's reason people are concerned about heights. Why wouldn't we --

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and then I could buy the argument that came from some of the developers that it was too unwieldy to try to get their hands on the space itself and make a trade-off, because you need cooperation from a seller and other folks that may or may not be there. I guess what i'm getting -- where i'm getting lost is why we would price that buy-out at less than the land was worth, you know. That's where i'm -- I think i'm pretty close to know on -- no on this, because we've moved from the concept of to go higher you need more open space, to go higher you've got to help out the city so they can be stuck trying to find open space. And I don't think you achieved my original goal of -- that's just me.

Katz: The price is too low.

Sten: Land for height is a straight deal. Land for --

Kelley: I understand.

Sten: -- cash, is the price right is the question.

Kelley: The point that convinced me that we needed to change is something the mayor alluded to. When you think about the difficulty for both the applicant and the city of managing a building application review and a simultaneous park review, finding a park site, getting the park design to getting it -- having its occupancy tied to the bit building occupancy is pretty unwieldy and doesn't even give the parks bureau the flexibility it might want. So that seemed to be an unworkable system. On the price side, we're talking about rat least in 1990 dollars, roughly five feet per square foot. But those are floors that are stacked. The land values now are probably bumping up against \$20 a foot in the district. But this would be a footprint on which you could stack a number of floors. So i'm not sure the prices are all that disparate. And again, it's not -- you're not buying absolute floor area. You're buying the ability to express that higher. So I think between the layering concept that marie alluded to where you probably would use this last after you transferred the development floor area off the site, or off a site first, then bought your way into some ability to use that higher up, it's -- we'll see. But I think it's probably a reasonable way to achieve -- it reinforces the goal we already have to achieve it through f.a.r. Transfers.

Katz: All right. We'll hear testimony on that, i'm sure. Go ahead, item --

Johnson: The next item is required -- related to required residential development areas. The code amendment reflects city council's direction to allow greater flexibility for the timing of development when the requirement is transferred off the site. And the provision -- the code already has a provision that requires an execution of a covenant with the city attached to a record -- or recorded with the sending and receiving sites. And we've added provisions that removes the requirement that occupancy permit is required in advance of the development of the residential development.

Katz: Questions on that? That's pretty easy. North of marquam bridge, amendment 17.

Johnson: Okay. And you have a little more detailed memo. I'm not going to go through all the elements, but --

Katz: There are a lot of people here who are very interested.

Johnson: Okay. What I have done is outlined the revised amendment which i'll discuss in a moment. I've also talked about the rationale for that, the origin of the proposal and the public process. So i'm going to start by sharing the amendment. The language hasn't changed, but some of the height changes that we're recommending --

Katz: Rolling.

Francesconi: I've received some very thoughtful letters, and the issue is kind of similar to the issue we just talked about in terms of height south of the bridge, which is, we were talking about at least I was thinking one building, and then towards the end of the testimony there came up the

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subject of four or five buildings that could be built. And so it was very thoughtful, and there was another letter on that point. So then you get into the question of how many buildings are we talking about. And can we have some requirements limiting the number of buildings the way we just talked about south of the bridge. I don't know, this is a new issue, because I didn't think about it until I reread his letter.

Katz: You're going to hear -- we've given this some thought, whether we've gone far enough on it, I don't know, but we've given it some thought. We may want to go -- we may want to talk about it a little more.

Johnson: We've worked with the requester here, which is the pdc and their developer here, to really pull back the boundaries and to provide some additional --

Katz: Still rolling.

Johnson: -- lower height, and we've also talked about how to achieve the greenway aspiration number. So I think you'll hear about some limitation that's weren't there last time, and whether that's gone far enough, you'll need to judge.

Katz: Okay. You've got a hard copy, we're rolling here. It stopped.

Johnson: Okay. In a moment i'm going to show you a map -- why don't I lead you through the progression of thinking here. So the amendment is to allow heights north of the marquam bridge in some places the decrease the height limits, and some places to increase the height limits as it moves away from the greenway. This is the existing height map for the area, and we've provided this to you before, so you can see the parcels that we have spent the most time discussing are the public -- or the public's spent the most time discussing are the parcels here. Most of that site is 125 feet in height, allowed 125 feet in height. This area here is allowed to be 150 foot in height. You'll also see there's two lines here. One line, the more squared line, is the line that's shown in the existing zoning code for where the height changes from 35 feet up to this 125 or 150 feet. In the process of working on this issue, we identified an error in the placement of that line, and the actual placement of the line should be the more rounded dotted line to the east of that. That dimension at its closest is about 75 feet from top of bank. Then last week we came to you with a proposal that called for decreasing the heights to the -- on the east side at the north and the south to 35 feet. Those are properties that are functioning as open space. So decreasing the allowed height there to 35 feet. Decreasing the allowed height for the center parcel to 75 feet, and then increasing the allowed height to 2 hundred feet for these -- 200 feet for these parcels that are undeveloped and two parcels that have development on them at this time. Since that time, we have revised the proposal. As you can see, the height line of -- the height's at 35 feet remain the same at the north and the south. They remain the same at the hotel. We spent some time confirming the narrowest dimension there is 75 feet from top of bank. We've added an additional -- we've changed this piece at the north of the parcel. At one point this was all considered to be 200 feet, or proposed to be 200 feet. We're now suggesting a step-down of 75 feet immediately adjacent to the open space. And we've narrowed the application of this height change proposal so we've removed the proposed application on trammel crow. And we've made these proposals for a couple of reasons. One is to more clearly provide a step-down to the river. Another is to focus proposed height increases on properties with the most significant development potential. We continue to maintain the floor area ratio of 4-1 so we're limiting building mass in relation to height. And we're calling for the potential to create a cluster of development in this area at this part of north macadam plan, so we're taking a legislative look at it, which means we're looking at broader than one specific site and looking at the overall context to develop a zoning proposal that we think works in the broader context. I just want to -- let me -- and I wanted -- this is hard to read, but the point of this map is it shows the area, which is

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down here, within a broader context of the height, allowed heights in this area of the central city. And what you will notice is that we have heights near the river of 125 and 150 feet, then we have this band of 75 feet, up here we have the 200-foot allowed height, a few parcels here at 225, 225 here, 150, there's considerable variation in this area in terms of what the allowed height is, and I think that's useful just to get a sense of the overall context for the proposal.

Francesconi: Can you go back one slide?

Johnson: Yes.

Francesconi: How many buildings, how many 200-foot buildings can you build in that area? In the shaded area now?

Katz: Let me restate -- the question is, how much beyond the development that we're talking about, how much more footprints are there?

Kelley: In the shaded area, including the tallest building that's proposed currently, marie will put the pointer, the condominium tower is on that parcel. That would be one building on that parcel. The proposed hotel would be in the dotted area there. Beyond that, there are the equivalent of about three other parcels of that size in that l-shaped shaded area, so that might be three additional towers. Conceivably you could get a fourth through some careful site planning.

Francesconi: Given the process, and my problems with the process, i'd feel better if you could shrink that area. Can you do that?

Katz: We talked about that, but -- give the response that you --

Kelley: Well, I think you want to probably hear from the requester about this too, from pdc. I think their intention with these remaining shaded parcels is that they'd like to market those as soon as possible after this first development so that they do get tax increment -- early tax increment money into the urban renewal district that includes the north macadam area. Their marketing plan would change to marketing to people who would be satisfied with building at 150 feet versus 200. And that's really the question for them. The heights going back from here, toward the city, are a whole kind of mishmash of variety of things. The landscape changes, the topography changes, so marie I think just to the west, it's very difficult to read this map, you might be able to say what those are, but you have to add those numbers to the change in topography, which I think is another 40 or 50 feet somewhere in there. Maybe more in some cases. Can you cite what those numbers are?

Johnson: To the best there's some areas of 75 feet, some area of 100 feet, I believe 225, there's one parcel here at 100, 150 feet, so there's, like I said, considerable variation, and up to the north there's 200-foot allowed heights.

Francesconi: Listen, I appreciate the concern about pdc, which is a legitimate concern on their part, but that's not going to be the basis here for me. But I also don't want to arbitrarily pick something out here, because that's not the way to design a city. So I guess my request to you from leaving aside the economics, but from a planning standpoint, if it can be shrunk from a planning standpoint, you'd like you to shrink it.

Johnson: And part of what we're looking at is creating sort of a critical mass of area that reads as being consistent. When we're looking at planning for an area, we're looking at how does it relate to the context and how do the different buildings relate to each other. We're near the marquam bridge here, which is about 145 feet high, and at its tallest. We're just north of areas in the north macadam plan that are proposed for over -- for up to 250 or potentially even higher. And the -- so we think it's consistent, this proposal is consistent with other elements of the north macadam plan, and can provide a cluster of development that reads as cohesive.

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Kelley: It's sort of where you delineate that -- the bowl behind it and the height. It's just -- i'm not sure there's a pure answer on this one.

Katz: Go ahead.

Johnson: I also --

Saltzman: You removed trammel --

Johnson: We removed trammel crow and we changed a portion of this parcel to 75 feet from the previous proposal of 200, and the existing zoning of 125, we took it down to 75.

Katz: We increased that, didn't we? We increased the 75 --

*******:** We increased the area where the 75-foot height limit would apply to also cover this area north of -- basically between the 35-foot height limit and the 200-foot height limit.

Kelley: Would it provide the step-down against waterfront park from 35 to 75 to 200. So I guess that intermediate step. Commissioner Sten perhaps is going to raise this question again, but you raised a question last week, you're going to --

Sten: Which question?

Kelley: About achieving the aspirational average setback along --

Sten: Yes, I would.

Kelley: We've done the calculation now. I said it was over 100 feet on average. It's actually 144 feet, and marie can point --

Katz: Steady your hand. The the arrow keeps moving.

Johson: I'm sorry about that. So we did a calculation basically along this parcel line and along this parcel line down this zoning line, and along this parcel line in here. In that area, the average from top of bank is about 144 feet. It probably makes it sound a little more exact than it is. About 144 feet. That for the central parcel is to the zoning height line change. The actual development on there seems unlikely that the development would totally meet that height line change for the total face of that area, so from this point down to the south to this point it's highly unlikely we build a building that would be -- that would completely straddle that line. So we expect that in terms of how it actually gets built out, you'll end up with a setback that comes very close to 150 feet.

Kelley: My sense is you might even exceed it. And i've spoken with the pdc representative, and they're willing to have some direction only from council that think ought to achieve the 150 on average through the site planning. We've really measured only from the zoning line and not from -

-

Sten: You've got 144 at the zoning line.

Kelley: It seems quite doable to reach the 150. Which is how the rule works south --

Sten: That's great. I just think we've got to hit our aspiration ifs we're going to hit it north of macadam asking other people to do it.

Kelley: You can ask larry brown about this.

Sten: He's nodding. A nod is a contract in this room.

Katz: Other than wanting to p.a.v.e. The river -- that's a joke. He's nodding yes, he wants to get as much of that greenway.

Johnson: Okay. In the memo that I provided for you, there's also a description of the elements of the public involvement process, so first the proposal for height change came before the planning commission in may. Planning commission felt that this proposal was significant enough and important enough that this amendment should have a hearing of its own, and asked staff to notice property owners. We noticed properties from the river to approximately fourth avenue from i-405 to harrison street, so a considerably larger area than the site, the property that's only contained in this site. So we sent out notice of the upcoming hearing, notice of the material that's we would be

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providing regarding the staff recommendation, and an invitation to an open house that Portland development commission staff sponsored. Then on the 27th of August, city council -- excuse me, planning commission held its hearing and took its vote. When bureau of planning staff sent out our notices of the north macadam plan, we sent our notices to people who have testified at planning commissions, so anyone who had testified on this issue should have been on the mailing list for that. And then since that time, I believe Portland development commission has informal discussions with some of the testifiers at planning commission, and you've held one hearing specifically for this proposal, and there's been additional materials provided to the council and to the public.

Katz: All right. And let me just explain that every time we took this back, I think we made some improvements to deal not only with the setback, with the height. It's not completely what everybody wants, but it's better than it started.

Johnson: And I'd also like to clarify one thing. I think there's been some confusion, when people are seeing maps from the planning bureau and maps from the development commission, the planning bureau is coming forward with amendment requests, and we have strived to have consistency between our map -- between the maps that we've shown and when there are changes to explain the rationale for the changes. The development commission in this process is acting as a requester and a testifier, so they have focused most of their testimony on the sites that are most direct interest to them. So it can sometimes be confusing for the public to see materials provided from the commission staff and from bureau of planning. So this map has been seen a lot by the public. This is all site map that the development commission staff uses, and focuses on a particularly smaller area, and I just want to reiterate that that's material provided by a testifier as opposed to the bureau of planning.

Francesconi: If you're trying to convince me the process is better than I thought, you've succeeded. If you're trying to convince me it was the right process, you haven't.

Katz: Okay. Let's move on.

Johnson: The next item was request from commissioner --

Saltzman: Actually, I'll save you time on this one. Let's go ahead and table this. I didn't realize -- I was trying to get a storm water setback. I was talking about a thin strip, like a foot wide. I didn't realize we were talking about a 12-foot-wide strip. I still think it's a good idea, and it's probably even allowable under the current information you've provided me. So we can --

Katz: We'll take that off the list.

Saltzman: Skip this one, yes.

Francesconi: Thanks, commissioner.

Johnson: The final two items that I want to call your attention to are memos highlighting amendments to the north macadam plan resolution and ordinance in response to council decisions and directions. On the first memo amendments to the north macadam resolution, there are five items, if I counted that right. The first is a clarification of directive c-3, that the survey of top of bank will be consistent with the diagrams of the north macadam plan. Second item, direct -- the addition of directive c-6, directs the parks bureau in cooperation with other city bureaus to coordinate development of a local improvement district or a comparable instrument to collect contributions for greenway improvements. Third, additional language and directive c-7 that directs bureau of planning to report back to city council within three years with an evaluation of the north macadam plan implementation items.

Katz: We'll see it come back in three years, we're not going to forget this and see -- and if we need to make corrections, we can -- we can come back sooner than three years.

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Johnson: The next item is addition of a directive to rename the plan area south waterfront and make subsequent changes to the plan and code documents. And then the last item on the resolutions is to add a specific effective date of January 20th, 2003, to section 2. Originally we had set a time period of two months for effective date for this resolution and ordinance, thinking that council would complete their decision-making on January 20th, and that would give us time to update the street plan. Since then we've moved up the council decision date, but we want to keep that additional week for time for us to work on the street plan.

Kelley: I just wanted to revisit the first one on the list for a moment. It's important that all the drawings that we've shown and had conversations with both the general public and the property owners about have made an assumption about where the top of bank is, so we're not changing the rules of the game here, but in fact we're just clarifying that through a survey, and that survey should be done on the basis of what we've drawn, which is really the common person's understanding of what top of bank is, which is generally the 30-foot elevation. The present code definition is very difficult to apply, because it has to do with in some cases it gets you way down the bank and that's not what any of us has talked about. This will clarify and could result in a change in the code definition, but we just want to sort of lock this in through a survey and we've asked here that office of transportation do that, because they're equipped to do it. We could also potentially do it through the greenway master plan process.

Katz: Okay.

Johnson: And then the final items, on the amendments to the north macadam plan ordinance, there are three items. The first is an addition of directives that call for adoption not only of the plan, but some of the background materials you've been provided, the amendments reports, the background information on amendment request 17, the height change for north of the Marquam bridge, and we're in the process of developing an addendum to the amendments report that will include all the council decisions so that those are specifically called out in one document.

Katz: Just for the people in the audience, alameda is doing is reflecting these amendments in the resolution in the ordinance.

Johnson: Correct. So council -- based on council decision today, there may be further changes that need to be made to this item. And then the second item is an addition to directive k that amendments -- amends the zoning code map to reflect heights north of the Marquam bridge, and again, that would depend on council's decision today. And then the final item is a change to the effective date.

Saltzman: On the name change? Don't we already have a south waterfront --

Katz: It was the south waterfront park.

Kelley: The south waterfront park area. That's commonly referred to as south waterfront, although riverplace tends to be the common name.

Saltzman: The --

Kelley: South auditorium renewal area. This would be the official name of the planning area, but we think it would become a common name for that whole low-lying floodplain from riverplace up to -- down to John's landing, or Upriver, and I think it's a nice name change that reflects its proximity to downtown and gives us a fresh start, gets some of the old baggage off the train here.

Francesconi: There's one other issue that came up, it's come up again. Matt Brown, mild mannered Matt Brown came running into my office -- came high pressure rig into my office on the issue which I -- when I accused him of being right eight out of nine times instead of nine out of nine. He came to tell me he was actually right on the nine out of the nine. Sorry to embarrass you. That's a long way of introducing the subject of underground parking and what it takes. He actually

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said that this is actually been studied and you can do underground parking here. Given the water table and the location. There's actually a study of it. And so then you get into the issue, I know you want to preserve f.a.r. Bonuses, but we might need them to actually do underground parking, which we all want. So I guess I wanted to revisit that. Sorry I embarrassed you, matt.

Johnson: It sounds like council is asking to --

Francesconi: Council is not, but i'm --

Johnson: You're suggesting the council considering whether to add -- allow underground parking bonus to apply in north macadam.

Francesconi: Right.

*****: Okay.

Katz: Well, okay. Think about it --

Kelley: Do you want to think about other ways to get there?

Katz: Think --

Francesconi: What's your reaction?

Kelley: I think the bonus structure has been pretty carefully thought through and crafted, and that might be a directive you would be to give to pdc in terms of the development agreements.

Francesconi: It's just money. It's going to be hard to do this --

Johnson: The other issue is the underground parking is exempt from calculations from floor area ratio. So that's not the same as providing a bonus, but it is a way to incent --

Francesconi: Do you want to weigh in on this, matt? Do you want to say anything?

Saltzman: I think it's a policy call, really.

Katz: We're going to hear some testimony, so why don't you think about it. And come back up and address that. Go ahead.

Johnson: I just want to call your attention to pages 4 and -- 4 through 6 of your decision guide or deliberations guide. It just summarizes the decisions that you made at the last session, so if you have any questions about that, we can refer to it.

Katz: Okay. All right. So put your heads together on the issue that was just raised, whether we can get it through agreements or figure some other way, because policy wise, it is a sound one. All right, everybody. So you've heard the issues that were raised, and those are the only ones we want to hear testimony on, because everything else we've already made decisions on in the past hearings.

Moore: Come up three at a time.

Richard Leonetti: I'm richard leonetti, I live at 1414 southwest third avenue. We have a condominium association there. The maps we saw a minute ago were kind of revealing, they kept referring to the higher elevations inland. If you look at the maps there was an enormous area limited to 125 feet, another one limited to 100 feet just northwest of what you're talking about. Anyway, i'll go on with what I have to say. Ms. Mayor, you said something last week, two weeks ago in a speech about rules being predictable and streamlined. This is a perfect example, if i'm referring just to the area north of the marquam bridge, perfect example of changing the rules after they've been in place. Literally tens of millions of dollars have been spent based on the zoning we have been living with. That buildings would only grow so high in front of us. Now you're talking about changing the heights of those buildings. You're also changing the planning that's gone into this over a long period of time, but the buildings should step down as you got near the river. Now you're going to put a bump in the top if you pass this thing, near the river. I think those are both bad. They destroy the planning thing entirely. The interrupts a lot of people's views. Mt. Hood views, river views, all of those things are interrupted for someone if you allow higher buildings in

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front of us. And in front of the other buildings that have already been limited, in fact there's a building that's went a -- been approved that's 200 feet on about second or third and columbia. This will be right in front of it to a degree. I don't want to suggest the paper was right, but they made some aspirations about council's debt to developers. I don't know if that's true or not, but it sure smells a little bit if we're going out of our way to allow a developer to build a very tall building where he previously couldn't do it. And I guess i'd address the third point in terms of basic fairness. The people who invested in buildings, I think the total investment down there is in the order of several00 million dollars -- several hundred million dollars, who invested based on the assumption that the very long height restrictions we've had in this area, we've had them for years and years, that those would remain. And suddenly you're talking about, let's put a few things up and let's not keep our faith with the people involved. Lastly, common sense says they should be lower near the river. Maybe we don't need the planning department. But we've spent a fortune on planning over the years and came to the conclusion this council or its predecessors, decided the buildings ought to step down to the river. And now you're saying, well, so much for that, we'll -- we have a developer we're interested in taking care of. So I guess my final point is, i'd like you to live with the rules that we've depended on. People who have invested, people who have made commitments in that area, and rules that this council committed to and approved.

Katz: Thank you.

Leonetti: It's the only fair thing to do.

Katz: Thank you.

Jerry Norman: My name is jerry, I live at 1414 southwest third, where neighbors -- we're neighbors of mr. Lee. And besides seconding pretty much what he has already said, I don't want to reiterate it, the thing that was striking to me was, number 1, i'm living downtown and listening to what i've just heard, it's sort of frightening. Because it goes against anything that was said about making the downtown a livable and more enjoyable area. All the plans and everything that was presented is always in plan view, and not once did I see a profile that really would starkly illustrate what we're talking about, 200 feet, 1 hundred feet is all very abstract. It doesn't sound like very much. But when you translate it into a 10,000-foot block that's 300 or 250 foot high, and then try to compare that with the fact the marquam bridge happens to be 150 feet, that's ridiculous. The marquam bridge is translucent, you can practically see through it, and it isn't all that noticeable. But you put a block up that's 250 feet, one square block, and that is very noticeable. There's a very interesting picture in the paper today that very much illustrates what i'm talking about. When you look at this, and i'd be happy to bring it over to you, and see this monstrosity sitting in front of the buildings at riverplace, you get an idea of what 250 feet, this is only 200 feet, what 200 feet looks like in front of these smaller-scale buildings. And commissioner Francesconi alluded to it, or asked the question, how many of these monstrosities are we -- up to four or five. That's what you're really looking at. And I think you ought to take a very, very good look of what you're approving, if you're approving that kind of development in that area close to the river. Thank you.

Katz: Thank you.

*******:** Can I be heard from here?

Katz: Go ahead.

Howard Glazer, AIA Emeritus, The Architects Forum: Howard glazer, 2378 southwest madison.

Katz: Speak up a little bit, howard.

Glazer: I haven't testified on this issue of the macadam plan before. I guess i've been preoccupied in other directions. But I saw the tribune yesterday and was horrified. As this gentleman next to

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me is. Since he called it a monstrosity, I don't have to add any adjectives. I think it's absolutely outrageous that there would be this of consideration of changing what has been a long-established plan to step heights down first of all to the -- to begin with a height restriction in the downtown area, and then to step down to the river. It was done with great care and wisdom, I think. And here we are for reasons that are beyond me, they may be understood by others, to go ahead and take a choice piece of property and do something to it, and build the potential wall, it may not be solid, it doesn't have to be solid, to be an extremely serious intrusion in the city. And I want to make some comments about this article, the tribune mentions that vancouver, b.c., has really the answers. And I know in the last few years there have been a number of testimonies here, I believe, of architects and developers that have taken vancouver, b.c., as their model. They apparently, however, have only talked with the developers in vancouver, and with the architects that have done those buildings. Because the school of architecture and planning at uvc has a very different opinion. And they have done an in-depth study to show how unsuccessful these high-rises have been. And I want to read a few quotes. They're very brief sentences.

Katz: You only have 39 seconds left.

Glazer: Okay. It is claimed that vancouver is courageous in dealing with density and not afraid -- this is true only on the west end, which is bounded by water and park and within walking distance of the business core. That's why it works there. Another one is, most vancouverites hate the high-rises and refuse to let them anywhere near older residential neighborhoods. Many peripheral areas of these neighborhoods are being developed under strict controls that exclude these skyline monsters. So it is absolutely untrue that vancouver is a model to follow, although you're in the process of following it.

Katz: Thank you.

Sten: Mayor Katz, a brief question. As an architect, the current zoning is basically 150 feet high right up to the river, and understanding and not arguing, because I think it's a good argument that for the people who live behind it going up to 200 feet rather than 150 feet is a bad thing. I think that's clear. I think the good thing that's being proposed is to kind of rezone those parcels so that the pieces next to the river at 75 feet rather than both -- and the one behind it is 200, rather than both being at 150 feet, and also to make the building foot prints a little smaller. So there's an aesthetic argument that rather than having two blocks at 150 feet, you're going to have two blocky buildings, one smaller at 200, and a space at 75 with a little more open space, and just from your aesthetic standpoint, thinking about it from the other side of the parcel, the river, i've seen an argument there and I want to get your thoughts on that.

Glazer: I think the issue is, as much the design of the buildings and their location. How much control you can have over that, I don't know. I don't know how the code is written and how the design review -- I presume this is all a design zone, and the design commission would have to approve the plans. But it seems to me that the issue is more than simply height.

Sten: Yeah.

Glazer: And I think that raising the height, period, is a mistake.

Katz: But we're lowering it in some other places, howard.

Glazer: I don't think that's a fair compromise. Because you're getting the lower is behind the higher. Right?

Katz: That's right.

Glazer: So the higher still is what's in your face. You can imagine a 75-foot building or 100-foot building behind it, but in a sense it's irrelevant to the people facing the 200-foot wall.

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Sten: I was trying to get at it from the side of the people walking along the river. Because that's a lot of the public --

Glazer: That becomes another design issue. And it's a tough one, because we had this battle a couple of years ago with the avalon, I think it is, a motel, and there was a lot of opposition to the avalon motel because of what it was trying to do. I think largely they were able to make modifications to the code and got their way, essentially, to the height and a number of other things. It's a design issue. And I think you have to hope or give rules or regulations or directions to the design review board to look at this from that perspectives. But I think the height issue itself is a separate one, and -- in the sense we've just talked about. You're still going to be facing the people behind with a 200-foot building or more, the way the code is now. I looked at it with some astonishment, they can get up to 350 feet, I think it is, or 325 feet with various --

Katz: Not here.

Glazer: Not here, but very close --

Katz: We're talking to mr. Glazer.

Glazer: It looks like it's very close. Is it?

Katz: It's on the other side. It's on the southern part.

Glazer: The south side --

Katz: South of the bridge.

Glazer: South of the marquam bridge?

Katz: Yes. Thank you.

leonetti: There were absolutely no incentives for further height of this area? You've got incentives all over the city. Is there any possible way to go higher with some sort of trade?

Katz: Thank you.

*******:** Five bucks a square foot.

Katz: We're not going to have a conversation. You raised that issue, we'll come back and talk about that.

Glazer: But is that true, that they can build higher than what you decide today, or whenever you're going to decide, if they do certain things?

Sten: I don't believe so.

Katz: No. No. Not here. Marie, is that correct? Yes, that's what I thought. Thank you, howard.

Katz: So the question is, what else do they need, you know, can we get something in return for that additional change, even though we lowered a small portion of it. Do you follow me? Yes, no? Go ahead.

Bill Rollins, American Plaza Condominiums: I am bill rollins from american plaza condominiums. I'd like to make sure that you understand we're opposed to the height raise in riverplace. It certainly is permissible in our opinion to lower any of those that you would like. Number 1, we feel it is inconsistent with the long-time plan of lower heights to protect our scenic river. I would like to quote, all area and neighborhood plan policies must be consistent with the existing city comprehensive plan goal and policies. This change obviously is in riverplace is not consistent with that policy that you have. We have shown you three different times with the graph and discussion, and i'm not sure it's registered because we have heard no reply, but raising the height of a building 50 feet from 150 only saves you 8 1/2 feet around. That's about the length of a car. It is not significant. So why change a code just to make a smaller footprint when you aren't making one? Citizen involvement has been disregarded. Many of the quotes in the thing you got today were not correct. Mailings were not sent out. I don't know where they're getting their information. But even if they were sent out, it is no coincidence that the first among Oregon's 19

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planning goals is citizen involvement, extensive citizen involvement has been the hallmark of the state's planning program from the onset. And that's from the bureau of planning policy framework.

I have a question that several people have asked you today, and I guess I would like an answer. If you would listen, please. Why does a 200-foot building become beautiful while 150-foot building is not? I believe there can be excellence in design, there can be creativity and it can be beautiful at any height. Number 4, the marquam bridge is a definite definitive border between this area and north macadam. They do not relate. It relates with the waterfront park and all those areas north. You have heard testimony, and not one person has testified in favor of raising the height. Except for developers and people on the staff who are somewhat partial and directed to do, and I think that should be considered.

Saltzman: Thank you.

Rollins: One more. I am bill rollins, I have an -- am an international director for lcf and the lions clubs of the world. I'm involved in building afternoon i-bank in north korea at a cost of \$4.8 million. Yesterday and the day before I made ten calls to korea, and I made ten calls to the city offices and departments to get more information on this. Korea has ten points, Portland has only one. Tommy returned a call.

Lynn Connor: Lynn conner, 2211 southwest first. When I came here today I was not planning on speaking. I thought you'd heard enough from me by now in writing and verbally. Then I saw the memo that came out just after 2 o'clock from the bureau of planning. I guess what surprised me about it is two things. First of all, in there there are a number of statements that this is the first time they've been put in writing and secondly there's some errors or misconceptions. I'd just like to touch on a couple of them quickly. On the first page of the memo regarding amendment 17, it says, rationale. Focused proposed height increases on properties with the most significant development potential. Is this how we design our cities and plan our cities? North macadam has been under development and planning for years. And all we're doing is kind of saying, here, go ahead to these few three parcels of land. Without a real plan. In some of the most valuable economically and visually part of our city. There's no plan. On the next page, provide for a potential to create a cluster of development near the bridge. Is this a plan again? To provide for a cluster? I have concerns with that. Going further down --

*****: Should we wait for the council to come back?

*****: No, they don't care.

Katz: There should be at least three of us. I handed the gavel over -- go ahead.

*****: I'm still here.

Katz: I thought you had left.

Connor: Under origins of the proposal, it says on one thing, directly adjacent to the plan's boundary, referring to the area that is -- they're asking for the height increase. One thin strip of greenway is adjacent. The rest of it is not adjacent to the north macadam area. And then it talks about the scale of development is consistent with north macadam. What about the scale of development immediately surrounding those three parcels of land? The scale is totally different. This is not planning to me.

Katz: Actually the scale is a hodgepodge, which --

Connor: Well, the highest building at the moment is about 110 feet. Even though zoning allows more. And then -- and if you look south --

Katz: I don't mean to take up your time. Go ahead.

Connor: And then -- i'm just making a few comments at random. Under public process, bill has commented on it. I guess somewhere in the city system there is a bermuda triangle regarding mail.

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A bermuda triangle regarding mail. We received one notice late in august, nothing else, and a number of people in august never received a notice. We have spent our time trying to track down - - so would you please find your bermuda triangle and get our mail out?

Francesconi: I thought you were going to say bermuda triangle regarding planning and that you were in it.

Connor: I feel like charlie brown in the annual fall cartoon, where charlie's there and he's going -- lucy is holding the football, and you go to the football, well, the football keeps changing and gets pulled away from you so you don't know what you're responding to.

Katz: But you're right, there's -- there are elements of what you say that are accurate, but this is a reiterative process. Things change. Those are called -- we've -- we change things and try to improve them as we go through the process.

Connor: Right, but I guess what we feel is that we don't have -- we make points, we ask questions, we can't get answers, we can't understand. The height issue, I think has been expressed by other people --

Katz: I know. I know that. You make points, we listen. We try to make some adjustments, sometimes we go far enough, sometimes we don't.

Connor: I guess we should have asked for an amendment to have no building higher than 100 feet, and then we would have been discussing that amendment too and come out at a compromise. I think commissioner Sten said this morning that we need -- each side trying to respond to the issues of the other side, well, our -- the pdc issues are the first time what the real issues are put on paper, money. You think that way, but this is the first time in writing they have put down what their real issues are for us to respond to.

Katz: Thank you.

Harry Turtledove: Excuse me, i'm harry turtledove. 2221 southwest first avenue. I certainly didn't expect to be testifying here again so soon, but i'm moved to do so. It seems to me the issue is very simple -- you are being asked to overrule a unanimous decision of the planning commission. Their decision was to deny a 200-foot height, amend 40225. -- amend it from 225. We're asked to give our arguments against, and that's like trying to prove a negative. Because to date we have heard no specific argument of any kind -- specific -- as to what can be done at 225 feet or 200 feet that can't be done at 150. It's that simple. We've heard flexibility. But we've had no specifics. We don't argue about 150-foot building. Most of us think it will be totally out of scale, but that's our personal opinion. It's legal, so it can be done. But to amend the code, particularly on property on the downtown waterfront, without any overriding reason, and create what will be not simply out of scale, but monstrously out of scale, I think would be a mistake. And that's a decision you have to make. But again, coming in and reading some of the literature we just received, it's very hard to respond to things that you've just gotten on the fly, but if you have any doubts, read the memorandum given to you that contains the rationale for the staff amendment, the amendment 17. I would suggest there's no substantial reason in that rationale, but there is something that I find quite amazing. This is the rationale -- provide for the potential to create a cluster of development near the marquam bridge with similar heights to recommended heights within the north macadam place area. A plan area. And suddenly from talking about one structure, we seem to be opening the door to create a new north macadam place that presumably will run right into the downtown waterfront. For a planning department whose commission had unanimously disapproved one building, to come up with a statement like this, astounds me. But I urge your serious consideration of approving 150 feet for this particular structure.

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Francesconi: Here's -- let me respond to that. Don't you respond again. But I want to respond to your question. This is really a way of signaling to staff what my concern --

Katz: I already did.

Francesconi: But what it is is, in addition to the -- there's the money question, frankly, and that's been out there now in writing -- but that's not what I want to talk about. There's also the design question. By having a taller building, you can have better design, is what the argument is. Wait, wait.

Katz: We're not going to have a conversation --

Francesconi: -- and therefore more open space because you have a taller building, better design, instead of remember those two other building that's were talked about. The problem i'm having now we're talking about not too shorter build -- two shorter buildings, but allowing two taller buildings. When the trade-off was one taller building and now specially we could have two tall buildings. That's where i'm struggling here.

Katz: He's going to answer it. Thank you. He will respond to it. What I wanted him to make sure that the council was aware that there are other footprints. Now, I did -- I just need to respond. I did talk to the chair of the planning commission, because this keeps coming back to me all over and over again. The issue for the planning commission was the setback, and the height. But they saw a completely different proposal than we're seeing today. Now, whether it's gone far enough in terms of change for the positive, that's for the council to decide. But when I told him at least what I knew then, and it's changed even more now, to improve it, he said, that's a different animal. But that was their concern, that at the time they saw a design that didn't get to the greenway setback, and that included too many parcels that would be of an additional height. Okay.

Katz: I hope you don't repeat yourselves. All of you.

John Carroll: Good afternoon, my name is john carroll. Streetcar just a moment. I am so excited about what did you with the streetcar. It's great to know in three years we'll be where we were 50 years ago. So that's a good step forward. Thank you very much. [laughter]

Katz: Back to the future.

Carroll: We're going there. I previously shared what is currently allowed, and i've previously shared I think it would be a mistake if we were looking to build buildings within the current height structure. I don't think it does for riverplace and for the city. What I think we're trying to accomplish in downtown, bringing density, bringing variety of architecture and better design solutions. Shadows. A 200-foot building casts a smaller shadow than a 125-foot building immediately adjacent to the property line. Open space, we increased the sides of the open space, it's free park commissioner, if you will.

Katz: We're going to increase it a little more.

Carroll: Step-downs to the river, I think and to the pathway along the top of the bank, a very important piece. It's a very personal thing, take your family down there, imagine a step back, imagine 150-foot building. Yes, i'm a developer. Yes, i'm motivated by property. By profit. But I want you to know being a developer is not a mindless process for me, because I am also a Portland person. And i'm interested in how the Portland is developed, I have demonstrated over the years my involvement in such efforts as the streetcar, in the central city plan effort, and a variety of projects that I think have done a good job for the city, and sent a message to the country that we can do it better. I think that the challenge you have is one where you will have to take a leadership role, and it will not be easy to make a choice in favor of a building that is different than which is allowed -- that which is allowed under the current code. I personally believe there's a real opportunity there. I think there's a real opportunity to build a building that you're going to be proud

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of that is going to be a symbol on the waterfront that suggests, yes, we can deal with density and we can deal with design and we can deal with issues that affect people. So I encourage your support of the amendment to the plan. Thank you.

Richard Vitaliano: My name is richard, I live at 2221 southwest first avenue. As a native new yorker I can speak from experience about high buildings. As a ten-year resident of Portland I can speak from conviction. Today I ask you to vote to protect our precious riverfront. I ask you to vote to keep building heights at riverplace from increasing to 20 stories. In june of 2001, mr. Larry brown of the pdc was kind enough to come to our board meeting to reveal plans at riverplace. To quote from a newspaper, mr. Brown discussed proposals for the development between river drive and the pge building consisting of two buildings, quote, eight and 11 stories. My question is, why are mr. Brown and the pdc upping the ante? Are they asking for a height increase to 20 stories? If we were to poll the people of Portland and ask them if they like the idea of allowing the 20-story high-rise at riverplace, I strongly believe the only citizens in favor would be real estate developers. Mr. Carroll, if you'd pay for the study, i'll make a wage on that. I understand it's in the best interest of the city to maximize tax revenues in the parcels of land on riverplace. I realize the times are tough and a buck is a buck. I also know a river is a river. And while we can always make another buck, we can't make another river. Last week I sat here and asked the commissioner, madam mayor, to please listen to the people, the voice of the people and not the developers, and please vote with the people. Today I beg you to do that. Thank you.

Jerry Ward: I'm jerry ward, speaking on behalf of ctlh neighborhood association. Janet kelly, our president, asked me to relay two important items. One, ctlh never received any notification or background information concerning today's meeting. In fact, shortly she -- in fact she only heard about this meeting around 1:45 today. Ctlh would like to go on record as not being property notified informed. Second will -- secondly --

Katz: Excuse me, about this meet something.

Ward: Yes.

Katz: This -- we continued this purposely said that this was going to be continued for this week and continued possibly for tomorrow.

Ward: Okay. Well, jan -- I won't get into it.

Katz: Fair enough.

Ward: Secondly, ctlh informally requested this hearing be postponed. This request is might in laid of the recent election after new commissioner. We request this person, that this person staff be brought up to date on the testimony given by citizens and staff so that the new commissioner's input can be part of the highly important decision that's will be made on north macadam riverplace rezone issues. That affects the city as a whole. Ctlh is strongly opposed to the height increase from 250 feet to 325 feet. We haven't changed our position. Our position still remains at the 150-foot maximum height limit that reflects the zoning heights of 75 feet to the south, 35 and 45 feet height limits to the west, and the present 150-foot height limit and less to the north. Riverplace. The five requirements much 35, 510 on height, are not being met by this limit. It is even worse than the previous proposal. I'd like to remind you even the fox tower fits within the so-called slender building form ya proposed. It is 125 feet wide on its narrow end within the -- which is within the proposal. We feel fox is an intrusive building as far as view and sunlight obstruction. Standing at pioneer square looking toward the fox, believe me, the fox does not disappear because the fox is only 125 feet wide. In its downtown context, it could be considered appropriate. But sitting on the river on our greenway it is a mistake to put that kind of a building there. Another building for comparison is the brick ben franklin building. On front avenue. It is 500 feet from the

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sea wall, it is 125 feet wide, with a 75-foot-wide plaza on the south side. It meets the slender building ratio. But in its lower height, compared to the fox, at its great distance from the river, it begins to make sense as compatible. Finally we have the pge complex. There's three buildings. Their tower was deliberately placed on block further west, making it 660 feet from the sea wall. The lower two other buildings were placed on front street for a true step-down of the buildings to the greenway. A comment on riverplace. You -- in what was discussed not too long ago, what you are creating, what the staff is proposing is spot zoning. Spot zoning is contrary to zoning code regulations. I'll end there.

Katz: Thank you.

*****: Thank you.

Christe White, representing RCI and OHSU: Christe white. Here to support staff's amended proposal for height. And just to give some additional information --

Katz: Which one?

White: The third one. I think it's number 3.

Katz: Is this south or north?

White: North macadam. North macadam --

Katz: South of the bridge.

White: North of the marquam bridge. North of the marquam bridge is riverplace. We support that but i'm not here to testify about that. We support that proposal, we think the amendments were a result of very good thinking. A couple of questions that came up in their presentation that i'd like to address. \$5 in 1990 is about \$7.06 adjusted over the next three years. If you take an ohsu research example for a research building, you can add approximately 80,000 square feet above 250 feet. If you're able to maximize the 75 feet you would get additional under this bonus, you would enable the additional development of 80,000 square feet at \$7, about, a square foot. That is about \$560,000, which is a very sizable sum. If you used a residential tower, the number would come out somewhere around half a million dollars. So you are talking about a million dollars that is the net result off of two towers, and if four towers pop up in this district and the design commission thinks that's appropriate, you can see that there is -- that starts to create a sufficient sum of money. I think it's also really important to remember here when we're talking about the exchange or what the pros and cons are of this, that this proposal doesn't provide any additional development potential. It only provides more height potential. We're still constrained with the existing f.a.r. So it is not that the additional height gives us a different -- more development potential and therefore more revenue on that particular site, what it does do is allow you to resculpt the existing development potential in a different form, which we believe through design review will bring some excellent and diverse design to the district, and through the Francesconi fund, provide sufficient funds for open space to actually purchase property, or, you know, if what's really needed is some improvements in existing open space, it can purchase trails and different amenities. That's it.

Katz: Are you the last to testify?

Brown: I believe I am the last.

Katz: Is there anybody else that wants to testify before I get to larry? All right. Larry, you heard - - ma'am, are you coming up? Oh, okay. You heard all the concerns. It's a different proposal that the planning commission viewed, but I think you can improve it even more.

Brown: Yes. We have -- as the plan bureau has stated, we have worked the week since the initial council discussion of -- presentation on my part of our proposed amendment, we've worked collaboratively with the planning bureau in response to the comments that we've heard from the council, and from the public. What we have done, and this is -- as the mayor opponents out, a very

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different proposal than was received by the planning commission, we have taken the -- the parcel of land that we own that we're seeking -- the one that's closest to the greenway and to the park and we've attempted to step back from the greenway and from the park on both sides of that parcel, that's parcel one that's closest to those public spaces. The other parcels of land that are included in the amendment request are considerably farther from the greenway. They're actually closer to the marquam bridge and the i-5 freeway ramp. We've never had any sensitivity with respect to the greenway issues there. But what we have done over the last few weeks in working with the bureau of planning staff and with the design team, is as you can see, we have modified the proposal. That's the purpose of this additional amendment today. To indicate setbacks --

Katz: Which page are you on?

Brown: I am -- on the first page. This shows the first parcels originally proposed on october 9th and the amendment in the heights that were we're requesting reflecting as was earlier discussed, an additional setback and reduction of heights on the north end --

Katz: This --

Brown: Adjacent to south waterfront park. We've taken that property as the first one to be developed in the immediate future, and we've asked for two things. We've asked for reduction of the heights from 125 to 150 down to 75 feet. Those areas adjacent to the park and the greenway. That's roughly two-thirds of the developable area of that property. And we've asked in return that the corner which would be the site after future tower, be allowed to increase from 125 to 200. That's for that specific piece adjacent to the park. That's the result of our work and the comments that we've heard from the council at our session last week. Also you'll see on that same -- that same illustration there, it shows the other two parcels which we identify as parcel eight and parcel three next to the substation as the other two locationing that are currently vacant and awaiting development where we were seeking a change from 150 to 200 also. Those two parcels are of course back from the greenway. They do suffer from being further from the river, and those amenities, and they are closer to the marquam bridge, which itself is in quite a visual barrier.

Saltzman: What is the status of those two parcels?

Brown: Those two parcels will be released for development after parcel one, the condominium and hotel parcel, begin to move forward.

Katz: Larry, the northern section that you dropped down to 75, are you willing to open that up for greenspace and open space?

Brown: We had not discussed up to this point changing the use to a public park use.

Katz: I'm asking you. What do you see yourself -- the footprint now is basically open, right? In terms of the design.

Brown: Yes, it is basically open. There would be parking underneath the entire site. We've put all the parking for this development underground for the most part. There may be --

Katz: What do you envision on that northern end that you've dropped to 75 feet?

Brown: Well, we're hoping for that part of the site that won't be used, the part that's dropped to 75 feet at this point with this developer, we're hoping to do plazas and landscaping and things of that kind. There could be a structure for a cafe or an information kiosk, or something of that kind. The current development scheme with our current developer is dedicating that area to a plaza and landscaped area.

Francesconi: I appreciate the intent, mayor, but this is where I said at the last hearing, i'm not convinced we need another park right there. That we have to maintain. If we -- I have a different question if it's okay with you.

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Katz: Just a minute, I need you to come back to that. What I'm asking him is whether -- we dropped -- it's been dropped to 75 feet at the northern end. The entire hotel is -- has been dropped to 75 feet. But there's a new northern portion that we identified as a drop. The question that I asked is, can we leave it as a green space? You don't want it?

Francesconi: Well, it's not that -- [laughter] it's not that we -- well, wait. It's not that we don't want it, but we have other places where we really need it. So it's not that we don't want it. As long as you give us -- well -- I'm not -- I need parks' help and they're not here. The question is, the best utilization of space, when we've got a park right next to it --

Katz: I'm trying to get at, with -- let me make myself very clear. With this developer, this would be an open space from what you just heard from Larry.

Brown: The function would be, but it would be private.

Katz: Right. But it would be that kind of a use. That may be fine. But if any other developer came in, they could actually build something 75 feet there.

Brown: That's correct. That's the intention. We have no certainty that the current developers of this property, though we do hope they will move ahead very quickly, that they will -- we have no certainty that that project will be developed. It has yet to be designed. And we're hoping we'll be moving forward very quickly here. But in the event that anything should happen with the stock market, interest rates, investor confidence, if we were forced to put this property, offer it back to the developments community around the country, we would have to -- we would need to have the flexibility to build. Maybe it's two shorter buildings. If somebody else were to come forward with a different idea. We don't have a site plan that's been approved. If we were to -- after developing the park if we were to take another 75 feet off of fairly precious development sites here for jobs and housing, we don't know that we can come back here and find another developer that can work with that even more confined space.

Saltzman: Can I say something?

Katz: Yeah.

Saltzman: I guess just to get this thing moving, I want to make a proposal and since you're at the table, get your reaction to it. But I am thinking of basically eliminating the 200-foot height increases on parcel eight and three, keeping it for the hotel parcel. But keeping -- the condominium. But keeping it -- removing the increase and keeping it at 150 for parcel eight and parcel three. I think that's where I'd like to end up on this.

Katz: Do you want to respond to that?

Brown: Yes, I would. I am here today for your support and I think we're -- we've established we're trying to work in a dialogue here with where you'd like to go. I don't know where that will end up. Can we move forward with one parcel being approved for the height change? I think that's certainly the case. Let me tell you that our perspective here in taking on this entire project area and reclaiming it from contaminated industrial district to putting in the park space that was important, taking -- making the investment in the roads, we're now at the point where we've made very substantial and successful developments in both the park and the greenway, and the road development and cleaning up the contamination. Now we're trying to address the jobs in the housing. So each piece of land is very precious to us, both to the city and to the commission. We're here for your support. If that is the only place we can go to move ahead --

Katz: I just worry about spot zoning, and I need to have some consultation on that issue.

Brown: I do as well.

Sten: Before we lose it --

Katz: Go ahead. Keep working on it.

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Sten: I want to propose an idea to follow up on the -- actually I tend to be in agreement with dan on that. I think that i'll be more detailed about this if we move forward, but I see an argument in the riverfront between getting the 75-foot building and the 200 for the one building. On the other ones where we can get three or four buildings I tend to be closer to where the neighborhood is, that that's just too much to try and ask of them at this point. But on the -- back to the mayor's point, I would be comfortable, it's really probably -- I would be -- I like the mayor's idea of trying to keep that 75-foot area open and I understand the current deal does that, so you guys have really agreed with that. And -- an open space doesn't have to be a park. What we've been talking about down on the north macadam is a zone where there's cafes that are open to the public, that's a private space, but you can walk up. That's something that can be worked out. But rather than say if that deal fell apart had you to keep that, I would just request that if this deal falls apart, the council will get a report from the development commission before there's any decision made to do two buildings or something different. So that you're not required to do it, but that given this is the greenway and we're thinking about a pretty serious decision to give some more height, that we get a look at that before the commission moves forward if this deal falls apart.

Francesconi: Well, I --

Katz: Just a minute.

Brown: We're always very agreeable to consult with council on matters of concern to them, and this -- certainly we understand this is one. I should also make one additional remark, commissioner Francesconi had asked whether there was a possibility of four or five or six towers appearing sprouting out of the ground. It not physically possible to really have that many towers, given again, the very severe limitation on density. We have less than half the density in north macadam, so that as you go higher you get very thin. We would entertain actually if it's of any help, mr. Francesconi, having a directive from the council to the commission saying that there would be no more than one tall building per site. Which would mean that we would be talking about three towers potentially in the future, not four, five, or whatever the concern today is.

Katz: Let's try to deal with a couple of these issues, and then move on. I want to go back to the -- just the building -- just the condominium building and revert everything back to 150 feet. That was the issue to the left of me. I am concerned about spot zoning. It's not that it not -- it's not that it's a bad idea, but i'm very concerned about that, and I need to understand the implications of that. Do you want to grab the mike? And then i'd like to lower that 75-foot even more, so that we have an open area. It doesn't necessarily have to be a park, but an open area to --

Kelley: Yeah. I think -- i'm trying to approach this answer from sort of an overall urban design point of view.

Katz: Right.

Kelley: Which I think is what your intent is. I think the request being brought forward by larry is to have the flexibility in this district to essentially do occasional narrow towers, to improve on the urban form in the district. We've gone through a generation of buildings that use the 125 to 150-foot current envelope and they're pretty bulky buildings. This would not increase the floor area, it would simply increase the height, and therefore to use the height you'd have to do narrow buildings, which gives more options for building orientation and for a smaller footprint and more open space. I think that's the theory. When you apply that on the ground it seems to me the area between the bridge and the area we've drawn on this map which excludes the trammel crow parcel is one kind of design unit, if you will. It's the transition area between the north macadam district or south waterfront district, and the bridge, to the south and the existing riverplace development to the north. That's the area we're talking about. There are some buildings within it. So to sort of

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legislatively pick out only one block seems to me not a solid rationale, just from a planning point of view, as looking at that bigger unit and trying to define some limitations within that area. One conversation i've just been having with staff, and I haven't had this with larry yet because he's been testifying, is whether we might do something akin to what you did in north macadam just now with a design review process that looked at selective poking above the 150, which gives some control about placement and design. I agree with larry, I think 4-1 f.a.r., you're probably not going to get very many of these towers. You just don't have enough site area to squish into that height. For probably more than two or three towers beyond the limits proposed. So it's probably not six.

Katz: So you are saying you would recommend no matter what we do, that you have the added criteria on the design review.

Kelley: You could do that as an alternative.

Katz: As an -- excuse me, as an alternative to --

Kelley: To simply rezoning these three or four parcels for the higher height.

Katz: Oh, okay.

Kelley: You'd actually sort of take in that area behind them to the bridge and say, this is sort after design unit where we want some special thinking, there's kind of an extra design overlay, if you will. An extra process to go through. So you'd actually need a modification to go above the 150 in any point.

Katz: So it's the modification above 150.

Kelley: Right.

Katz: Okay.

Kelley: In this case the rationale is similar to what we said below, which is to use the point tower concept. The bioscience wouldn't apply here, but the -- that's an alternative route you could go here. I just caution you again sort of limiting this down to one parcel as part of your legislative action.

Katz: So what you would -- let me just -- what you would recommend on the condominium site, one of the alternatives is 125, which is what it is now, correct?

Kelley: M-hmm.

Katz: And 150 on those two, and going up to 200 on all three would require that additional design review criteria.

Kelley: Yes. I would apply that same rule to the parcels behind them toward the bridge, not going up the hill, but going toward north macadam. So you have a cohesive sensible design unit. Most of those are built on probably wouldn't accept any towers, but I think that gives a rationale between what we've done in north macadam and --

Katz: So the build sites too you would do that.

Kelley: Yes.

Katz: What's your thinking about the 75 feet? Lowering that north of the condominium site?

Kelley: Yeah. I think -- lowering it from 75 to 35?

Katz: In case this development falls through, we at least have a guarantee that the footprint would be smaller.

Kelley: It makes sense on the surface to me. Without understanding what difficulty that would place larry in in terms of negotiating a new deal, it seems to me it would be an acceptable trade-off for the height here. If you were going to come in with a lower building, whether you'd want to be able to use any of that, i'm not -- haven't worked through an alternate scenario. But it would seem to be an acceptable public policy trade-off.

Katz: So we're working through a couple of these issues.

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Kelley: The open space designation on that little piece south that you questioned Larry about --

Katz: Which one?

Brown: South of the pgt building. In other words, the one north is already zoned open space. The one to the south we proposed to lower the height on to 35. But it may be -- it may be to make sense to change the zoning designation to open space. Since that was the reason behind lowering the height there.

Katz: This is the 35 foot?

Brown: Yes. Yes.

Katz: Okay. So the 35-foot -- the notion there is to go open space. The notion is on the 75-foot north of the condominiums, to leave that -- to lower that to -- to lower that to 35.

Kelley: Where we presently have the proposal for 75.

Katz: Right. On the north end.

Kelley: On the north side.

Katz: Lowering everything to 125 or 150 -- hold on -- with the opportunity to go up to 200, but with the design review overlay. I'm using --

Kelley: Yeah. Essentially an adjustment through the design review process in the way that we just described it for the north macadam district. Now, that's a little more complicated. I'm putting that on the table now to draft that language by tomorrow is going to be difficult. So we may be --

Katz: I want the council --

Saltzman: It's the same approach we're using south?

Kelley: Yeah.

Katz: I want to give commissioner Francesconi a chance.

Saltzman: It's the same parallel approach.

Kelley: It's a similar approach. We have to craft the purpose statement so it works, and we wouldn't -- we'd exclude the bioscience, the tall floor-to-floor criteria.

Saltzman: And the 200-foot spacing?

Kelley: You could apply the 200-foot rule. That's what we want to play with on paper to make sure it works.

Katz: I've got to give commissioner Francesconi --

Sten: You'd rather do that than leave out parcel three and eight? That's to Gil.

Kelley: My -- I understand the practicality of moving forward with a bird -- the practicality. It departs from our planning approach.

Katz: Commissioner Francesconi.

Francesconi: I'm trying to judge whether my reaction is just because I'm tired. We made -- because of last night. We made some progress at the end, but this is no way to do business, folks. We have PDC talking about some important developments, we have you designing why we're here, we have the council trying to design an important part of our city. We originally I thought were talking about one building. This is embarrassing. We're talking about a park when we don't know if we need a park. We haven't even talked to parks about it. Let's get our act together. Let's go -- I'm not voting on this thing today.

Katz: Commissioner Francesconi --

Francesconi: Let's come back with a joint recommendation from staff as to how we're going to proceed.

Katz: Let's relax. We're trying to work this through. I can't have this held up until December. It's just not doable. Most of you are all gone. So I need some real thought on this issue right now. If we have to come back tomorrow, we'll come back tomorrow.

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Sten: We do have a joint recommendation from staff. I understand why -- i'm not fond of this process, but we have a joint recommendation. I do think that the configuration between the proposed hotel, which is now the land zoned -- I want to be clear to the citizens that the land right on the river is zoned 150, and doing a hotel at 75 to me seems a major improvement, and I have to think about it from both sides, whether you're walking on the river or standing behind it, and I think that getting that hotel at 75 rather than 150 with 1 hundred gift -- 150-foot average setback is a big improvement. So to me that's worth doing some work to get. I'm speaking more to the citizens. Having one building at 200, that's quite a bit farther back from the river that's relatively skinny rather than those two buildings at 150 on that parcel makes sense to me. It's not as good from one side, but it's a better overall proposal. I'm not prepared right now to support having two or three other towers at 200 in order to get those things as well. So that's where i'm at. And I would prefer to go with the mayor's suggestion of something a little more solid to make sure that that 75 feet either went down to 35 feet or my alternate would be that I trust the commission that the current proposal leaves that as open space, not a park, but something that's private, but at the ground level, and there would be some conversation if that was going to change in the future development. I would support something that met those objectives. If not, I think i'd have to go back to the drawing board. Was that clear on the issues?

Saltzman: That's where i'm at.

Sten: We've got two votes.

Katz: Just a minute. So you would leave parcel eight and parcel three at 150.

Sten: Yes.

Katz: And would not allow to it go up no matter what.

Sten: Not at this point. Not without some sort of -- you know, you can always reapply as we tell people who lose issues.

Francesconi: What I am saying is that I am there if you force a vote now, but I -- because I think it's the best of bad alternatives. But that's not the way to proceed. Instead of us voting now, we should let staff work on this now that you've heard to see if you can come up with something better.

Katz: Thank you. We will be back. We will be back tomorrow on this item. I'm not yet satisfied with -- I agree with you, gil, you don't just take one piece and do it and forget everything else, because you'll end up -- you could end up in a far worse situation. But I also want to make sure that we maintain the lower height by the river, and that we drop the 75 to 35. So work on that. But let go back and start -- let's go back and start with the shared parking. Is everybody in support? We're -- we need to take -- come on up. Thank you, larry. No, no, no. You don't have anything yet. We're not voting on that -- yours yet. But we're getting there.

Johnson: Before we go through some of the other issues that council was deliberating on, I need to point out one item that I neglected --

Katz: Before all of you leave, we are not going to -- i'm closing the hearing today. So we will not hear any further testimony tomorrow. Because what I think we're doing is we're getting closer and closer to what the community wants, but still make sense for the purposes of developing this area whose land belongs to the city. So just for those of you who want to come back and watch the process in place, on your particular item we will come back and take a vote on it tomorrow. All right? I have no idea what they're going to come up tonight and tomorrow morning. But i'm going to talk to them tonight. So I understand what the thinking is, and they have heard the rest of the council. All right. Go ahead.

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Johnson: I want to point out one item on page three of your agenda, your deliberations agenda. There was an amendment to correct a typographical error in a consent item that you voted on last week. The consent item from last week said delete the second bullet point under the code provision, and actually should have said the first bullet. So I wanted to call your attention to that.

Katz: That's a scrivener's error.

Johnson: I want to be very clear.

Katz: I know. Go ahead. Shared parking. If I recall correctly -- just a minute. One second. -- the council was leaning to the third option. Correct? Do you want to repeat that and we'll take a vote.

Johnson: Okay. This is a request to amend the recommended zoning code to allow residential parking to be operated as commercial parking if the residential parking is ratio is lowered and if approved through a central city parking review. Which provides additional criteria. This would be one of two options to the developer that could either follow the standards in the code as were developed under the planning commission recommendation, or they could go through this other provision that allows them to share residential parking, use it for visitor parking and go through additional review.

Katz: Okay. Council?

Saltzman: Yes. **Francesconi:** Yes.

Katz: Unanimous. Motion carried.

Johnson: The next is amendment one. This is the request to allow some buildings to go over 250 feet in height through a design review modification process provided that floor plates of the towers are limited for specific floor-to-floor heights are provided and there are tower spacing requirements are met and their contributions to an open space fund.

Saltzman: Yes.

Francesconi: Yes.

Sten: Almost.

Francesconi: Yes.

Katz: Yes. I'm going to go --

Sten: It's not the perfect place to put it net code, but I would like a note somewhere, I personally want some kind of economic report during the development. I've been in development agreements where we thought land costs x and it costs y. I want to make sure the price is not -- is fair. It doesn't need -- I want some relation to how much land costs down there. I want some place somewhere where I can personally look at this as I start to understand what the development agreement looks like, and what land is really worth as opposed to what we're speculating on.

Katz: Fair enough. We agree on that. You don't need to put 90 language, do you?

Johnson : It sounds like the commissioner is asking us to report back on that issue.

Katz: You can put that in the resolution. Okay. Aye, aye, aye, aye. [gavel pounded] motion carries.

Francesconi: There should be a way of reporting so parks actually watches this. So put parks on the loop on this. It's a very good idea.

Johnson: Okay. The next amendment is to amend the residential -- the required residential area to allow residential requirements to be met through a covenant when transferred to another site.

Saltzman: Yes. **Sten:** Yes. **Francesconi:** Yes.

Katz: Motion carries.

Johnson: The next item we're deferring until tomorrow.

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Katz: Kathryn, let me -- I may have made a terrible mistake. Kathryn, if they come back with something completely different, we do need to take testimony?

Beaumont: I think you ought to give people an opportunity to be heard on that.

Katz: So somebody please, marie, get ahold of those folks or the leaders of those folks, because there's nobody left.

Johnson: We'll find somebody to make those phone calls.

Katz: Okay. I would have them here anyway, because I don't know what you're going to come up with yet.

Kelley: I think that's right.

Katz: We're going to work a little bit this evening.

Katz: All right. So amendment 17 is deferred until tomorrow. Council is going to have -- we'll build -- hopefully build enough consensus so everybody is happy on that, but I need to make sure we have the right language and the right notion. All right.

Johnson: Storm water setback.

Katz: Cancelled. Go.

Johnson: So the final items are changes to the resolution and changes to the ordinance.

Katz: All right. And everybody, aye?

Saltzman: Yes.

Francesconi: There's the one other issue, but i'm not going to push this if nobody else is interested, because it competes against -- I have underground parking --

Katz: This is the parking issue.

Francesconi: I still think we should do the underground parking, but --

Katz: I think it's a good idea. I'm not sure it should be in the bonus, but I want to talk about it. But let's get rid of this. Aye? [gavel pounded] thank you. Underground parking. Without doing a bonus, how -- is it through the development agreement that we can require that?

Kelley: There's a couple of factors. There's some incentive to do that already because the scarcity of land and the efficiency you get in the building types that are contemplated there now, so you may have some developments wanting to do it anyway. Would they like to access a bonus to do that? Sure. Whether it's really needed as an incentive, that's kind of hard to tell right now. The other thing is there's underground and there's underground. In the west end we were talking about truly underground out of sight, activating the the ground floor. Depending on where you do it in this district, you may not get it fully underground. You may get a partial -- so without -- just sort of reporting on the fly here, I can't advise you that this would be, you know, a bonus that would be highly useful in getting to where we want to go. It could be, but I don't know enough this afternoon to advise you that this is really a key piece.

Katz: Think about it when you go to sleep tonight, and if you come up with anything, we still --

Francesconi: Have a couple hours tomorrow.

Francesconi: I'll go with your recommendation, so talk to matt brown and i'll go with your recommendation.

Katz: Thank you, commissioner. All right.

Kelley: There's one other point I mentioned last week, just as a clarification. I had been concerned just to double-check, when we changed the road alignment in the north to accommodate a different lay-out of the road between marquam bridge and gibbs, I wanted to make sure we at least were meeting the marquam bridge memorandum -- minimum 100-foot average on paper and we had the ability and were not precluded on that road alignment on meeting our 150 foot aspiration. I'm pretty confident, we've also talked to the zidell company, whose property is mostly affected by this,

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I think we're all in agreement we have the ability over time to approach or reach that 150-foot aspiration through incorporating some open spaces on the parcels to be developed as well as the so-called ross island bridge park parcel. Between that and the road alignment as it is, I think we're there, but I just want to reaffirm that we're getting that guidance from you.

Katz: Yes.

Kelley: The 150-foot average as aspiration is still applies to this alternate road, because that is a switch from planning commission's road layout, which sort of guaranteed it by laying the street back a continuous dimension of 150. So this is trickier, but it can be done and I think there's willingness on the part of the private property owner to help us do that. But I just wanted to get a reaffirmation from the council that that's your understanding.

Katz: How does the council feel about that?

Francesconi: Well, where i'm confused now is not on meeting the minimum code requirements, but what is the minimum code requirement? I thought it was -- there's a difference between aspiration and code requirement. And so you mixed up the two just now, I think. So I thought the minimum was 75 --

Kelley: We know given the road we've drawn that we can meet the code minimum of 100-foot average with a minimum pinch point of 75 feet. What we've done is now put these properties or a portion of them into a similar framework that we have south of the bridge, where we're trying to get the additional 50 feet through a variety of incentives. And negotiations. And I just wanted to make sure we weren't physically precluded from doing that. And I don't think we are. But I just wanted to make clear on the record that that's our intent and I think your intent to try to seek that aspiration on this stretch as well.

Francesconi: One's a code and the other is an aspiration, the code being 1 hundred -- 75 and 100, and the aspiration being 150. I just want to make sure we've got our terminology straight. Because I really want to address this with the minimum through the code, but our aspiration was through the greenway process.

Kelley: Right.

Francesconi: Okay.

Kelley: 150-foot average. It could be narrower in some places.

Katz: Okay. That's the directive of the council. Before we adjourn, before everybody -- anybody leaves, marie, why don't you bring your staff up front.

Johnson: Brad and stevie should come up, and unfortunately mark raggett can't be here today, he had a bicycle accident today and he's having surgery on his arm.

Katz: Really?

Johnson: Yes.

Katz: Was it -- whose fault was it?

Johnson: I have no details, unfortunately.

Saltzman: Probably hit by a police car.

Johnson: We also have a wonderful intern who's never been able to stay for the deliberations. She's not here right now, we have somebody who works for free on this project, if you can believe that.

Katz: Well, thank you both very, very much. You really helped kind of pull all the little pieces together and made it very comprehensible at least to us on some of the issues. I really appreciate it. [laughter] gil, you wanted some time?

Kelley: I could save my conclusions for tomorrow.

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Katz: You could. Why don't you do that. Meanwhile, I want your people from your staff and Larry Brown up in my office. You pick out your planning staff people, and Larry, up in my office, so we can get something started on this if it's doable. All right? Okay, thank you. We stand adjourned until tomorrow, 2 o'clock. [gavel pounded]

At 5:15 p.m., Council recessed.

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Katz: Good afternoon, everybody. Let's read item 1356 and 1357. Oh, I forgot. I'm talking like we've been here for a while. Roll call.

Francesconi: Here. **Saltzman:** Here. **Sten:** Here.

Katz: Present. 1356 and 1357.

Items 1356 and 1357.

Katz: Okay. You've got our -- I think it's the third sheet that we've gotten on items for deliberation, and amendment 17, why don't you come on up. Larry, come on up.

Larry Brown, Portland Development Commission: Thank you. I'm Larry Brown representing the Portland development commission. Over the last few weeks we've had a fairly honest and complex and difficult discussion regarding our amendment 17 to the north macadam legislation. During that period we offer, and with this amendment, an opportunity we believe to increase the public benefits for this area and that neighborhood in providing additional height reductions adjacent to the public areas, and particularly an increased opportunity on behalf of future developers to work with more creative architectural concepts. We've listened to the concerns of the council during these weeks of deliberation, and we've come back with -- at different times with responses that we thought met your needs. We now conclude that -- we're not satisfied with our ability to be able to meet all of your concerns. As you've expressed them during our discussions. And with the indulgence of the council I would like to withdraw our amendment request from further deliberations.

Katz: Thank you. As I said last night, we all met in the office, and we spent about 45 minutes reviewing this, and we had our legal team as well as the team from planning and talked about all the other options, and at that time it was very clear that unless we're willing to do where we were originally, at least a week ago, then we just -- for a lot of reasons just can't make it happen. The last thing I want to do is risk the entire southwest waterfront plan, which could very possibly be risked. So I asked Larry to do this, and I appreciate that. And he did talk to both John Carroll and Homer Williams, did you not?

Brown: Yes.

Katz: So they're aware of it. All right. Let's do the next -- the next item. Thank you, Larry.

*****: You asked --

Katz: Identify yourself for the record.

Gil Kelley, Director, Bureau of Planning: I'm sorry. Gil Kelley, planning director. You asked yesterday about the notion of including an additional few area bonus for underground parking or below-graded park.

Katz: Right.

Kelley: And we have had a discussion with office of transportation. We feel it's not advisable to go forward with this at this time.

Francesconi: That's fine. I withdraw that again.

Katz: Clarify directive and resolution pertaining to the future updates suggested to council.

*****: And just to reiterate the --

Katz: Identify yourself.

Marie Johnson, Bureau of Planning: Marie Johnson, bureau of planning. The resolution includes a number of directives. These include directives to implement the actions in the action chart, to update the street plan, to work on the design coordination plan, and a number of elements.

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This particular directive is in response to a request from commissioner Sten yesterday that we clearly call out the need to come back at some point in the future and report on the development costs in -- in the north mac district, or southwest waterfront district, excuse me.

Katz: Okay. Everybody in agreement on that? The consensus. [gavel pounding] keep going.

Johnson: Okay. And that -- those are all the items that staff had for you.

Katz: Yeah. I have one question. Part of the plan says that we will be updating the street plan. And since we've done the transportation systems plan, somebody needs to help me, how do we get it done?

Kelley: Probably this new street plan and the set alignments should be reflected in the transportation system's plan. We'll be coming back in january, so i'd like the opportunity to talk with brant williams about how that process will work, but we've acknowledged in the transportation systems plan that updates will be coming along for that plan, including the north macadam, or now south waterfront plan, and some others that are coming out of area planning efforts. So this will need to nest inside an updated t.s.p. At some point.

Katz: Okay. I think we've got --

Kelley: I think we recorded your decisions from yesterday.

Katz: Right.

Kelley: I think that's it.

Katz: I think that's it.

Saltzman: I wanted to clarify, on the road alignments, against the east/west alignments north of the ross island bridge are not drawn in stone at this point, they're totally flexible. As long as they're perpendicular.

Kelley: Yeah, as long as they're perpendicular to the river curve there and they have to meet certain standards for spacing, but otherwise they're flexible.

Saltzman: Yeah, okay.

Katz: Did you want to -- did you want to say anything?

Kelley: Sure. I know you're not doing your official vote until next week, but I thought i'd just take this opportunity to say a couple of things, because it's been a very long haul. I thought this might actually conclude yesterday, and I had a little fortune from my fortune cookie at lunch yesterday, which said "your present plans are going to succeed." I thought I would share that with you all. This does, as i've discussed with the mayor, this really concludes phase one of the -- of my work program since I arrived here, where we really -- both the mayor and myself inherited a lot of predetermined tasks and plans and projects in midstream, and i'm happy to beginning with the conclusion of phase two where we'll be less reactive and proactive and ability to look out over a longer horizon. Nonetheless I think we've tried to seize each one of these opportunities, and shift the course a little bit, set some new directions, try to get as much positive and proactive change in each one of these, but the land division code rewrite, for example, the southwest community plan, the west end plan, and the south waterfront planning efforts were all pretty substantial and pretty large. The framework was largely set in the beginning. But I think that we, in each of those, have not only kind of changed direction and gotten more out of them than -- than might have been the case otherwise, but I think that -- at least i've learned from each one of these some pretty significant things that we will carry forward into phase two of our of our efforts here.

Katz: What are they?

Kelley: For example, in both the land division code rewrite and the southwest planning project, we learned -- I learned a lot about neighborhood desires, needs, and processes that I think can carry forward. We also learned about the role of the environment, environmental protection at the

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neighborhood level, as well as at the watershed level, in those. In the west end, I think we really got a glimpse of the potential power of the central city as a whole as a very, very -- as really the core of a magnificent future city here, and really the very urban and dynamic core, particularly if we lay the right foundations in terms of transportation and public open spaces, an economic strategy that moves us into the next century. An effective housing policy going forward. Get those foundations I think in place. The central city, I think, will become one of the premier cities in north america, if not in the world. I think that potential, we've just got a glimmer of that, both in the west end and the mid-town blocks processes. And in the south waterfront process, I think we real glimpsed the power of the river as the central defining element of the city and how we can re-embrace that. And we also got a glimpse of the new economy and the fact that can take root in the heart of Portland, not just in the suburbs, or austin, texas, north carolina, where else, we can actually grab hold of that here if we're proceed active. So I think for each of those themes, we're now sort of free to pursue these more directly and more holistically, taking a longer time frame, longer horizon to look at, and a broader landscape to look at as we now define the next task for the planning bureau. But I wanted to come back to the south waterfront plan in particular, because I think with the help of the whole team we really kind of dispensed with some old axioms, or seemed to be axiom, and created a different paradigm. It seemed to be coming into this we could have either -- we could be either very urban or very green, but not both. We think now we've demonstrated the possibility of being both very urban and very green in this district plan. We felt we had to make a choice between really robustly embracing the new economy and those institutions and businesses, or having a neighborhood, and I think in this case we have both. We have the potential to really be a focal point for investment in bioscience and other new technologies, but do that within the context of a very urban, but livable neighborhood that has an equal number of residents as it does to employees, or at least equal amounts of space devoted to those. And I think the other competition we saw was between housing and park space, or open space. And we had to take one off the ledger of the other if we were going to have more parks, we'd have to have less housing and less development. Or if we had more development to meet tax increment goals, or whatever goals we set for ourselves, we had to dispense with parks. I think we've demonstrated now that we can have the right portions of both. In fact, exceed the expectations that were put out for both of those in the beginning. So I think for those reasons, this is a pretty remarkable effort. I want to thank everybody who's been involved, because we really did, I think, significantly change the course from where it was a couple of years ago. I think there were a few other things that came out of this that are not about the substance of the plan that are probably worth noting as well. First of all, we -- aside from the normal process of engaging citizens and stakeholders, I think we went another level to engage developers and in this case o.h.s.u., or what we might think of as external or private investors, right away, so in the making of a long-range plan, we also had people immediately wanting to make investment, which I think added a lot of dynamic, sometimes tension, but I think in the end a very positive sensibility to the discussions about how we really kind of make these aspirations real. It was a very good testing place for a number of the development concepts that we come up with. Part of the effort here was not just doing a plan, but actually attracting that investment. People had sort of given up on this a couple years ago, and I think there's now a real renewed sense that this is very real and will be invested in. So I think the public goal for the district will actually be realized soon as opposed to remaining on a paper plan for a long time. And I know that we've given the developers as much angst in this process as we have a number of the neighborhood participants. Everybody's sort of been equally frustrated, equally enthused, but I think in the end all this pays off and will actually be

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dealt with effectively. The next thing i'd mention is that I think this was a project in which we realigned and redefined the roles that the planning bureau and the development commission play, which had been in question, I think, in the beginning. I think with the mayor's leadership, we've come through a period where we have at least in this project defined kind of a different paradigm, where we both need each other, where the planning bureau does the planning and the p.d.c. Accepts the -- perhaps more difficult role, even, of implementing. There's a -- been not only a mutual respect, but a real collaboration that was very difficult at the beginning, and I think has proved to be a successful model where we're each playing to each other's strengths in that regard. That was a huge tension point in the beginning of this process. And I owe that largely to the success of the fourth sort of point here that came out of this project, which is the constitution of what marie has referred to as the core team, which was not just a planning p.d.c. Team, but actually will involved a whole number of bureaus with a very dedicated effort, where there were assigned staff from each bureau, weren't in the role of reviewing documents, but actually there pulling their hair day after day, week after week, to make this thing really work. It began just before marie arrived on the project with at least a full day where we took people out of the office and spent a whole day just kind of mocking up alternatives. Marie came in just at that point. And took that process over and has been the leader of something that I think would not have worked without that kind of model and without her personal leadership. So part of what I want to do is really thank marie for assuming that role. She had just come off the southwest community plan effort, was looking for a break, and didn't get one. [laughter]

Katz: Wait till you find out what she's going to work on next.

Kelley: I did also want to think don and abe and cheryl, as cheryl was here giving her testimony last week, I think the mayor introduced it, "okay, now we get to hear the tension between planning and p.d.c. " cheryl, to her credit, because she's been through this in various iterations for a long time said "i'm not here to talk about that, I don't even necessarily feel that, i'm here to say we're here to implement the plan." that said volumes, at least to me, right there. So I want to thank all of you for your deliberations. I also want to thank the planning commission, because even though there are frequently changes you need to make to theirs, because you have a set of considerations and a whole new set of hearings beyond what they do, I want to remind them, as I will at their next meeting on tuesday, that really i'd say at least 90% and probably more of what they did and deliberated on remains in your -- in your adoption of this. I think that your work has added to what they have done and I hope you appreciate their work. And I also hope they appreciate the fact that you have added to their work and not undone their work as -- as sometimes I think they may feel. Again, I want to thank all the bureaus who have been involved. Marie can name who the staff people are from each one, but they really just toiled away on this, and we put them through a real meat grinder over the last couple years, but I think in the end we're making a plan here for a district that will be realized and some people doubt that anything will get built there. I'm a personal believer that it will be built and built fairly soon, and that it will become a national model for the principles that I articulated a few minutes ago. So i'm very happy this day has come. I'm very happy with your action. And look forward to the next planning challenges that the mayor and I will be discussing and springing on all of you in the coming weeks and months. So thank you very much for your faith in us and your trust.

Katz: Marie, do you want to introduce or mention the staff people that worked on this?

Johnson: The core group members who met sometimes weekly and who were willing to make time in their busy schedules to get together for sometimes long, intensive meetings, were janet from parks, matt brown from office of transportation, linda dobson from bureau of environmental

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services, jeff joslin from bureau of development services, cheryl tweety from Portland development commission, and kia sellly from Portland development commission. In addition we had a number of staff from the bureaus that provided additional support. I wouldn't be able to name them all right now, but bureau of development services staff spent a lot of time looking at the code provisions, and we appreciate that. And staff from planning. And engineering and development review of office of transportation spent a lot of time, as did staff from various other bureaus. In addition, there were staff from office of sustainable development that came in at times to a lot our work and other work being done by the development community and see how those pieces all fit together. So just -- it was a real group effort, which makes it fun, challenging, exciting, and i'm really grateful to have worked with such a great group of people.

Katz: Tell everybody what you're going to be doing next.

Johnson: I'll be working on the healthy Portland streams project. [laughter]

Kelley: Another turnaround.

Saltzman: Tougher.

*******:** That's true.

Johnson: I won't be the project manager, though.

Katz: That's what she told me yesterday, "i'm not going to be the team leader."

Kelley: She's taking time off and going to finland in the dead of winter for some reason. At least she'll get a break.

Saltzman: Long nights.

*******:** That's right.

Katz: We'll be able to make our comments next week about each one of us taking it from maybe a different perspective or our own perspective. Thank you, everybody.

Kelley: One more little thank you. To carrie and deborah and joe who at the principal planner level have continued to shore this up and provide guidance. They've been a wonderful team inside the bureau as well.

Johnson: And our team members, stevie, brad carter, mark, and our intern who works for free, rhonda fast.

Katz: Thank you.

Kelley: Mark, by the way, as marie mentioned yesterday had a bicycle accident on his way to work. He had surgery yesterday, and I think is out today. We're not sure, he broke one arm and had to have pins in it.

Katz: Thank you, everybody. We stand adjourned. [gavel pounding]

At 2:22 p.m., Council adjourned.