



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 30TH DAY OF MAY, 2001 AT 9:30 A.M.

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

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

Commissioner Francesconi arrived at 10:15 a.m.

Items No. 628 and 629 were pulled for discussion and on a Y-4 roll call the balance of the Consent Agenda was adopted.

622 TIME CERTAIN: 9:30 AM – Declare the week of May 30-June 10, 2001 to be Great Blue Heron Week in Portland (Proclamation introduced by Mayor Katz) (Y-4)	Disposition: PLACED ON FILE
*623 TIME CERTAIN: 9:40 AM – Authorize amendment to contract with Parsons Brinckerhoff Quade & Douglas for professional design services and payment of the West Side Combined Sewer Overflow Tunnel, Project No. 6680 (Ordinance introduced by Commissioner Saltzman; amend Contract No. 32981) (Y-4)	175617
*624 Authorize an exemption to the competitive bidding process to the Bureau of Purchases, for the Bureau of Environmental Services West Side Combined Sewer Overflow Tunnel, Project No. 6680, pursuant to ORS 279.011(5)(a) and (b) (Ordinance introduced by Mayor Katz)	REFERRED TO PURCHASING AGENT
*625 TIME CERTAIN: 10:15 AM – Intergovernmental Agreement between the City and Tri-County Metropolitan Transportation District of Oregon to extend Fareless Square to the Lloyd District (Ordinance introduced by Commissioner Hales) (Y-5)	175625
CONSENT AGENDA - NO DISCUSSION	
626 Accept bid of Robison Construction, Inc. to furnish N. Marine Drive Extension - Phase 2 for \$9,587,849 (Purchasing Report - Bid No. 100536) (Y-4)	ACCEPTED PREPARE CONTRACT

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<p>627 Accept bid of TFT, Inc. to furnish Contract Asphalt Paving 2001 Project for \$853,795 (Purchasing Report - Bid No. 100695) (Y-4)</p>	<p align="center">ACCEPTED PREPARE CONTRACT</p>
<p align="center">Mayor Vera Katz</p>	
<p>628 Confirm appointment of Richard Fernandez to the Portland Planning Commission (Report) (Y-4)</p>	<p align="center">CONFIRMED</p>
<p>629 Confirm appointment of Ernie Bonner to the Portland Planning Commission (Report) (Y-4)</p>	<p align="center">CONFIRMED</p>
<p>*630 Pay claim of Jeffrey L. Cawley (Ordinance) (Y-4)</p>	<p align="center">175608</p>
<p align="center">Commissioner Jim Francesconi</p>	
<p>*631 Authorize amendment to contract with Winterowd Planning Services, Inc. for the preparation of a master plan update for the Portland International Raceway (Ordinance; amend Contract No. 33292) (Y-4)</p>	<p align="center">175609</p>
<p>*632 Contract with Burlington Water District for fire prevention, suppression and emergency response services for Fiscal Year 2001-02 (Ordinance) (Y-4)</p>	<p align="center">175610</p>
<p align="center">Commissioner Charlie Hales</p>	
<p>633 Set hearing date, 9:30 a.m., Wednesday, June 27, 2001 to vacate a portion of SE 120th Avenue north of SE Lexington Street (Report; C-9989) (Y-4)</p>	<p align="center">ADOPTED</p>
<p>*634 Amend Professional Services Agreement with Martha Bueche to increase the amount by \$40,000 to modify the scope of work and to extend the termination date (Ordinance; amend Contract No. 33204) (Y-4)</p>	<p align="center">175611</p>
<p align="center">Commissioner Dan Saltzman</p>	
<p>*635 Approve an Intergovernmental Agreement between the City and Portland State University to upgrade and enhance an existing sediment contaminate distribution computer model for the Columbia Slough (Ordinance) (Y-4)</p>	<p align="center">175612</p>

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<p>*636 Contract with Real Property Consultants for real estate services as required in support of Combined Sewer Overflow and watershed capital projects (Ordinance) (Y-4)</p>	<p align="center">175613</p>
<p>*637 Authorize a grant application to the Oregon Watershed Enhancement Board for Johnson Creek Watershed Restoration (Ordinance) (Y-4)</p>	<p align="center">175614</p>
<p>*638 Amend agreement with PricewaterhouseCoopers, LLP for audit services for the Bureau of Environmental Services (Ordinance; amend Contract No. 33127) (Y-4)</p>	<p align="center">175615</p>
<p>*639 Accept up to \$25,000 for the Office of Neighborhood Involvement and Neighbors West/Northwest from the Oregon Department of Transportation for citizen participation in the Camelot-Sylvan Project (Ordinance) (Y-4)</p>	<p align="center">175616</p>
<p align="center">Commissioner Erik Sten</p>	
<p>640 Confirm reappointment of Sue Dicile to the Mt. Hood Cable Regulatory Commission (Report) (Y-4)</p>	<p align="center">CONFIRMED</p>
<p>641 Authorize an agreement with Harza Engineering Company, Inc. and provide payment for services for Bull Run Dam No. 1 Outlet Works Improvements Project (Ordinance)</p>	<p align="center">PASSED TO SECOND READING JUNE 6, 2001 AT 9:30 AM</p>
<p align="center">REGULAR AGENDA</p>	
<p align="center">Mayor Vera Katz</p>	
<p>*642 Accept a Department of Justice, Bureau of Justice Assistance, Bulletproof Vests Partnership program grant (Ordinance) (Y-4)</p>	<p align="center">175618</p>
<p>643 Adjust the administrative fee charged by the Portland Police Bureau for impounded vehicles to reflect actual costs (Ordinance; amend Code Section 16.30.520 B)</p>	<p align="center">PASSED TO SECOND READING JUNE 6, 2001 AT 9:30 AM</p>
<p>*644 Amend and extend for 90 days moratorium on electronic equipment facility development along streetcar corridor in NW Portland (Previous Agenda 618) (Y-4)</p>	<p align="center">175619</p>

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Commissioner Dan Saltzman		
645	Amend Title 17 of the City Code to revise sewer and drainage rates and charges in accordance with the Fiscal year 2001-2002 Sewer user Rate Study (Second Reading Agenda 588) (Y-4)	175620
646	Revised residential solid waste and recycling collection rates and charges, effective July 1, 2001 (Second Reading Agenda 589) (Y-4)	175621
Commissioner Erik Sten		
647	Authorize the rates and charges for water and water-related services by the City during the Fiscal Year beginning July 1, 2001 to June 30, 2002 and fix an effective date (Second Reading Agenda 587) (Y-3; N-1 Katz)	175622
City Auditor Gary Blackmer		
648	Assess property for sidewalk repair by the Bureau of Maintenance for billing processed through April 19, 2001 (Second Reading Agenda 614) (Y-4)	175623
649	Assess property for sidewalk repair by the Bureau of Maintenance, a special assessment for May 2001 (Second Reading Agenda 615) (Y-4)	175624
Communications		
650	Request of Leonard Reinhorn to address Council regarding discrimination on City golf courses (Previous Agenda 616)	PLACED ON FILE

At 10:48 a.m., Council recessed.

MAY 30, 2001

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 30TH DAY OF MAY, 2001 AT 2:00 P.M.

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

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

<p>651 TIME CERTAIN: 2:00 PM – Amend the Comprehensive Plan map, zoning map and code to implement the Northwest Transition Zoning Project, transitioning an area in Northwest Portland from Industrial to Employment designations to facilitate mixed use development and limit development of inactive uses including Electronic Equipment Facilities near the Portland Streetcar (Ordinance introduced by Mayor Katz; amend Title 33)</p>	<p>Disposition:</p> <p>CONTINUED TO JUNE 20, 2001 7:00 PM TIME CERTAIN</p>
<p>*652 TIME CERTAIN: 3:00 PM – Waive Title 33, Planning and Zoning, to continue implementing a temporary Shared Parking Pilot Project in Northwest Portland (Ordinance introduced by Mayor Katz; waive Title 33)</p> <p>(Y-5)</p>	<p>175626</p>

At 4:06 p.m., Council recessed.

MAY 31, 2001

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 31ST DAY OF MAY 2001 AT 2:00 P.M.

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

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

At 3:50 p.m., Ruth Spetter, Senior Deputy City Attorney replaced Linda Meng.

At 4:11 p.m., Commissioner Hales left.

<p>653 TIME CERTAIN: 2:00 PM – Accept the report of the Advisory Council of Experts, for the future design and redevelopment of the Midtown Blocks and their vicinity, provide guidance for future planning and development work in the Midtown area (Resolution introduced by Mayor Katz)</p> <p>Motion to include the Office of Sustainable Development on the interbureau team and modify objective number 4 to identify and pursue catalyst public private projects for sustainable development and further the objectives of this resolution: Motion by Commissioners Saltzman and hearing no objections Mayor Katz so ordered.</p> <p>(Y-4)</p>	<p>Disposition:</p> <p>35999 AS AMENDED</p>
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At 4:30 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.

MAY 30, 2001

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.

MAY 30, 2001 9:30 AM

[The beginning of this session did not have very good audio reception]

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

Hales: Here. **Saltzman:** Here. **Sten:** Here.

Katz: Present. All right. Consent agenda items, I am pulling 628 and 629. Any other consent agenda items to be pulled by, by any member of the council or the public? Hearing none, let's vote on the consent agenda. Hales?

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

Katz: Mayor votes aye.

Item No. 628 and 629

Moore: Confirm appointment of richard fernandez. Confirm appointment of ernie bonner.

*****: Take the responsibility for this. We have been working hard.

Katz: Your wife is wrong. [laughter]

Ernie Bonner: What more can I say. I am very interested in this.

*****: I spent a lot of time on that. I have an interest in affordable housing, community development. I am not very much interested in zoning. [laughter]

Bonner: But either are you, probably. So, I am looking forward very much to it. I like mr. Kelly. I think he's great, and I like the planning commissioners, so I think it would be about time for me, as well as -- I don't mind the work responsibility.

Katz: Thank you, ernie. Mr. Hanson?

*****: I just want to tell you how much I appreciate this opportunity [inaudible]

*****: I take this very seriously because I know that Portland is the leading star in the country. In my work, I --

Katz: Tell the council a little about yourself. I know, but they may not know.

Richard Fernandez: I am originally from arizona. The phoenix area. I've been in Portland since 1996. I worked at a law firm, land use law, until a year and a half ago. And I am working with affordable housing, doing tax credits with affordable housing. The area I cover is colorado, utah, and arizona. And I see in cities like denver and las vegas, and phoenix, the problems that result from the lack of long-term planning, so that's one of my, my big areas that I am interested in helping the commission on, as well as affordable housing [inaudible] so I am looking forward to working for you. Thank you very much.

Katz: Thank you. Questions? All right. Roll call on 628.

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

Sten: I am actually familiar with both of their work and I think these are terrific choices, aye.

Katz: Aye. 629.

*****: Thank you very much.

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

Katz: I'm not sure that the count or the public understands the time and the commitment made by our -- the planning commission members, so I know both of you have other things to do, and I think I scared you when, when I told you that there will be long hours, but I want to thank you in advance for saying yes. Aye. Okay. Thank you. 622.

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Item No. 622

Moore: Declare the week of may 30th through june 10, 2001, to be great blue heron week in Portland.

Katz: Okay, great blue heron, come on up.

*****: I am not sure what the --

Katz: Identify yourself.

Mike Houck, Audubon Society of Portland: I am with the audubon society in Portland. June 10 has been named as great blue heron week and I want to take the opportunity to thank you for taking time out of your busy schedules to do something really, that may sound frivolous to some people, but in fact, it's not. As you read the proclamation, I think it will be very clear, and those who are viewing this on the table that they are very serious manners the state is engaged in, that the heron is an icon. It's a symbol for us, with the restoration of natural resources. I came, actually, for you to consider any one of the 22 events that will occur over the next week. My favorite is the ross island. Sometimes we have as many as 06 to 80. [inaudible] it is taking over the willamette river and the ross island. There are other events including a bicycle and a walking tour. [inaudible]

*****: And the Portland park bureau, who is one of our major partners.

Jim Sjuln, Bureau of Parks and Recreation: I would like to add the event at the ross island and make -- [inaudible] that is sunday, june 10th. I have taken my family out there. I would also like too add that we have the blue heron brochures available at the community center and there are other locations.

*****: There are other partners, including metro [inaudible]

Katz: Why don't you leave a few for us here so we can put it up in our offices. I probably think it's, it would be wise to read the proclamation, but today, i'm going to distribute it so that commissioner Sten, you read the first two paragraphs. Commissioner Saltzman, you read the next two, commissioner Hales, you read the next three.

Sten: It's anon. Whereas the great blue heron is a majestic symbol of the city's effort to enhance and maintain a healthy environment for citizens, fish, and wildlife, and whereas Portland parks and recreation is working cooperatively with citizen volunteers and councils to apply ecosystem-based management of its portfolio of natural areas and --

Saltzman: Where's with regional and local sheriff funds from the open spaces, parks, and streams bond measure of 1995, the emergency management hazardous programs, with funds from parks and recreation, system development charges, with funds from Multnomah county and with funds from the bureau of environmental services, over 675 acres of green spaces have been acquired within the city over the past five years. And whereas the city's endangered species act program and the bureau of environmental services are engaged in integrated watershed management efforts to insure that fish and wildlife habitat are included within the management strategies and --

Hales: Whereas the bureau of planning is updating with regional flood plain, and fish and wildlife habitat protection qualities and the river renaissance establishes the willamette river, includes citizens, neighborhoods, business, industry, and wildlife habitat and a broad initiative that revitalizes and improves the environmental health of our city's center piece and whereas the city, other local governments, metro and citizen groups are working to build awareness and stewardship of natural areas by offering tourists, environmental education, volunteer opportunities, and special events, and --

Katz: Whereas the city of Portland encouraging its citizens to appreciate and celebrate the city's natural environment by participating in any of the great blue heron weeks, 24 events and activities, now, therefore, on behalf of the city of Portland, i, vera Katz, mayor of the city of herons and roses, do proclaim the week of may 30 to june 10 to be the 15th annual great blue heron week in the city of Portland.

*****: Thank you.

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Katz: Thank you. All right. Does anybody else want to testify on this? If not, please join all of our friends. There is some wonderful events. Not only for, for the great blue heron week, river renaissance, but a lot of the events tied to the esplanade, as well. Roll call.

Hales: Aye.

Saltzman: This is great, I am particularly pleased to see a new event exploring downtown gardens, so that's a nice feature to add in there, too. Aye.

Sten: Looks like another good event, I want to thank mike and the parks bureau for all their hard work, aye.

Katz: I really was, was terribly impressed with parks and recreations putting together a calendar for the east bank esplanade. They did quickly, and I know that michael is participating in, in at least one event, if not more, and then we have the great blue heron week to add on top of that, so be a wonderful summer for boaters and pedestrians and bicycle riders, aye. And kayakers. And canoers. All right, 623.

Item No. 623.

Saltzman: This is a huge design contract, \$13 million, and is related to our design of the combined sewage overflow elimination program on the west side of the limit river. This consolidated scope of work relates to the, to the decision we made very recently about the ankeny pump station. And the station was to basically avoid the decision about whether to relocate it or rebuild it on-site and simply, we found, I think, a better alternative, and that is to do a deep tunnel underneath the willamette river and build a huge pump station on land on swan island. So a new scope will work, consolidate some other contracts, and also pleased to say that this new design contract has 30% participation, by minority women and small businesses, which I think is very significant. And with that, I will turn it over to dan.

Dean Marriott, Director, Bureau of Environmental Services (BES): Thank you, I am dean marriott, and with me today -- the reason we are here today is, as commissioner Saltzman mentioned, in the last year or so, we have really gone through the design for this, on the west side, and as you recall, we first started on the columbia slough, and now we've been also, of course, working on some other projects but we are now really focusing our attention on the west side of the willamette, and that's where we will spend most of our effort for the next five years. We will give you an update as to how we got to where we are today, which is to consolidate some contracts and move forward with the design for those projects. We will be back in a few weeks to talk with you about, about an approach for, for doing the construction, and I will be back later in june to talk about the project downtown. I will talk about plans for that, so you will be seeing a lot of us in the months and weeks to come. And with that, I will ask dave to go through his presentation.

Dave Singleterry, (BES): Good morning. I am dave, with environmental services, and what I wanted to go over briefly was the, the process and a brief update of the program, so, regarding the changes in the design that are required by the things we found, we were requesting council to do. As you know, we -- the city entering into an agreement with deq and the columbia slough has several intermediate dates, and just this last december we completed one of the major ones. It's implementing the columbia slough controls, and that went operational in december. Our next major one is for 2006, to control the outfalls along the willamette river and ultimately, by 2011, to control the rest of them. The ones we are dealing with right now is, is the design or, or control of the west side facilities. All the west side -- [inaudible]

Singleterry: We initiated in '96 a predesign to refine the facility plan recommended for the willamette. We did this for several reasons. One is we wanted to understand better the water quality issues as they relate to csos in the willamette, and also we have looked at the ability issues, and understanding better the collections relative to cso control and also we did a lot of early action projects, and we wanted to test the effectiveness and see if we could be [inaudible] and to accomplish this, council established the willamette river stakeholders [inaudible] in the process,

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we selected, among a large, I think it was something like 38 alternatives, for controlling flows on the willamette. This, this plan right here, which really is simply along the west side. We have a storage tunnel, pump station, and a line to descend flows. On the east side we have the same combination of facilities, and we are centralizing treatment at our existing plant. And that was the recommended plant. Well, as was happening --

Katz: Let me interrupt you just for a second. This was a recommended plan by citizens, didn't you have a citizen's group, and we reviewed those.

Singleterry: Right.

Katz: Okay.

Singleterry: And as -- and we, and towards that end, we, we started the design of these projects and actually, there is five separate contracts for the west side facilities underway right now, designing the facilities. As would happen with any large complex project, things are a little different than you thought they were, so there are some changes and the design is the process of continual refinement. In this case, we found, as we got into, into more detailed design, where we cross the river, being on the website we have to cross the river. When we cross the river, we found some things that were somewhat different than we originally had anticipated. The original concept, is we would dig a trench in the river, lay another pipe, as we have done before. In fact, it would be adjacent to some existing pipes. But since the plan was developed, the lower harbor has been identified as the site for [inaudible] also the endangered species has identified several species of salmon, and listed them. These have called into question our ability to get a permit to actually do that from the agencies, so it becomes a time issue. Everything is, is really tight on our schedule. And so what we thought, and in talking with the agency, it became much apparent that it would be easier to permit something where we go to the river, rather than excavate it so we started looking at tunneling. Well, at the site we selected, there is something that doesn't play well for us. The ground on the west side, we get into what's identified, it's very hard rock. On the, on the east side of the river, we have very soft material. We switch from hard to soft material in the middle of the river. When you are tunneling, this is not something you want to do, this is a high-risk game, so we stepped back and said, is there a better way to do this. Well, as it turns out, in the selection process, we have, we have another alternative that was similar concept-wise but we tunneled under the river, which was what we considered a higher risk thing and open cut but now that we are tunneling, maybe it would make sense to look at that. So what we have done is we have changed the alignment on the left here, is the original plan, and on the right shows the, the change. The change, really, would have the same tunnel on the west side, but baseball we continue it under the river, and we, in the future, will connect it with the east side facility, and will build one pump station on swan island. Although a very big pump station. The pump station physically to get a sense for the proportion of this, of the nature of, of building something the size of, of, say, the Portland building, and building it into the ground. It will have something like 15 or 16 stories depth-wise. So this is a big facility. The tunnels are large, too. I mean, they were -- the slough tunnel, I don't know if you saw that, but it was a 12-footer. These will be 14 to 17 feet, but these are large facilities. A lot of -- [inaudible]

Singleterry: So to redesign this, we stepped back and said, well, what's the best way to approach this. We need to be attentive to time so, what made sense is to consolidate our existing contracts, and try to consolidate all the firms that were selected to do this work to do the similar work in the new one, and so what we're proposing to do is combine them into one contract to, to do this work. Now, the, the -- we selected parsons to be the lead firm. It's the largest contract that we have right now, and it's one of the critical elements. That's for the tunnel. Right no, they were already selected to do that. And so that's what we are proposed proposing as the lead contract, and then we will terminate the other contracts once this is in place. What it does, it combines everything, and so it gives a uniform way of managing this. There is, as the commissioner said, there are something, a

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dollar value, it's about 31% of the dollar amount is for mwesp firms. A total of 19 that are involved in this, out of a total of about 33 subconsultants. The -- of course, the main benefits of this, we get centralized control of the teams so we are focused on a common goal. The cost of this proposal is about the same as what we would be spending in any case. And we will get a better, improved ability for the team to work effectively together. So, you have any questions? That's the end of what I was --

Katz: Where are you crossing?

Singleterry: Where are we crossing? Just about where -- do you know where terminal 2 is, along, along, along naito parkway, front avenue area?

Katz: Yes.

Singleterry: That's about where we will turn and go under the river, and then come out on swan island, just the southern end of the island.

Katz: So, you are, your excavation on the west side will include a lot more land that you are going to have to dig up.

Singleterry: On the west side, probably not. In fact, we were acquiring a site for the pump station on the west side. We won't build that pump station. We will have a shaft, of course, in front avenue but we would have needed one there anyway. Most of the --

Saltzman: The west side tunnel, itself, will be what, 90 feet, 100, underneath the surface?

Singleterry: Pardon me --

Saltzman: The tunnel will be very deep so it won't be tearing up road.

Singleterry: Most of it will be somewhere in the 100-foot below ground level so we will have, I think there is a total of 15 shafts we'll have to put down. Spread out throughout the entire alignment.

Katz: Can we have some lights, please?

Marriott: So basically we are asking for the accrual of the revised contract for parsons, brinckerhoff, which will allow us to complete the design work.

Katz: Which contracts are you terminating then?

Singleterry: It's a contract for what was the northwest main contract, which was with urs, and then there is a contract with the northwest pump station, which was with --

Saltzman: Both of those have gone away, they are not part of the design.

Katz: Okay. This leaves the station, commissioner Hales, as a possibility for another project. All right. Questions? Thank you.

*****: Thank you.

Katz: Anybody else want to testify? Roll call.

Hales: Thank you for good work on a very important project. And for your good presentation. You know the Portland building has been subject to quite a bit of criticism, but I think it's the first time it has been compared to a sewer pumping station. [laughter]

Hales: It may be more than size involved there. Aye.

Saltzman: I want to commend the bureau on its good work. It's creative thinking about, about how to, to do the design in the best way possible, and more importantly, I think keeping things on schedule in terms of producing and eliminating combined sewage overflow, keeping them on schedule and on budget, so good job. Aye.

Sten: Well, this is the biggest infrastructure project, in I think the state's history, and the trick is to, is to get it done, and be dynamic, and, as we, I think, a lot of arguments and brain storming going on because as we signed onto this, we had to sign onto it but there is developing technologies and thoughts about how to do this in the right way and green easiest and I think this is really an example of some dynamic management while keeping on track, and it's impressive. Thanks and thanks to commissioner Saltzman. Aye.

Katz: Aye. 624..

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Item No. 624.

Saltzman: Madam mayor, I wanted to poll this.

Katz: I understand. I wanted to hear from her.

Sue Klobertanz, Director, Bureau of Purchases: Sue, director of purchasing, mayor and council, at the request of dan Saltzman, commissioner Saltzman, we are asking that this item be referred back to the purchasing agent. It's come to the commissioner's attention that some additional language needs to be included in the ordinance. This exemption from competitive bidding does require a two-week notice so this, this, referring this back will be a minimum of 2 to 3 weeks delay in the approval of this. But we -- the bureau has been apprised of that and understands that.

Katz: Okay. Any objections? If not, so ordered. Goes back to purchasing agent. All right. We are too early on 625. Come back. I circled it this time. [laughter]

Katz: All right. Let's go to regular agenda. 642.

Item No. 642

Katz: Does anybody want to talk to us about this? All right. This is our opportunity to get some federal funds using existing match of our closing fund and saving some money for the city.

Anybody want to testify on this? Roll call.

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

Katz: Mayor votes aye. 643.

Item No. 643.

Katz: Does anybody want to come and testify on this? Come on up.

Debra Hogan, Records Manager, Bureau of Police: Deborah hogan, police bureau, records manager. This is simply a move to adjust the fee from the original fee set in 1993, \$15, to adjust it up to, actually, cover the cost of the, the sighting and processing of vehicles towed for no insurance, driving while suspended --

Katz: This is the increase for release that would buy us back several desk clerks.

Hogan: Yes, about 160,000 of additional revenue should be gained from this.

Katz: Okay. Questions? Anybody want to testify on this? Passes onto second. Thank you. All right. 644.

Item No. 644.

Katz: This is just back for roll call, I think. Yeah. All right. Roll call.

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

Katz: Mayor votes aye. All right. 645.

Item No. 645.

Katz: Okay. This is the second reading, roll call.

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

Katz: Aye. 646.

Item No. 646.

Katz: Roll call.

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

Katz: Mayor votes aye. 647.

Item No. 647.

Katz: Roll call.

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

Sten: There was a memo, and no need -- there was a presentation floating around with answers to a bunch of the questions that were answered. So, that's there. Aye.

Katz: No. Motion passes. 648.

Item No. 648.

Katz: Roll call.

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

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Katz: Mayor votes aye. 649.

Item No. 649.

Katz: Roll call.

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

Katz: Mayor votes aye. Is mr. Reinhorn in the audience? He said he was coming, so maybe, maybe later.

Katz: We will come back to it. All right. We have about, about 15 minutes before we get to the next issue. We will break for a few minutes and come back by 10:15.

At 10:02 a.m., Council recessed.

At 10:20 a.m., Council reconvened

(Note: Commissioner Francesconi was present)

Item No. 625

Sten: They are right on time.

Hales: This is not a new idea but it's one that, with the mayor's help and some folks here in the room has finally been brought to fruition. We have some members from the pdot staff and some folks who have worked on this for a long while, here to testify about it.

Cynthia Thomspson, Division Manager, Office of Transportation: Good morning, mayor Katz and counselors. My name is cynthia thompson and I am transportation offices division manager in the office of transportation and with me is rich cassidy who works in my division. It's truly my desire to bring this agreement between the city of Portland and the tri-met metropolitan district, or better known as tri-met. Before you today is moves us closer to the day when customers can finally ride between the central city and the lloyd district. Although i'm here today making this presentation, a number of people made this possible. People like elsa coleman, who I believe is here today. Formally retired from the office of transportation, and rick williams, the director of the lloyd district transportation management association. And many others that I probably don't even know their names, deserve recognition for their initiative and dedication to this project. As you are aware, the lloyd district is one of the fastest growing economic sectors in the city of Portland. This growth prompted the focus on developing transportation options while maintaining livabilty in the area. The city of Portland, and the association for Portland progress and transportation management association submitted a formal application to the tri-met, to tri-met in november of 1996, to extend the downtown Portland fareless square to the lloyd district along the light rail max line. The primary goals for the extension of fareless square are, one, to enhance the existing transit system through a package of strategies that result in attracting new riders to downtown Portland and the lloyd district and to reduce vehicle miles traveled in the region. Two, to increase regional retail opportunities for shoppers through an extended downtown. Three, to reduce the number of inner district auto trips between downtown Portland and the lloyd district. Four, to increase the potential for office retail, residential development in the lloyd district and downtown Portland. And five, to increase the marketability of the Portland region for attracting major regional and national conventions. You can hold up the map. This map that we brought with us shows you the boundaries of the extension and as you can see, it's bounded on the west by north interstate avenue, and on the north, by northeast Multnomah, goes just passed 13th avenue on the east, and on the south, by northeast holladay, and then connects with the existing fareless square, via the steel bridge. All the bus and max lines that travel in and through the fareless zone, of course, will be fareless. So, there are about ten bus lines that will actually be affected by most of those, meet at the rose quarter transit center. So obviously, only the passengers who enter and leave the bus within the fareless square will receive a free ride. I'd like to give you a little background, as the newspaper article said and charlie said, this idea came about, the newspaper said 27 years ago, in all reading i've been doing because I am kind of the new kid on the block, it looks like the last ten

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years, quite a bit of work has been done. Consideration for extending fareless square had to meet what's called the special fare zone criteria established by the tri-met board in 1993. This policy called for a number of strategies that had to be in place before or at the same time as the implementation of the special fare zone. I'd like to quickly review the strategies that had to be in place. First, a special fare zone had to contain strategies that improve mobility, transit ridership both to and within the special fare zone. Reduce vehicle miles traveled, reduce auto mode split and increase biking, walking, ride sharing and transit. There needed to be an adoptive parking management plan that included charging for parking, increasing percentage of onstreet parking, metered or controlled, there needed to be an adopted and implemented transportation management plan, the policy also state that had special fare zones would have a clear boundary, strong promotion for transit ridership and show how these strategies supported the region's adopted goals for improved air quality, land development patterns and reduce auto travel and create a minimal impact on transit operations and fare-paying passengers. And last but not least, it required the applicants engage in a process that determined the short and long-term financial impacts of the special fare zone and an evaluation of the costs and the benefits to tri-met, the city, and the entire region. The city and partners rose to this --

Katz: On one hand they give it and the other hand they take it away.

Thompson: The city and partners rose to the challenge to meet the criteria established by tri-met. In 1995, the city adopted central city transportation management plan. And have already implemented key components of the lloyd district transportation management plan, including the formation of the lloyd district transportation management association, parking ratios for new development, onstreet parking management, including meters, new regulations for surface parking, the cct and p also included split goals for the district, bicycle, pedestrian and transit policies that would reduce vehicle miles traveled. The signature strides have already been made over the last few years in the lloyd district in areas of tree production, commute mode choice and air quality. Bike, parking spaces have tripled, more than a thousand parking meters that have been installed. Since 1997, there's been a 20% increase, decrease, excuse me, in drive-alone trips. 18% increase in employee transit trips, 38% since last year, increase in bike commute trips, and all of these efforts have resulted in, in nearly 4 million vehicle miles traveled, reduced vehicle miles of travel and our air has 3.9 million less pounds of carbon dioxide, which contributes to global warming, as we all know. Last year, 11 new businesses joined the team, for a total of 53 member businesses participating now in the lloyd district transportation management association. And I think really, what's exciting is that all of these accomplishments have occurred in the midst of growth and housing, and employment. Much of the credit really should be attributed to the efforts of the lloyd district tma. So, the final component, at long last, the fareless square extension is ready for implementation, completing a package of programs designed many years ago to accomplish the goals envisioned by the city, app, and the lloyd tma. Fareless square will make it more convenient to ride transit, fixed route and max and provide mobility across a larger zone and truly serve an alternative to the automobile. There is only one piece left that may need to be implemented in this package of strategies and that's the area of parking permit programs, if neighborhoods are impacted by the extension. Beginning in january of this year, led by rich cassidy and the parking patrol staff and tri-met staff they met with all the effective neighborhoods and business associations and are working closely with the neighborhoods to monitor the impacts and implement any area parking permit programs necessary. So, how is this going to be paid for? There is no free lunch, as we all know. And the total cost per year for the extension is \$900,000. The financing plan in the agreement that you are about to adopt specifies a short-term, july 2001 through june, 2005 funding plan. One-third will come from the Multnomah county lodging and vehicle tax. One-third from tri-met services, and one-third from the city of Portland. The city of Portland contribution comes downtown, lloyd district meter revenue and a portion from the lloyd district business improvement

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district revenue. We need to -- we created an evaluation plan, and the long-term financing plan will be determined based on the analysis of the evaluation plan results. The evaluation plan will determine actual benefits, cost, and impacts of extending fareless square for the lloyd district. Recognizing the original analysis was done back in 1996, long before the actual implementation, so we will be revising the base case, base case data the and gathering data for, for, for the follow-up, and if you look in your packet under exhibit b you can see the tri-met and city will be gathering data from over 20 sources, and some examples of the city data collected will be traffic by pedestrian, at key intersections, license plate surveys in effective neighborhoods and tri-met will be conducting a variety of bus passenger accounts, mass accounts, rideship at the convention center, rose quarter, et cetera, a report will be prepare in 2005, summarize the data and conduct an analysis of the plan. The news is, fareless square extension to lloyd is scheduled to begin september 1, of this year. The transportation office division is working closely with tri-met to create payroll stuffers and any other promotional materials to get the word out to the businesses employees. And the general public and let them know that riding transit is a little bit easier these days, and we hope that our vision will be able to continue to inform and promote this wonderful new option to Portland area residents and visitors. So that concludes my presentation and I would recommend you approve this intergovernmental agreement with tri-met and we would be happy to answer any questions you may have.

Katz: Did you want to say anything in.

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

Katz: Questions by council members?

Saltzman: One question. So the long-term financing plan is to ultimately finance this from the vehicle rental tax and hotel tax?

Thompson: No, it would still be a combination of the three. The Multnomah county and vehicle tax actually is worked out for the next 20 some years.

Katz: That's from, that's from the pvi, remember the arrangement we had with the increase of the hotel-motel and the car rental was to pay off the bonds for pge park, to expand the convention center, to give the arts additional resources and the extension of lloyd center, fareless.

Saltzman: I must have misread it.

Katz: So that will continue, their 300,000 will continue their commitment over 20 years.

Thompson: It will help tri-met and the city's contribution will be worked out.

Saltzman: And I noticed, if \$100,000 is made available from the visitors development fund you are going to study extending fareless square to the central east side and to pge park?

Thompson: That's included in the agreement. Although it falls way down on the list in the visitors, what's the name.

Saltzman: The board?

Thompson: Right. And that agreement, so i'm not sure if that \$100,000 will become available but if it does, we have agreed to study that, yes.

Saltzman: Okay. Great. Thanks.

Katz: Further questions, anybody else want to testify? We have two people signed up.

Katz: Come on up.

Rick Williams, Executive Director, Lloyd District Transportation Management Association: Mayor Katz, council, it's a pleasure to be here, I am rick williams, executive director of the lloyd district tma, and in 1992, I was a young project manager at the association for Portland project -- progress, and had the good fortune of working under the leadership of elsa coleman from pdot, and catherine from tri-met to write the fare policy that led to this, and then also at app and the tma, I helped write the application that, that came to fruition today. As cynthia said I think we have done some good things to prepare for this in the lloyd district. We have removed all free commuter parking from the district. We formed a tma. We've formed a business improvement district that, in

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a small way, helps fund this. And we put 5700 transit passes in the hands of employees in the district. When we began this about 1,000 had transit passes. So we're really proud of what we have done in the lloyd district but we're also proud of you for sticking with us, mayor Katz, commissioner Hales to, put this funding package together because that's really what it took. And I think what it demonstrates is that perseverance and partnership pay off. We truly appreciate this, we want to work hard with tri-met and pdot to make sure that everybody knows about this, and we're truly becoming now a greater downtown, and I know my former employer, boss, ruth scott, set at one time, that's truly what we needed was a greater downtown, and I think this is a piece that will make that happen, so we're real proud and happy and again, we want to really thank you for all the effort that you made over the years to make this happen. Thank you.

Katz: Thank you. Anne?

Ann Gardner, Chair, Association for Portland Progress Transportation Committee: I am anne gardner, chair of app's transportation committee, and i, too, want to extend my sincere appreciation to the city council for making this happen, and also to the staff. There has been tremendous dedication, creativity and commitment. Simply here today to thank you and encourage the passage of this and to let you know that as it is implemented, there are challenges with, with the program that we intend to stay with you, and resolve those, and go forward. This is an important part of extending downtown and increasing the mode split and increasing the viability and livability for visitors and residents alike, so thank you very much.

Katz: Thank you. Anybody else want to testify?

Hales: She hasn't signed up to testify but I would just like to take a moment to thank and recognize elsa coleman, who, I think, started working on this issue as a, as a high school intern. [laughter]

Hales: This is a case where a lot of people had to really pull together to make this work. Mayor, your leadership and coming up with this creative financing scheme that finally got us over the top here has been critical. We had great staff here all along, and pdot, rich, and cynthia, thank you for your good work, but we wouldn't be here talking about this today if it hadn't been for elsa coleman so i'd like elsa to come on up and say anything that she would like, but also to -- [applause]

Hales: To take our thanks and bravos. [applause]

*****: I really don't have anything to say, but thank you very much.

Katz: You are welcome. You look wonderful.

*****: Thank you.

Hales: Thanks, elsa.

Katz: There is nobody else to testify. We'll do roll call.

Francesconi: So last week the, the east bank esplanade opens to kind of link the east side with the west side to turn the downtown into a central city with the transportation quarter for bikers and walkers, and today we link mass transit and tri-met and buses with the east side of the river, and again, contributing to that city, and soon we will have the water taxis connecting both sides of the river, so I think because of the good work that's being done, it's time to get rid of the word, downtown, and it's to replace it with the central city. And that's the logo that, that app came up with for the last summit, and that's terrific. So it's time that we have done this, and it's terrific. And the people that deserve the most credit are commissioner Hales and the mayor for putting the financing together to let this happen. The staff at pdot, elsa, and others, who made this thing happen. But also, the lloyd center folks who have been persistent in their advocacy of this. Not only in their acts, have they lowered the vehicle miles per traveled with aggressive and good transportation management plan, but they have also been persistent that this is the right public policy, and they, they haven't let us forget it. So thanks to everyone. Aye.

Hales: I agree with his comments about how this really helps knit the city together, and that is important but I think there's something else underway here that we ought to take note of, and that's really a change and this is just part of it. Airport light rail is another part. The streetcar is, is

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another part, as well. A change in what our transit system does for us. It's a great transit system, and it's part of what makes Portland so livable that we have so many people who commute to work by transit. We have to have six equivalents of the U.S. Bank tower in parking garages if we didn't have people commuting to the west side downtown by transit. That's how many more buildings of parking we would need to accommodate the same people, and what the Lloyd Center has done is pretty spectacular in terms of getting people to commute differently but what's also going on with our transit system is that there are a lot of other trips -- a lot of trips that people take every day. They go to a meeting, lunch, dentist appointment. They circulate around in the heart of the city, and we have people who visit here and go to conventions here who we want to not rent cars but, instead, even though we like the car rental tax, we want them to, to use the transit system to move around in the city. And the combination of the streetcar and airport light rail and this makes a lot of those trips practical by transit. And that's really important because the transit planners say we all take about ten trips a day, well, only two of them are the commute trip and the other eight, we want people to use the transit system for that. So, this is an important change in that it lets people circulate around in the central city very conveniently without having to know the details of the transit system, regardless of how they got to work, even if they drove to work, they might use this.

And then obviously, one wonderful benefit is that this change, this ordinance will make honest commuters out of thousands of basketball fans who now jump the fare system or just are confused by it when they try to take MAX to and from, to and from the arena, so this will make honest riders out of all of those folks who crush onto MAX, getting to and from Blazers games and that's good. We want to make honest citizens out of our, our fellow transit riders. So this is a good thing. Aye.

Saltzman: I think I, I really think, I am amazed to really realize how long this has been in the works. It's hard to believe. But, it's great that it's come to fruition and I want to thank Commissioner Hales and the mayor for their good work and creative financing to finally make this happen and also everybody else who has been involved, and I am particularly pleased that it will now provide, as Charlie said, the opportunity for people to, more people to attend the Rose Quarter events and to use transit, and also I think in particular, conventioners, I think this is really an opportunity, I'm not sure the water taxi folks really like this idea. It does, I think, in talking to, a potential taxi water driver, one of the things they were hoping to go after was convention folks who would take a taxi across the river, so this may not help the cause but nevertheless I think that water taxis will become a reality, I think we all hope that they will, but this is graduate work, and it does enhance the notion of one city, not divided by a river, but instead, united by a river. So this is good work, aye.

Sten: Well, makes a lot of sense. I want to thank all of you and the mayor, Charlie for getting this done. It's great. I think, you have made great strides in getting the mode split better. I think, I don't know when it is, but I think at some point we are just pushing very aggressively towards it, thanks to leadership. There is some tipping point at which you have to get the system easy enough and frequent enough to use that you really can just kind of jump out of your car and not have to plan, you know, being at each place. Just the right time. I think these are the kind of places that get us there because I think we are to the point now where people who are, you know, either economically or philosophically committed to transit really can make it work but we haven't gotten the tipping point yet to the average person thinking, that's easier and cheaper. I think this is both, both a substantive big step forward but I think that we are kind of symbolically pushing closer to that point where it won't make sense not to use the transit system. I think it's just a critical step forward so you really have my thanks and admiration, and the bus pass won't make me honest but I ride it all the time. Aye.

Katz: You all know that my dream is for an entire fareless system, and we had a task force and a report, and the tension between that is, is that well, if you had a fareless system, we were told, too many people would ride it. Yes: And that would then require additional buses. Oh. Didn't think

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about that. The whole idea of a fareless system is to have too many people riding it and getting out of their cars. Tri-met is not overly happy at the thought of a fareless system so we are going to get it one way or the other. This is one way of getting it. The next one, as you know, that if you have a ticket to the, to the games at pge park, you can ride free. The next one is to pge park for everybody. The zoo. And since the criteria carefully spells out that there is a management plan that needs to be in place, perhaps northwest Portland and the goose hollow area will be the next area that matches the criteria, at least 50% of the criteria that tri-met has outlined. So, I want everybody to park downtown because we need the revenue. Walk or ride the buses or light rail, and have a wonderful time and not worry about parking. Thank you, everybody. Especially the lloyd center folks who have been working very hard on this commission. Commissioner Hales office, elsa, we miss you. And app, and the vdi group that felt that we had the ability because of our good, sound credit to sell bonds and to do far more with those bonds than just expand the convention center. Aye. 650.

Item No. 650.

Katz: Mr. Lenard reinhorn, do you have something to tell us?

*******:** Yes, I do.

Katz: You have about three minutes to do that. Before you go on, where are you all from? Well, it's nice to have you here. Thank you. All right, sir.

*******:** I apologize for the -- I am an amateur when it comes to computers.

Katz: There is a spell check.

*******:** Sorry?

Katz: There is a spell check in the computer.

*******:** I am sorry, I can't hear you.

Katz: There is a spell check --

Leonard Reinhorn: I am working on a handicap. May I direct your attention to a total blatant discrimination being practiced by the city parks department, which supervises the four city public golf courses, which are there to serve citizens. The discrimination basically is against nine-hole players and particularly, against senior citizens who are physically unable to play 18 holes or financially able to play 18 holes and there is no time for them to play. The reason for this, is because of stipulations. Nine-hole golfers, seniors and otherwise, are able to play without handicap prior to 7:00 a.m. Or after 3:00 p.m. Weekdays. Very little time is available then because they have to book time a day in advance where, whereas other people can book a week in advance who play 18, so very little time is left for them. Recently, the latest discrimination against nine-holers and senior citizens is, you can play any time during the week, monday through sundays, provided you play for 18, even though you are physically able or financially able to only play nine. This is total discrimination, and should be eliminated. The city operates these courses for the convenience of the citizens, not-for-profit. However, the golf courses happen to be very profitable and could be very generous when you consider the senior citizens who are handicapped. I think you should enact a rule that everybody should be treated equally on a first-come, first-serve basis when they make their reservations. There should be no discrimination against nine-hole players or senior citizens. Thank you.

Katz: Thank you very much.

Francesconi: Parks is here, but, you know, when a citizen makes this kind of statement about parks, we take it seriously. My office takes it seriously, as well. So, let me just say a couple things. And we have talked to this gentleman before at parks. And also, this rule has come from a citizen's committee, actually, not from the park's bureau. We have a citizen's golf advisory committee that made the recommendations. Let me just clarify a couple things. First of all, we don't charge senior citizens who are 85 years and above, that's terrific to have them in our courses, we don't charge them at all. There is no charge. Any time on mondays, they can play nine holes. It's the first one and a half hours of the morning, seven days a week, they can play nine holes. Also

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after 3:00 in the afternoon, seven days a week. What was happening, the golf advisory is that folks were calling in making 18-hole reservations but the day before calling up and only making nine holes. Saying nine holes, so a system, unfortunately, had developed. Now, the revenue, we do a lot of things like remodel the golf courses, have junior programs and et cetera. There's not a constant profit flow. So, we're trying to do some things to accommodate, oh, the other thing is, the day before they can fill in and play nine holes. The -- east moreland, where I think this gentleman plays, actually has the walk-ons pretty regularly except friday, saturdays, and sundays, and that's the problem. So, I think all things unbalanced, i'm convinced that Portland parks does the opposite of discriminating.

Katz: All right. Thank you. We stand adjourned until 2:00.

At 10:48 a.m., Council recessed.

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Katz: Council will come to order. Please call the order.

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

Item No. 651.

Katz: Okay, amendment 651. Why don't we do this -- we'll start and then we'll take testimony, and then we'll see where we go with problem-solving after the test part. Okay?

*****: Sounds good to me.

*****: Okay, go ahead, then.

Barry Manning, Bureau of Planning: Barry of the planning staff. I'll talk a little bit about the northwest transition zoning process. This isn't on quite yet. It's a project that has been in the works about six months. Actually about six months to the day now. If you'll recall we met a couple times late last fall to talk about telco hotels and electronic equipment facilities that were being developed at that point at that point, and this project is in response to that. I'll walk you through a brief power point presentation today, or hopefully brief, and then we'll get to the problem-solving issue. You'll recall, we talked about telco hotel and electronic facilities, developing in northwest Portland. Pretty extensively last fall, I guess. The community brought it to the attention I think of the council that they were becoming a problem in an area that was zoned ig-1 in the northwest transition area, they were developing in an area that the new central city -- or Portland streetcar is running through, and part of the reason we found out that they were developing in that area was that there was fiberoptic lines in that area that telecommunications hotels need to operate and really serve their users. And also buildings suitable for redevelopment into telco facilities in that area. Quite a few old warehouses, the two meier & frank warehouses. But the ones that brought it to your attention primarily were the two former gender, I think it is, machine works, and sent trick buildings along the streetcar. And the community really saw that as a potential planning issue, because the streetcar was designed to bring activity to the area and serve the transportation needs of a fairly dense corridor and the facilities were basically that would house electronic switching equipment and really didn't employ people or provide the level of activity that really made sense and was compatible with the streetcar. Telco is a part of the new economy, really kind of an essential component of the communications system. And we were sensitive to ideas about sending the wrong message to the telecom industry. We wanted to make sure that we welcomed them, but they fit in a Portland that promoted active uses. We looked at ways to make them fit into a mixed-use kind of environment. As I mentioned, telco development's a fairly low activity use. Appeared to say consistent with the streetcar. One of the other things we found out that the market for development wasn't well understood, still not super well understood, but it changes very quickly. We've seen rapid changes over the last 6-8 months in the telecom industry. Going back to november, we presented some different options for addressing the eef, electronic equipment facilities, at a city council work session, back in november of 2000, just briefly reviewing what we looked at that. We had immediate strategies, long-term strategies, and were focusing on what the short-term strategies were there, and really get to the heart of what we're talking about today. We talked about maintaining ig-1 zoning, but doing new development standards. Talked about rezoning, to more urban zones, such as exd that would address design issues for the hotels. And we also talked about created a new land use category. I also want to remind you of some of the relationships and projects that were going on at that point in time. We do have the pearl district

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doing some development planning through pdc. We also had bop doing a couple of long-range problems at that same point in time. We had a guild's lake industrial area plan scheduled to begin for the industrial area. North of the transition area. And we had what at that point in time was two different plans, the northwest transition area plan for the area that we're looking at today, and we also had the nwda policy plan. We had some ongoing planning efforts. The time frames of those were such that we were looking at at least a year, maybe two years, in terms of a time frame where we would see implementation of those plans. And the telco phenomenon was such that council felt we needed to respond in a much quicker manner than those projects allowed us to do. So we came back in december of 2000 with a strategy to address this issue. And if you'll recall we had the eef strategy was kind of a three-pronged strategy where we did what was at that point called a fast-track, but we've since changed the name to northwest transition zoning project, a strategic project that looked at the plan designations and zoning of developmental regulations in that area to enhance the opportunity for mixed use and address the telco issues. We also talked about and worked with developers of telco facilities on design guidelines with varying degrees of success. We also talked about following those projects up with a citywide look at regulations and how we'll deal with electronic equipment facilities. Today we're here to talk about that first issue, which is how we dealt with them specifically in northwest Portland. So the result of that was in addition to the ongoing planning projects that we had between the bureau of planning and pdc, we added the northwest transition zoning project, which is the six-month fast-track project to address these issues in a very short time frame. Following that up, council also considered a limited moratorium on electronic equipment facilities in january 2001, and adopted that on january 31st. The area of the moratorium is where i'm indicating with the pointer here of the mouse. Very limited area, within a couple blocks of the streetcar. And we took that somewhat of a signal that council was most concerned about the effects of this type of development, this inactive type of land use on the streetcar facility that the impacts on the streetcar line itself are within close proximity to the streetcar were the most concern to council. Going through the process a little more -- staff worked with -- worked on issues with community leaders from about january of 2001, really late december once we initiated the project, through march 2001, which was really about the time that we had to get a report and proposal ready for planning commission. We met with both the pearl development committee and the nwda's planning and development committee on a very regular basis. We're trying to work through as many of the issues as we could. There were concerns about -- and you'll hear today -- about how this plays out in the larger transition area north of pettygrove street. I'll go into a little bit of detail in a minute, but we did work with them on the issues through that period of time. We also held a -- as part of the northwest area plan project, which is the longer-term project, urban design workshop in march to help inform zoning choices for this northwest transition project. There was concern early on that a straight eef zone was probably not completely acceptable for all parties in that area, particularly north of pettygrove, although there were some other issues in other areas. And the -- in light of the fact that we had the longer-term planning project going on, we thought it would be wise to look at -- at all of the options there, have a community workshop and see if we could get a little bit more clarity on what the appropriate zoning in that area ought to be. I'll go into a little bit more detail on what happened to that workshop in just a minute and what it revealed to us, but we did hold that workshop. Based on the outcomes of all of our work, we developed a proposal and sent it to planning commission, which held a hearing on this on april 24th of this year, and they've recommended -- they forwarded their recommendation to you for consideration and that's what you're looking at today. And that recommendation I guess to rezone approximately 42 acres of ig-1 zoned land in order to facilitate transit supportive pedestrian

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friendly mixed-use development around the streetcar. Adopt additional new plan regulations, both in the central city plan district, and by creating a new northwest plan district, to address design issues and further foster an active pedestrian friendly mixed-use environment. I'm going to go back and show you the study area that we talked about back in last december. And that really is this outer green line. It encompasses the northwest transition area, which is generally this area that i'm outlining here, so that the whole study area includes that transition area, and it also captures a block adjacent to the streetcar traveling down to burnside street. Because we also heard of telecom development in this area too, and there were concerns about that too on council. We talked back in december about what the project might consider. We talked about potentially rezoning a very large area of industrially-zoned land. The gray area within that green boundary is the area that's zoned ig-1 and considered the northwest industrial -- or transition area rather. And we considered rezoning a very large portion of that to exd at that point in time. As we worked through the process, we found there were a number of things that changed. One is that we worked with the neighborhood associations to try to come up with some acceptable -- I guess more design-oriented planned district regulations to make the exd area work better from the neighborhood's perspective in the area north of pettygrove. There was general agreement that the area that i'm going to outline right here south of pettygrove and adjacent to the 43 was the right zoning to have in place, at least in the interim period, all around the streetcar. There was general agreement from pearl district neighborhood association that the area east of the freeway and then north of lovejoy street was appropriate to go to ex zoning in that area. The area where there was more work that needed to be done we felt was this area north of pettygrove. There was less agreement on what the proper zoning pattern and land use pattern ought to be in that area. That's where we spent time trying to work with the neighborhoods on what ought to become. Another factor that happened at that point in time was that the market for telco we realized had changed. Telecom development, the investment money for telecom development was drying up and we were seeing less and less telco activity. Many of the reports we were hearing showed that there wouldn't be much telecom development over the next two years. In fact, we had quite a bit of capacity on-line and that might have a problem being absorbed in the next two years. So we felt that there was less pressure on us to respond to the telco issue in this area in the short-term time frame. The third issue was we held that urban design workshop that I mentioned, which really revealed that while there was a call for emphasis on residential land uses in that area with the perimeter adjacent to the freeway being more employment in nature, there wasn't a complete consensus on that. And it also didn't reveal a clear zoning pattern to us. Ex might be appropriate zoning in that area, but there certainly needed to be a lot of thought given to the kind of plan regulations that could evoke that type of pattern in that area. So based on all of that, we had some internal discussions at the city, planning bureau, and concluded that it might be better to hold off on rezoning the area north of pettygrove at that point in time until we could work through the issues more thoroughly in the 18-month northwest area plan process. So what we brought to planning commission was a proposal for more limited rezoning. As I said, the area in northwest district association that i'm outlining here south of pettygrove and west of the freeway, it was generally agreed upon that that was appropriate to go to exd. And the area in the pearl district was also generally thought appropriate to go to exd. So we proposed that we move forward on that and hold off on this larger area of industrial land until we could go through the process and get a better sense of agreement and what ought to be happening in that area. When we took the proposal to the planning commission, they took testimony from a number of folks, including folks from the Portland streetcar and heard some testimony about the potential difficulty of developing the streetcar's maintenance facility under the freeway in an area

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that we had rezoned -- well, proposed to rezone exd. And the planning commission further modified the rezone to include -- to leave the area under the freeway ig-1, pending further study as part of the northwest area plan project. So that the proposal has evolved quite a bit from the original rezone. Just want to walk you quickly through the recommended recommendations that the planning commission came up with. Along with the ex zone, we needed to establish maximum height and bulk regulations for those areas. In the pearl district side, the planning commission has -- the planning bureau proposed and the planning commission is recommending a maximum base zone height of 100 feet in the area east of i-405 in the pearl district. Establishing a 5 to 1 floor area ratio within one block of the freeway and one block of the streetcar, and a 4-1 ratio for the remaining areas east of the freeway. And make that area eligible for central city plan district height and far bonuses. In the area of nwda west of the freeway, we're proposing, and the planning commission is recommending establishing a maximum base height of 65 maximum height and a 3 to 1 far. Not going for any bonuses at this time, because we had intended to revisit that area and do some refinements. We didn't want to exceed the standards at this time. And this is a graphic just showing the area of the rezone. Once again, it's the hatched area. And the far and height regulations as they would be applied. Once again, that 5 to 1 and 4 to 1 far on the central city side of the freeway really mirrors what was in place currently in our code having 5 to 1 fars adjacent to the freeway and within a block of the streetcar and 4 to 1 elsewhere. Some of the recommended regulations from the planning commission are -- and these address the telco issue most directly vis-a-vis the streetcar -- are require buildings to have 50% of their floor area in active uses within one block of the streetcar. If you'll recall back when we started this project, we talked about trying to promote active uses, not prohibiting telecom or eef development, but promoting mixed-use building, and we feel, and the planning commission feels, that this regulation would help get at that. It's found as a planned district regulation both in the central city plan district or proposed in the central city plan district and in the proposed northwest plan district.

Hales: You mean ground floor area?

Manning: This is the total building floor area. So that if a building for instance wanted to have a - - we have a list of uses out of our use categories that are called out as acceptable uses to meet the 50% level. And they include things like residential, retail sales and service, industrial service, but exclude -- i'm not giving you the entire list -- daycare and schools, but they exclude things like basic utilities and things like warehousing. So the intent here is to provide -- is to have our floor area of our buildings occupied within one block of the streetcar with active uses, at least 50% of them. The other 50% could be a telco hotel that qualifies as a basic utility. We also have included parking as an inactive use.

Hales: So it's activity in the building, thus the streetcar relationship?

Manning: Right, exactly. We also are requiring, and this goes together with that, windows above the ground floor, in addition to the base zone required windows in the ex zone to cover 15% of street-facing building facades above the ground floor. This is really to help ensure that those buildings are active buildings and not just empty buildings with low activities. And then to respond to your question -- we are also requiring new development to accommodate active ground floor uses on properties that are adjacent to the streetcar. So within 100 feet of the streetcar we're continuing the code provision that requires buildings to be built to accommodate active uses in that area and restricting parking to some degree in that area as well. And finally, one of the other telecom-related provisions that we've proposed and the planning commission is recommending, is to require special screening for mechanical equipment, which includes generators, pumps, heating and cooling equipment, et cetera, for nonresidential uses and certain -- and I say certain zoned

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areas because there's a specific area in the river district because of notification that we're applying this, to reduce the visual and noise impacts. The idea here is that we heard quite a bit of community concern about the large generator yards that the telcos tend to have, and we wanted to look to limit those, if possible. This provision limits the amount of external equipment to roughly somewhere between 500 square feet and a maximum of a thousand square feet per site, which is enough to really accommodate 2-3 good-size generators externally. Beyond that those facilities would have to be enclosed within a building, so that provision is also telco-related. Some that are less telco-related and more streetcar-related, are prohibiting drive-thru developments on properties within 200 feet of the streetcar. This was discussed along with some other provisions early on, when we talked about what some of the neighborhood concerns in that area were and what some of the concerns vis-a-vis the streetcar were. Drive-thru developments were seen as potentially conflicting with the streetcar movements and planning commission felt it was appropriate to actually extend that from the 100 feet that was proposed by the planning bureau staff to 200 feet, which is one block of the streetcar. There's also a concern in the area about when we changed the zoning from ig-1 to ex, that the -- we really broadened the scope of retail activities that can take place in those areas. And the planning commission is recommending limiting the maximum size of retail uses in the area that we're rezoning only to 10,000 square feet per use. This is a slight variation from what the planning bureau staff recommended to the planning commission. We had recommended originally 40,000-square-foot limitation and the planning commission took testimony and responded to that by placing a 10,000-square-foot limitation on that retail sales and service uses in the rezoned area.

Katz: You'll have to come back to that one, because that will come up during testimony.

Manning: Sure, okay, yeah. One of the other things we did was -- and the planning bureau proposed and the planning commission is recommending -- is applying the transit street building setback along the streetcar line frontages west of 405. Currently lovejoy had those in place because it was a designated transit treat. Pdot is still in the process of working through the transportation system plan, which is likely to designate northrup was a transit street, but that hadn't been done yet, and working through the process people felt it was important that buildings developed along the streetcar line have the same kind of orientation that we would expect of buildings on other transit streets, so we've applied the base zone transit street setback and entrance standards on the streetcar line as well. I just wanted to review a few options that we previously considered before we close here and I show you the planning commission's recommendation. As I noted, we had talked earlier on about rezoning the area north of northwest pettygrove, west of 405 from ig-1 to exd. That's the big area. As I mentioned, there were several factors that moved us away from the decision to do that. The market for telco had changed. The emphasis of the project was on telco particularly vis-a-vis the streetcar, and dealing with the moratorium issue, where we had to do some rezoning to resolve the moratorium question. And we felt there were unresolved issues that needed to be addressed in a larger planning project that really took the time to have public involvement processes and work with the community on the desired land uses in that area and really work through some of the design details and get to the zoning that was appropriate in that area. Another provision that we considered, but didn't follow up on was extending the minimum act of floor area provision, which is the 50% requirement, to within two blocks of the streetcar rather than one. The reason we considered that, but when we looked back at what we had originally talked to council about, we had only talked about doing it within one block, and we felt that going to two blocks might be too far reaching without public process and notification, so we held off on that. A third thing, item, on this list is applying ground floor active uses as we're doing

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on the streetcar, more broadly and specifically to northwest 21st avenue and northwest thurman street. This was considered when we were looking at potentially rezoning the area north of pettygrove to exd in order to emulate more of a main street type environment, which the neighborhood had articulated they'd like to see on those streets. We felt that applying ground newer active uses requirements mitt get us there with the ex zone, or at least closer. Another couple of issues -- providing street connections through the superblocs. As you're probably aware the area north of pettygrove has several superblocs that do not have street connections through them. Most of them were vacated streets. And we found that in our research with pdot that it would be very difficult for us to come up with a policy basis to -- to require streets for those superblocs without going through a planning process and coming up with a stronger policy basis for requiring those. But when we decided not to propose rezoning north the pettygrove street that issue kind of fell away. The neighborhood has also talked about broader application of the drive-thru limitation, prohibiting them perhaps on the main streets of 21st or 23rd and possibly more broadly through the area. We considered that, but once again had scaled back because we hadn't done as much notification as we would like and we really didn't have the time to go through and craft regulations and give it the amount of thought that we think is necessary to come to the conclusion whether that's an appropriate regulation throughout the area. And finally, the community would like to see some kind of a planned open space or other community amenity. Once again this project being of the limited scope and duration that it was really didn't provide a forum for looking at those kinds of issues. We hope that those are items that we can come back in the more extensive northwest area planning project and give more thought to and really be more thorough in our analysis and come up with some solutions for those kinds of problems. So what we're looking at today and what the planning commission has forwarded to you is a recommendation to adopt the ordinance, which you have, which amends the Portland comprehensive plan map and zoning map and code as recommended in the report, and also -- this is an issue that came up at planning commission regarding noise -- direct the city staff to study the city's noise regulations and options for addressing noise issues in high density mixed-use areas. I want to elaborate a little bit on that. At the planning commission area, we heard quite a bit of testimony about noise issues, particularly related to the mechanical equipment screening that we had proposed and the planning commission felt strongly that we ought to be addressing noise in the mechanical equipment screening as well as the visual impacts. And we've done that two ways -- we've provided for some code language in our -- in the planning commission's recommendation that does that. And second, there's a directive in the ordinance in front of you that calls for opdr to work with bureau of planning staff to review the city's noise regulations as part of opdr's review of those noise regulations and figure out what the appropriate resolutions ought to be in these type of mixed-use areas. There was concern that industrial uses that are proximate to residential uses may be somehow forced to scale down their operations or there may be pressure for them to relocate, and there's concern about how -- how compatible those uses are and they directed us to look at the noise impacts there and figure out if there was ways that we could mitigate and come to some kind of agreement on those. So that is --

Katz: Remind us how the planning commission dealt with the noise regulations.

Manning: Yes. As I mentioned, they -- they're related to the mechanical equipment proposals that you have in front of you. There's sections -- proposed sections 33, 510 and others. And what they did was they had -- your proposal deals with the visual impacts, but didn't deal with the noise impacts with mechanical equipment. We think you need to deal with that. They suggested language crafted during the planning commission hearing itself that would address the noise

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impacts. I think that when the planning commission developed the language they did they weren't - I don't know -- particularly clear as to whether the regulations they were crafting were intended to be a land use regulation or not.

Katz: That's what I was getting at.

Manning: Right. It ends up, the way they had crafted the language, it does become a land use regulation, which is clearly appealable and adjustable as a land use regulation, and requires process. An it's not clear to us that that was their intent. And after the fact, we went back as a staff and said, you know, is this what they intended and looked at a couple of different options and have since come up with a different option that we think addresses the planning commission's intent with noise regulations and mechanical equipment screening, but does not make the noise regulation --

Katz: So we'll need to amend the --

Manning: Yes. And I have some substitute language for you to consider.

Katz: Hold on, but don't let us go away without doing that, because that was my understanding. And I don't think that's what we want to do in terms of using it as a land use.

Manning: We're hoping that we can use the opportunity to work with opdr through the -- through their noise process and figure out different solutions to the problem.

Katz: Okay. So we do need to amend the recommendations?

Manning: Yes.

Katz: Okay. You finished, barry?

Manning: Yes, I am.

Katz: Nicely done. Thank you. Questions of barry now?

Francesconi: Just one.

Katz: Let's not problem-solve now, because we have to hear public testimony.

Francesconi: At that workshop that you held, was there kind of a split on -- on whether it should eventually go to ex or was it a majority view? Was it -- was there -- and I understand there's both -- you need to follow a proper process, and then there's substance. And we need to do both to get where we need to be.

*****: Uh-huh.

Francesconi: But on the substantive question, was there general feeling that ex was the right zoning?

Manning: The problem with the workshop is it really didn't reveal what the right zoning should be. What it did was it illustrated what the -- what a preferred land use pattern was. I'd say that there was consensus built around and -- you know, we can go back and look at the results of that workshop to get clarification on this, but there were five or so tables. And there was a general consensus that that area become more residential in nature than employment-related in nature. When I say that area, i'm talking about the area south of i-405, which is the area between pettygrove and vaughn street. More residential in nature, with more employment uses becoming -- being prevalent north of the freeway, closer to the industrial area, and then tied to a very narrow band along the freeway, within a couple blocks of the freeway. There was a general sense, if that was an appropriate area for employment uses, because those uses -- and they were I think envisioned more as office uses than anything else -- would be in bigger buildings that could buffer freeway sound and thus protect the residential areas from the impacts of the freeway. So that was kind of the general consensus I drew from that urban design workshop. Where it pointed us in zoning was unclear. It doesn't he is necessarily -- it could have pointed us to a conclusion that we should be looking at the possibility of residential zoning and some either commercial or employment zoning in combination, or it could have pointed us to a conclusion that a zone like ex,

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which allows both uses, is an appropriate zone, but having more tailored plan district regulations that featured subdistricts in that area. And a subdistrict that maybe had a residential emphasis in one area and a subdistrict that had an employment emphasis in a different area, but it wasn't really clear to us that that was the appropriate solution over the other one. And we also concluded that given the timing of that workshop, that we didn't have the time, in our process, to put together a recommendation for planning commission that included things like subdistricts and get general agreement or any kind of consensus from the community on -- that that was the right approach.

Hales: Well, let me raise jim's question, because I think we'll get testimony on this point. Or at least I hope we do. Zoning doesn't get the development up. Zoning allows and disallows things. Other things, like development agreements and -- and plan districts are finer-grained work that allows you to get the development you want. Right?

Manning: Correct, yes.

Hales: I don't think there's any dissent with the proposition that ex zoning is a necessary condition to get the development that people want, but there's also an understanding that it is not a sufficient condition, right? In other words, you can't get the development that people want with -- with industrial zoning. We know that.

Manning: That's clearly true.

Hales: So of the zoning tools we have, the one that's closest to what people want is ex, but it by itself will not get what everybody wants.

Manning: I think what I learned from working through this process, that the latter is true. That ex by itself certainly doesn't get people what they want in that area.

Hales: Right.

Manning: I couldn't make the conclusion that ex definitely sets the table for getting people what they want, because it sounds to me like there's still some options for other zones, although having looked at the land use pattern there's clearly a variety of land uses in that area that include industrial uses and that ex would accommodate a number of those different uses.

Hales: Right, right. But it's not the whole story. Zoning is not the whole story. We go as far as jim kuzler who said if you want a great community, burn your zoning map, because we rely too much on zoning, but ex gets people closer to what people say they want than industrial zoning does, right?

Manning: Certainly that's probably true. I guess your point about a having more fine detail about how to get there, is certainly, I think, the key in this scenario as to how you get there.

Hales: Right.

Manning: I'm not sure what the base zoning that goes along with that is at that point in time, hence our hesitation.

Hales: Or how much it matters.

Manning: That's possibly true too.

*******:** Right.

Katz: Commissioner Saltzman.

Saltzman: So this issue, and several other issues that you basically ruled out of this transition study, are those all being rolled into the northwest area plan, all those questions?

Manning: The questions -- in fact, the northwest area plan when we started this project really kind of gave a carte blanche, I guess, if you will, an ability to go back and revisit most of what we did in this project. We said this is a very fast project, doing it under a limited time frame with limited public involvement. We'd like to take that longer planning process and take -- and give it the ability to go back and revisit some of this stuff and make sure we've done the right thing, but

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clearly for the area north of pettygrove where we've seen, let's hold off on doing a rezoning in that area now, it's clearly on the table for the northwest area plan process, which is currently underway.

As I said, we just had the urban design workshop on that. That's certainly one of their priorities, I would assume. And really looking at that area at other areas as well, particularly the area under the freeway where the planning commission basically said, let's leave that ig-1 zoning for now, and let the northwest area plan process, which is going to follow this up, take a little more in-depth look at that to see if that's the appropriate thing to do or whether there's other solutions we can look at in that area that will still get the community what it wants and accommodate Portland streetcar needs in that area.

Saltzman: And the current plan to come to us is june of next year. Is that right?

Manning: I think it might be early fall of 2002. The project manager I think is in the audience and may be able to speak more clearly to when that project's slated to come in front of you.

Saltzman: Okay.

Katz: Further questions? Barry, thank you. All right, let's open it up for testimony. Then we'll come back to barry.

Moore: We have charles dragon, jose barrera, and john bradley.

Katz: Come on up. Somebody start. Sir?

Chuck Dragon, Vice President of Administration, CNF, Inc., 1717 NW 21st, Portland: Me? Okay, fine. My name is chuck dragon, vice president of administration for cnf, inc. Located at 1717 northwest 21st, Portland, Oregon. Earlier today I distributed -- or had sent to your offices a letter, and I believe the lady is passing out a copy of that. I wasn't sure whether or not you received that along with a map outlying our property. I'd like to take just a couple moments this afternoon to address some of the points in the letter and obviously you can review it and ask any questions. Cnf has been part of the northwest community since 1930. And presently we employ or provide about 2000 family wage jobs in the Portland area. I'm here this afternoon to express our concerns with the uncertainty of this rezoning of the northwest transition area from two primary points of view. One, what our property will ultimately be zoned and two when will that be completed. Cnf continues to grow and prosper. In fact, we just recently signed a partnership with general motors which when fully implemented will virtually double the size of our corporation. Obviously along with that type of growth comes job opportunities. And our ability to locate some of those jobs, or a good portion of those jobs, in the northwest Portland headquarters, will depend on our ability to expand on our campus. And with the uncertainty of the zoning in that, it leaves us somewhat in a holding pattern as far as strategic planning. We're requesting and feel the best approach to this is to remap the entire area exd, including the ig-zoned land lying northwest of northwest pettygrove, should be accomplished in this official phase. The only exception that I would point out to the current rezoning would be the retention of the interim ig designation on property and other similar sites lying west of northwest 22nd to 23rd. Obviously there's some concerns along 23rd relative to the zoning on there, and I believe that should be exempt from this particular issue and roll into as it is right now into the second phase of this rezoning or remapping. This would allow us to basically do our strategic planning, to move forward with our designs on how we expect our campus to roll out. Take advantage of those opportunities that would bring good family wage-paying jobs into the northwest area, and we feel it's a reasonable request and we urge council to consider it today.

Katz: All right. Let me ask you a question.

*******:** Sure.

Katz: Let's be a little bit more specific. Your issue is the inability to use office space. Is that one of the issues?

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Dragon: Not so much office space. Just in general, not knowing what the ultimate zoning will be for our property, which lies in considerable nature in the area that's presently ig-1, pettygrove north to thurman, and on the east side, on 19th up to on the west side of 23rd. We have approximately 22 acres there since we've recently purchased the property that cfc decided to sell on relocating to vancouver. So we -- we believe the exd, and we're very willing to accept the regulations that have been laid out in barry's plan relative to the restrictions with the exd zoning. We feel those provide no problems for us in moving forward. But exd does give us the ability, with the mixed use and flexibility of that type of zoning to look into other opportunities.

Katz: That's speaking in code. Be more specific. What opportunities are you looking at?

Dragon: Well, because of the uncertainty, and our inability to sit down with professional developers and architects, 'cause as you all realize when you sit down with those individuals you're spending some considerable amount of money, I cannot go to my board and request those kinds of funds with the uncertainty of, again, what zoning ultimately we'll end up with and --.

Saltzman: Well, what is it that you want to do?

Dragon: We want to develop our campus. And we want to hire professional developers and architects to sit down with us and give us some options on what that campus should look like in the coming years.

Katz: With what purpose? This is the same questions we were asking for the central east side. For what purpose?

Dragon: Well, a variety. Our company's become more diversified than in 1929 when it was founded. We've dropped the transportation from our corporate name. We're cnf, inc. Because we're moving in a diversified avenues, I can't tell you today specifically what uses that will be for at that time. For example, this vector project with gm, it could lead to office expansion --

Katz: That's what I was trying to get you say.

Dragon: Right. And also we're in alliance with bond corporation, a software developer and a joint venture with them to develop logistic software. That again to lead to other opportunities for us. We need the flexibilities with the zoning to -- to be able to effectively deal up our property.

Katz: All right. Thank you.

Saltzman: In your letter you also mention that you may elect to make available to other developers property. Would that be for cnf's use or this would basically be selling off your property for entirely different developments?

Dragon: We do own property, what is called the he -- the houses are in storage, we have a 100,000-square-foot building down there.

Saltzman: Where is it again?

Manning: On holt street.

Saltzman: Okay.

Manning: It's seven stories, 100,000 square feet. We also have property on 31st, which is our contract services, which used to be our print shop. They do warehousing, marketing and that. It again is not connected to our campus. So it doesn't fit into our long-term strategic thoughts relative to our campus development. So those properties could become available to the market if we decide to relocate them on to our campus in northwest Portland.

Saltzman: And those are all the properties west of 22nd right now that you're saying should remain --

Dragon: No. We have three pieces of property west -- between 22nd and 23rd. One actually faces 23rd. It's a surface parking lot. There's a small lot across the street from that. Then we have what we call our cascade building, which presently houses in-house repair pcs and keyboards. We

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may elect to move that. We actually talked to ec, another neighbor of ours, which has adjoining property, they may be interested in wanting to purchase that from us.

Saltzman: Okay. Thank you.

Katz: Okay, jim?

Francesconi: I have a couple questions. We all here at the council appreciate the fact that you're here and you want to expand here and you didn't go to vancouver like the other company. So we want to try to help make this work, because -- and the neighborhood likes having you there with employment. But i'm not clear to expand, it sounds like you might need more offices to accommodate the added employees that you talked about in your letter and you talked about in response to the mayor. It's not clear to me that you need anything more than more office space. What am I missing?

Dragon: Well, on the surface, that's true. I mean, our immediate needs, as far as I can see, would be in the area of offices, but as I said, we -- we're starting to diversify our corporation into other areas. I can't today sit here and tell you where those will lead us to and what type of development we'll need.

Francesconi: Where i'm having trouble, I understand diversifying your company, but that means you might need different kind of employees, but that's still office. What am I missing here?

Hales: The site is zoned for manufacturing now. You get offices only through the headquarters exception. You don't get offices by right in industrial zoning.

Francesconi: I understand that. And we're going to come to that.

Katz: We're going to come to that a little later.

Dragon: That's true. Excuse me. In fact, with the recent building we purchased from cfc, the first building built on our campus, even though it's been used as an office for cfc for 27 years, if we were to have available space today to lease out because of the restrictions in ig-1 zoning, we cannot lease that property out. It would have to remain vacant, therefore not bring in any additional employment into the area. So there are some real handicaps working through that process. And also, they're costly, going through the headquarters exemption is not a freebie. We found that out recently in our new 250,000-square-foot building we constructed.

Francesconi: Later we're going to ask planning to see what the response is to your needs. So it's additional offices. Is there something besides additional office you might need in your property to accommodate the expansion?

Dragon: Well, even though there's -- we've done no legitimate long-range planning because of this unknown, there has been discussion relative to a facility that could have mixed use with residential because we do have a lot of employees that visit our main campus here on a monthly, quarterly basis, that we could both lease out part of it or sell part of it as far as condos or something of that nature, or residential, and use part of it for our own internal use.

Francesconi: And so you need to go through a master planning process yourself?

Dragon: Yes. We have to hire professional planners that will give us those kind of ideas that we can consider in our long-term strategic planning.

Francesconi: How long do you anticipate that would take you, to do that long-range planning?

Dragon: Well, obviously it would be broken down into segments. I would assume that we would look at five years out, ten years, 15 and 20.

Francesconi: No. I mean to do the process, not the --

Dragon: Well, having just gone through a building of 250,000-square foot office space it took us approximately two years from the date that we decided to move in that direction to when we first moved the occupants into that building. So looking at the -- the plan the way it sits today, they're

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looking at 14-18 months to get phase 2 completed, which puts you about the end of next year. Well, we're looking at beyond that another, you know, 18-24 months before a finished product would be usable. So we're looking at 3-4 years out before we would effectively be able to do something with our campus.

Francesconi: And you would like to do something between 18 to two years?

Dragon: With this large project we have with gm, it's going to move very rapidly. It's a \$6 billion opportunity for us, so their demands will generate more momentum as these projects come on. We're right now in phase 1, which is the tracking of all their vehicles internationally. This overall agreement we have is to work with them on their complete supply chain, from raw materials to plants to coordinating the plant production and moving all their vehicles, both domestically and internationally. So it's a huge project that once it gets going will move very rapidly.

Francesconi: And we want that here. So within what period of time do you need to have the space available for that expansion? Two years?

Dragon: If we knew the day that we had exd zoning and we knew what that obviously gave us to do, we would sit down and start planning. I would say, you know, within probably the balance of this year, or surely sometime next year, we would have an idea what we needed and start moving forward with capitalization of those types of project. So even from construction, you know, breaking ground, you're looking at 18 to two years beyond that before we would have a structure that would be usable.

Francesconi: Now, this is a tough question, maybe not be able to answer it. If we changed the zoning today, and kind of short-circuit a citizen in process, can you guarantee that this expansion's going to happen here?

Dragon: I wish I could. I can't guarantee anything.

Francesconi: What odds would you give it?

Dragon: Can you repeat the question?

Francesconi: What odds would you give it?

Dragon: Relative to a project being developed?

Francesconi: Yeah.

Dragon: I would say it's better than 50/50.

Francesconi: Thank you, sir.

Katz: I'm sorry, where did you xerox your material? I mean, it's dangerous to our health.

Dragon: Kinkos.

Francesconi: Actually, I had one last question, sir. If we short-circuit the citizen process, is there any -- 'cause you want to get along with your neighbors.

Dragon: Absolutely.

Francesconi: Is there any -- have you given any thought to modifying your master planning process to include some citizens in the process?

Dragon: Well, i'll use an example of the building we just completed. Prior to us making that decision, we met with the neighborhood association. With nwda, since we're basically located in their community, we went through various discussions with john and some of his staff. We brought in a model of the plan. We took in with respect to their interest and desire. One of the things that they asked us to do, if we would consider retail along 21st, on the first floor, and we said, gee, we'll consider that. In fact, we have put a coffee shop that's being completed and will go into service monday, but unfortunately -- and it's primarily used for our employees --

Katz: And it want it to be used for the community, right?

Dragon: Absolutely.

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Katz: And you can't do it under the current zoning, correct?

Dragon: Right.

Katz: Why didn't you tell us that at the very beginning?

Dragon: I'm sorry. I should have.

Katz: Okay. But that is one of the issues. Unfortunately, we can't open to the public because of the restriction of the zoning. It's over 3,000 square feet.

Katz: If my staff knows that, you should know that.

Dragon: Oh, I knew that. I knew it very well.

Katz: I feel better. I scolded you. I feel better about that. Further questions? All right, john.

John Bradley, Chair, NWDA Planning, 2315 NW Johnson, Portland: Thank you. My name is john bradley, I reside at 2315 northwest johnson. I'm chair of the nwda planning. I'm here today to speak in support of the recommendations made by planning and the planning commission concerning the northwest transition area. We are very pleased with the safeguards suggested that the city's streetcar investment, while at the same time ensuring that this area will continue to be home to whatever businesses may choose to locate here. We are now looking forward to phase 2 of this process and indeed have made a good start on this phase through the urban design workshop held in march. And I don't know -- there was some questions concerning this. I've got a copy of it.

Katz: You better use it. Better not be from the same place.

Bradley: It is to everyone's credit that there is not been a wholesale rezoning of the ig-1 area to exd, because this showed how many concerns and ideas the neighbors have about whole ig-zoned area of the northwest district association. Open space, connectivity to the pearl and river district, housing affordability, transportation issues, pedestrian needs, protection of the already existing businesses, re-establishment of the street grid, and zoning issues, were all highlighted by the 80 people attending this meeting. These were wonderful ideas put forth, and we now look forward to looking them more in depth. The nwda pledges to work diligently with all the stakeholders during this next phase and to do this work as quickly as possible. We have our policy plan to guide us and we're ready to roll up our sleeves and work. A couple more things that have come up. Pearl had mentioned to us that on their side of the rezone they would prefer a 40,000-square-foot limit to the east of 405 for retail. We have no problems with that at all. We'd like the 10,000-square-foot-limit kept on our our side, however. We also request that if there are a bunch of 40,000-square-foot buildings going on in their side that they be looked at carefully for traffic impacts along our boundary zone. Talking specifically about things chuck had mentioned here. There is a building that he's currently unable to use. It's an office building. It was their old headquarters building. I've taken an informal poll of the planning committee members. There's absolutely no objection to having that continue to be used as an office building under a conditional permit status. We're willing to work with chuck as quickly and as favorably as possible.

Katz: I'm sorry, you still have some time. Are you finished, john?

Bradley: No, that's fine.

Katz: But you're not willing to look at the entire campus area for them in rezoning that?

Bradley: Not at this time. You know, there are a whole bunch of things that we would like to look at. I mentioned some of them. Housing is a key issue in this area. And it's a key issue for Portland. We'd like to get some housing in there. It doesn't seem -- seems like we're looking specifically at office space. We're not precluding those uses. We just like to know a little more in detail what cnf has in mind before we sign off on this. We did indeed bend over backwards to help them relocate their office -- their new headquarters office in this area, and are very pleased with the

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outcome. We're willing to continue that spirit of cooperation, but we have to have some fine-grain detail work go in this area so that it looks and functions well with the city of Portland.

Francesconi: John, let me preface my question by telling you how frustrating this. Ironically we celebrated the mayor's appointment of ernie bonner to the planning commission today. When ernie boner was planning director 20 years ago, we planned the whole city in less time than we're taking to deal with this little area. The perfect is the enemy of the good. Let me ask you a straightforward question. This is Hales under which zone are you more likely to get the development you want? General industrial -- these are the two choices. General industrial or central city employment? Under which zone -- I cannot guarantee you you'll get every single detail by the zoning. But under which zone are you more likely to get the development that you want?

Bradley: You have phrased the question in such a way that you have answered it for me.

Hales: That's the choice in front of the city council, other than punt.

Bradley: I don't mean to disagree with you, but I have to.

Katz: John, grab the microphone.

Bradley: I don't mean to disagree with you, but that -- I don't see that as all of our choices. For example, in our policy plan, we recommend 21st avenue and -- being zoned cs, so that we get a seamless flow from one neighborhood to another. There's one thing right there, which is another type of zoning that we should look at. We've looked at cm in some of this area. And there's another type of zoning to look at. But to just wholesale rezone it, it may be that you are correct in saying that exd overall, over the whole zone, will be good.

Hales: But, john, when we walk out of this hearing, it's going to be zoned one way or the other for the next two years while we talk about those remaining details. For the next two years, are you more likely to get the development you want if it's zoned general industrial or are you more likely to get the general development you want if it's zoned central city -- we can always come back, but for now what do you want?

Bradley: We run -- if we do it that way, without the benefit of a plan district, we run the risk of having chapter 7s --

Hales: No, we're giving, we're adding intensity.

Bradley: That's right. And then if we add to -- if we have a relatively unregulated zoning, like exd, and then we come back and we say -- and then we come back and go, ooh, maybe 65 feet wasn't good here. Maybe it should be 45. Then you've got a takings. So the plan district will be chaptered by chapter 7. Everything will challenge it, they'll line up. We need to plan right now. That's all i'm suggesting.

Hales: We'll have bigger problems if measure 7 goes into effect than a few blocks in this district. With all due respect to your district.

Bradley: Right. I just point that out. Yes, you will have a big problem, no disagreement from me.

Francesconi: Is that your only concern?

Bradley: No. It's just to rezone it exd now just gives -- opens the door to a lot of unplanned development. And I thought that's what we did here.

Hales: Exd is unplanned development.

Bradley: It allows for 100% lot coverage, which may not be good everywhere. It allows for height limits and masking that may not be good everywhere in this district. It allows for drive-thrus everywhere where it's not specifically planned for. There's a lot of things to be modified with this district. We haven't even started speaking about open spaces. Should there be open spaces and parks in this district? Where should the residential area go? Should there be a residential area?

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These are things that I think need to be looked at. And if we just change it over to exd now, without looking at these points, we open the door for two or three years to types of development that we may regret in the future. No one is trying to prohibit or stifle cnf. If cnf would come forward and say we need an office building here, we would like to do this, we're more than willing to talk to them. And I think our past history has shown that.

Hales: John, just one more comment. I mean, we're in this spot today because we all gambled and lost that industrial zoning was the best way to prevent anything from happening in this district. We got surprised by telcos. So, you know, i'm disappointed that we're using the -- the difference between Portland and everywhere else is Portland uses zoning to get the development that we do want rather than using zoning to prevent or mitigate the development we don't want. And this would be a failure of nerve to simply say let's stay industrial because we may have less damage. That didn't work with the telco development. We guessed wrong that industrial zoning is the best way to prevent anything from happening until we get our act together.

Bradley: The telco threat now seems to me to be substantially lessened.

Hales: Do you know what the next one will be? I don't.

Bradley: No, I don't either, but i'm just suggesting a cool and rationed approach to this area now will pay benefits in the long run. Rather than just let's rezone.

Hales: Time marches on, john.

Bradley: I know time marches on, and that's what I think we're trying to plan for.

Katz: Further questions?

Saltzman: A question for mr. Dragon, in light of the testimony that was just given. You can, you know, possibly leave today with a certainty that your exd, but I presume the northwest area planning process will still work its way and may result in different recommendations. So there's a little bit of uncertainty to even giving you an exd today, as to how long that may last. Am I understanding the process right, that the northwest area plan could supersede the decision?

Dragon: Yes. I mean, that's the general idea.

Saltzman: What's your preferred uncertainty? Leaving today with exd, knowing that two years from now or a year from now it may change or waiting a year from now --

Katz: Other than the building --

Saltzman: And other than that building, which I think they've expressed support for.

Dragon: To answer your question, I would much prefer leaving your meeting with exd, with the restrictions laid out in this, and with the uncertainty going through the balance of the remapping, which I stated in my letter we should work with that and be the focus of the bureau going forward, is to take the exd and over the next 14-18 months develop these restrictions and standards that you want in that area and we're very willing to work with them. In fact, i'm on the citizens of ivory committee that has that intent to work through. And we're very willing to do that. And we're willing today to accept what has been laid out. No drive-thrus, a 10,000-square-foot-retail limitations. We think those are very acceptable to us. So we have no qualms with those whatsoever.

Katz: Okay, john, don't go away, because I think we'll have questions of you later on. Go ahead.

Jose Barrera, Wilbur Ellis Company, 1220 NW Marshall, Portland: Thank you. My name is jose. I'm here on behalf of my employer. More specifically, the northwest feed division of wilbur ellis company, headquartered here in Portland, Oregon. Our division manager, al zimmer, would be here, but we have visitors from japan and he could not be here, so i'm pinch hitting for him. Our division owns and operates an animal feed and blending facility situated on 12th and marshall street. Roughly across the street from the brew pub. This animal ingredient blending facility has

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been at that location since 1948. From this facility we load and export approximately 150 containers per month to asian customers as well as service domestic pet food accounts, feed mills, and dairies --

Katz: What is the address?

Barrera: 1220 northwest marshall.

Katz: Okay, now I know where it is.

Barrera: The operation at that blending facility employs 22 people directly and innumerable allied indirectly, truckers, custom brokers, surveyors, longshoremen, stevedores, et cetera. What we do is we bring in really cars, trucks, 20-foot ocean containers, and we load out trucks and ocean containers of various animal and vegetable feed ingredients. These include meat and bone meal, fish meal, blood meal, feather meal, corn gluten meal, et cetera. Why am here -- the rezoning of this area is of great concern to us because at this time it's economically impossible for us to move. We therefore feel that it's important for the city to disclose to developers and potential tenants of our presence and the nature of our business. I guess we prefer to be forthright and proactive on this rather than to wait before a group of disgruntled neighbors comes complaining about the smell or the noise, all the truck traffic that we generate in that area. That's basically it.

Hales: Does your company own the real estate that you're operating on or do you lease that property?

Barrera: We own it.

Hales: And do you expect to be doing that in that location in, say, ten years?

Barrera: Well, I think the writing's on the wall -- no. But the facts are that the way agriculture is and the economics right now, and with our business being so closely tied to asia, as I said, it's -- it's right now economically impossible for us to move. We need rail siding, spurs, proximity to the port, and that land is not easy to come by.

Hales: I understand. Maybe the point of my earlier conversation with mr. Bradley is that the city gets around to rezoning, a given piece of real estate, about every 20 years. So you might want to consider that.

Barrera: Well, at this point you know, as I said, we just feel that at least the tenants and the developers should know what we do there.

Saltzman: So that's the nature of your question. You're not asking that your property be taken out of this exd zone, you're just saying we need to make sure people know you're there as they purchase property and development around you?

Barrera: That's right.

Katz: As they build housing and start to scream. The noise and the smells.

Francesconi: Nobody asked what blood meal is.

Katz: This is the pig farm problem in the rural area. Thank you. Okay, go ahead. Karla, next.

Moore: We have three more.

Patricia Gardner, 1116 NW Johnson, Portland: My name is patricia gardener, I reside at 1116 northwest johnson.

Katz: She moved, everybody. She left the goose hollow.

Gardner: I'm here representing the pearl district. So give up one job, get another. All right, so, honored commissioners and mayor, first off, I do want to applaud the planning effort that -- that everyone's gone through. Given the time frame, barry has done a tremendous job in corrals opinions and there have been a lot of opinions, of course. Many of the solutions are creative and effective in creating the corridor we'd like to see. For clarification, I want to be clear that you understand that i'm only speaking about the area under the freeway and east, specifically the pearl

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district. I'm not speaking about the northwest district neighborhood association territory. Having looked over the plan, there are two areas that are of grave concern to the pearl district. And both of these areas need to be rectified in your -- through this process. The first is the limitation of retail square feet in the pearl district to 10,000 square feet. We feel that is an impediment, not only to our neighborhood, but also to the entire west side. The limitation of area undermines our vision of what the river district can offer to the city. It restricts grocery stores, retail stores, over a quarter block of sides. We would like to preserve our flexibility and we ask you to amend this to reflect this desire. The second is the ig-1 under the freeway. The pearl district is very ready for that to be exd. Specifically we do recognize that there is a category definition issue in relationship to the streetcar facility that is underneath the freeway now. But we don't think that its existence should prohibit flexibility in that space. Recently I was in new york, and I went and -- went to the queenborough bridge, and I didn't go to the bridge or on the bridge, I went under the bridge where there's a terrific restaurant and actually a great store, if you're ever there, and those are the things that we could have with some creativity and effort and we shouldn't wait for that. So -- so if you could, we'd also like to have that amended in this process. I'm going to argue a little bit with you, commissioner Hales, about exd's efficacy in protecting the city against telcos. I'm being called miss telco in the neighborhood. We've had two that have come into our neighborhood that were outside of this plan district, and I will tell you having gone through the process and having come before you that the only thing that is going to work in this case is a citywide solution. And I think specifically zoning, back to the panacea, but so i'm recommending strongly as I can, that there is some zoning effort that -- language that is specific to telco facilities. And the model that I like to think about is bed and breakfast facilities, where they have a very specific place and there's guidelines that go with them, but right now because the telecom facilities are undefined they are able to do a lot. And exd can't stop it. Not exd can't stop it, the central city guidelines can't stop it. Historic guidelines can't stop it. And neither can the river district design guidelines. So very specifically that needs to be dealt with. As I wrote down here, you know, we've had a warning shot across the bow and almost hit the ship. Just because you can't see a telecom facility doesn't mean it's not lurking behind the horizon. So I would recommend that you fund the planning folks to get to work on that, because that's a -- we're going to be caught flatfooted again is what's going to happen if we don't. So -- so again, ig-1, underneath the freeway, turn it into exd, change 40,000 square feet to -- in the pearl district side of it and think about that zoning process. Thank you.

Hales: Thanks. Actually, I don't think you and I disagree, particularly given your suggestion about under the freeway. My point was, i'll try to it rate it differently. I don't believe -- and I think there's plenty of proof, and you just cited some -- that we should use zoning to prevent what we don't want.

Gardner: Right.

Hales: We should use zoning to open the possibilities for what we do want, and use other things, like regulation, which is what you suggested, to prevent what we don't want. The strategy that we've all employed in this area, unsuccessfully, was using zoning, i.e. Industrial zoning, in an attempt to prevent what we didn't want. It didn't work.

Gardner: Right actually I want to clarify myself because I misspoke. What I really mean is we need to put this in title 33. Title 33 must handle telecom facilities. And until title 33 deals with it, and that's exactly what it's saying, I think I must have been on drugs just a moment ago, but it is title 33 that must be amended. Title 33, without it, there's no strength, there's nothing to stop it. So

--

Hales: I agree.

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Katz: Go ahead.

Robert Ames, Chair, River District Steering Committee, 1231 NW Hoyt, Portland: Thank you. Mayor Katz, members of the council, my name is Robert Ames, 1231 Northwest Hoyt. This is the briefest testimony I've given anywhere recently.

Katz: I guess so.

Ames: I am a property owner in the neighborhood questioned and I am chair of the River District steering committee. I must tell you that this issue of 10,000 square feet versus 40,000 square feet for retail use was not a subject that's been discussed at the River District steering committee. Frankly, I think Bruce Allen and I have agreed that that may have been an oversight, although at the time we last met, which was something over a month ago, it frankly wasn't an issue that was on our radar screen. We had a lot of things to discuss then and it was not brought up, either formally or informally. I would like to just maybe try and balance Patty's comments with respect to Commissioner Hales feeling that there are occasions when we should let the market tell us what's needed through the provision of more inclusive zoning. That's a concept with which I agree completely, particularly in this area. And for reason that in River District committee meeting discussion many, many times we have talked about the need for service retail in this particular part of the development north of Lovejoy. There are a lot of things going on, a lot of people that are interested in providing what the neighborhood, which is growing very, very rapidly in terms of its residential character, is becoming more and more outspoken about wanting sooner rather than later. And I'm persuaded, I think a lot of people are, that having the ability to do more than 10,000 feet, 40,000 feet specifically, works in favor of that rather than the small square footage restriction. Finally, I just have to add, if we were confronted with something that were inappropriate in terms of a retail development, I'm one that believes that there are still a lot of checks and balances including traffic impact considerations and so forth, that would allow us to deal with individual developments. Thank you.

Katz: Thank you. One second.

Saltzman: You're advocating for 40,000 square feet west of 405 as well?

Ames: No, I'm not. Just east. River District area.

Saltzman: Okay.

Al Solheim, 1231 NW Hoyt, Portland: Mayor and commissioners, Al Solheim, 1231 Northwest Hoyt. I'm going to echo what Patty and Bob have said. I support 40,000 square feet in the Pearl District area. I'm here to make congratulations to different people who participated in this, including you. As you'll recall, during the Lutz rezone you asked the neighborhoods to get together and work on the industrial sanctuary, and if it will not be for the almost heroic work for Linda and Ketsy, Frank, Dan Polk at Linnton and the Pearl District, we'd still be trying to decide where the industrial sanctuary should be. Those people took two years, drew the line at Vaughn, and now all we have to worry about is how we deal with it. So I would like to acknowledge those people and then I'd like to acknowledge the work of Commissioner Hales specifically on the streetcar, helping to elevate this issue, and then of course Barry Manning and Debbie Bischoff, and of course you. My hats off to all of you. I know it's been a struggle, but accomplished in six months, but it's really been a three-year project and a lot of people have put their shoulder to the wagon. So thank you.

Katz: Thank you. Okay, Karla?

Moore: We have Rich Ford, Gwen Milias and Ed Sullivan.

Katz: Sir, go ahead.

Rich Ford, 1223 NW 23rd, Portland: My name is Rich Ford, a property owner in the Pearl District. We have an office at 1223 Northwest 23rd. And I'm here basically to applaud the efforts in getting

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the exd zoning proposed for the ig-1 area north of the river district, specifically i'm here to express my opinion that I don't think the 10,000 square foot restriction is appropriate, particularly in line of the efforts to extend the streetcar through the area. I would like to recommend that we go back to the staff commission's original recommendation of 40,000 square feet.

Katz: Thank you.

Ford: Thank you.

Gwenivere Millius, Member, Pearl District Neighborhood Association: Gwenivere millius, Portland. I'm here as a member of the pearl district neighborhood association. At the risk of sounding picky, i'd like to caution that there's a real difference in world view between northwest district association and the pearl district neighborhood association. In barry's presentation, he referred to the neighborhood as if we were of one thinking, and I think exd will help both of our organizations get to where we want to go and we certainly work in collaboration with nwda on a number of issues, but we have different opinions and different needs that we need to get out of these areas north of our established neighborhoods. For the pearl, it is important and i'm going to reiterate that we have the most flexibility we can get out exd in that area. I don't think we see it necessarily as all housing for instance. I think we see that as an important employment center. We see that as an important service center, including retail, so we are going to need more than the 10,000 square feet that the planning commission laid over that area. I think it was actually a mistake on the part of the planning commission to do that. I think nwda asked for that provision in their area and -- and the planning commission simply took a broader brush than they should have and paint the entire area. So I urge you to repeal that provision to i-405 east. I would also like to join al in saying thanks to the planning commission, though, for being so nimble and taking care of this issue. We were very, very concerned about what was going on with the streetcar. I continue to be concerned about what's going on on the other side of burnside with the streetcar. I think the pittock block is another example of what continues to happen to properties along the line. And I don't think we can ignore that entirely. I encourage you to take a look at what's going on downtown on that line, but I was pleased to see how nimbly this was handled, how well it was handled, I feel like there was adequate citizen input and I applaud everyone involved. Thank you.

Katz: Thank you. Ed?

Ed Sullivan, Administrator, St. Patrick's Parish, 222 SW Columbia, Suite 1400, Portland:

I'm ed sullivan, 222 southwest columbia, suite 1400. I'm here today on behalf of st. Patrick's parish and its administrator. I found out about this attempt to change the zoning on the cnf property at 11:30 this morning, came down here, and wanted to look at the packet. The packet did not have the letter that is now before you from cnf. Indeed there was nothing to show that this issue would be brought before the council today. I have requested notice for a post acknowledgment plan amendment. As far as I know, after having talked with the parish priest, we have no objection to the plan as before you now. We have no problem with the eef policy. We have no problem with the streetcar. And we take no position on the 10,000 versus 40,000 square foot issue. We do object, however, to a latecomer, cnf, request for a rezoning without conditions, without specific notice, without a specific hearing on the matter with the staff report, and I don't think the findings that are now before the council support that kind of rezoning. Looking at the reallocation of land in the industrial and employment categories. This rezoning affects our national historic site. We're already precariously positioned because of the i-405 freeway. We are trying to keep a structure that is of great historical interest up. I am the chair of the restoration committee at st. Patrick's, and I know just how difficult that it is to maintain. It was suggested before that you

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were surprised by the telcos. We're surprised by this rezoning coming at this late time. And without anything in the packet about it. We are -- we were not approached about this result. Nobody talked to us about the -- the impacts that this might have on us. And the report before the council, which we do support, also has the support of your professional planning staff, of your planning commission, and of the neighborhood association in the area. We urge you to adopt that and not -- to undertake the replanning and rezoning suggested by cnf. We've heard from cnf that there's no specific use requested. We would prefer to look at a specific proposal with sufficient time to comment on it, with staff review, a neighborhood review, and not a last-minute request that was not in your packet, and which, if I had not received a telephone call this morning, nobody would have known about it. We'd rather have the community work together on the northwest plan project to come up with an integrated plan in which all uses would be considered together and not to have one use over all others. So we'd ask you to take the plan that was presented to us as it was by the staff and planning commission. Thank you very much.

Katz: Ed a couple of questions. What negative impact -- i'm playing devil's advocate here. What negative impact do you think, if we in fact did rezone it, would impact the church?

Sullivan: I don't know. And if I had anything more than an hour and a half to look at it, I might be able to tell you that. But without anybody telling us and without this stealth approach to the council, this would have gone through and we would not have any say in it. And my -- my problem with it is that this was done without consultation.

Katz: All right. There was a recommendation with regard to just the building in question.

Sullivan: Yes, yes.

Katz: How strongly do you feel about that?

Sullivan: As far as the building staying there, I don't have any problem with that. It's there now. We had some difficulties early on about it, and that's by the by right now.

Katz: Further questions by members of the council?

Francesconi: I guess leaving aside the issues of process, I mean given your land use experience as an experienced land use attorney, is there something about an ex zone as opposed to --

Sullivan: I've heard about others of -- some of those zoning requirements. If I had more than an hour and a half to look at, I may be able to come up with an answer.

Francesconi: I understand your process concerns, but maybe i'm having a tendency to oversimplify this, but it would seem to me that a church might do better with a neighborhood around it than an industrial wasteland around it. That was Hales.

Sullivan: It depends.

Hales: Give me a planner's answer.

Sullivan: It depends on the use that goes there.

Hales: Trucks don't go to church, ed.

Sullivan: Well, no, but the trucks aren't up against our backside. What's up against our backside is a parking lot which can be pulled out and used for 100% lot coverage building.

Hales: And people might live in that building and go to church.

Sullivan: Probably won't live there. That's probably be offices. That's the highest industrial use. That's where the market's going to go, charlie.

Hales: Okay.

Katz: You mentioned something about legal problems. Do you see this as a legal problem if we make a --

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Sullivan: Again, I don't know. But I'll tell you what I've got to think about. And that is this is post acknowledgment plan amendment. I'm speaking to Kathryn, even though I'm looking at you, mayor.

Katz: I know. I sort of whispered to her a few minutes ago. I'll give her a little bit of time to listen to your answer.

Sullivan: In order -- I'm not required even to be here, I suppose, if you make a decision that was different from the one you gave to -- not the decision, but the proposal was different from the one that you gave to dled 45 days before this hearing. If it is different, and I suspect it is, than anybody can challenge it on any ground, they don't have to raise it.

Katz: Kathryn? I'm making life easy why are or more difficult for you.

Kathryn Beaumont, City Attorney's Office: I think his answer is basically correct. I think what he's told you is that if you amend significantly the proposal that's been presented to you by the planning commission, that the net effect of that is to open up standing to challenge it at -- to people -- other people rather than -- they'd need not have raised issues here.

Sullivan: And raise it or waive it, it doesn't apply.

Katz: Okay.

Francesconi: But then the next question, Kathryn. What's the likelihood they would succeed at luba?

Katz: If it's ed --

Beaumont: It depends on what they raise at luba.

Katz: All right, thank you.

*****: Thank you very much.

Katz: Is anybody else wanting to sign up? All right. Barry and Gil and Debbie, if you want to come up, come on up. All right. We heard a lot of testimony on expanding the 10,000 retail to 40,000 throughout the entire area, right?

*****: Correct.

Katz: All right.

*****: Throughout the entire area or just east of 405?

*****: Yeah, I think that's --

Katz: I'm sorry. At least for now, yes. There was the issue of the exd zone under the freeway. We haven't -- we need to talk about that. The future zoning under title 33 for telcos to protect the city, we do need to get to work on that. But the big issue, notwithstanding the discussion we just had on the legal issues, is the opportunity for a cnf, at least the particular building versus the whole area, and what do you want to add to that? As planning director.

Gil Kelley, Director, Bureau of Planning: I thought about answering all the questions you might have for me with the words "it depends" but I'll resist that temptation. I think on the 10,000 versus 40,000, I think that the -- when the planning commission -- I'm going to ask Barry to correct me if I'm off here -- but I think the plan commission's interest that night and the focus of their discussion on that issue was primarily west of 405. So I think that -- you're disagreeing with that, Barry?

*****: I think that -- I think what they did was they took testimony on that, and I think the testimony was directed at the area of -- west of 405, and I've had subsequent conversations with the planning commission, and my understanding is that if that was the intent of the testimony they're okay with the change.

*****: Yeah, that's where I was leading. In other words, I think keeping the 10,000-foot threshold west of 405, but lifting it back to 40 east of 405 would be in the spirit of what the planning commission recommended and certainly -- and what staff had recommended before.

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Katz: Okay. Keep going.

Hales: I'm okay with that.

Katz: I'm very interested in where the council is. We'll get back to.

Kelley: On the exd under the freeway, again i'm going to ask barry to remind me of the -- of the nuances of the planning commission discussion, but primarily the issue that revolved around the streetcar barn and the flexibility for that use and modifications of that use and that building would be more easily addressed under the ig-1 zone than it would be on the testimony of the -- of the consultants work on the streetcar -- than it would to apply the exd standards.

Hales: The worst hypocrisy for us to leave that industrial zoning.

Katz: Keep going.

Francesconi: We'll defer to commissioner Hales.

Hales: I'll issue an instruction for the commissioner in charge to stop whining.

Francesconi: That took care of that issue.

Debbie Bischoff, Bureau of Planning: Could I just add on this? Debbie bischoff, bureau of planning. On the issues of uses you should 405, it's very clear to me from discussions with both pearl and nwda residents that they have desires to see different uses under the i-405 freeway, that it become more active and link the two neighborhoods, et cetera. So that is why I believe pearl testified against ig-1. And we have heard a lot of comment, the workshop on march 22nd about folks really wanting to see good things happen under i-405.

Katz: Well, and to see good things happening over i-405 as well.

*******:** And the whole northwest --

Hales: But heavy manufacturing is not what went in either case, under or over.

Manning: In addition to the ex zoning, though, we did craft a number of plan district regulations that go above and beyond what the ex zoning, or what most of our urban zones do, in terms of reinforcing pedestrian friendly environment. And we might want to look a little bit more carefully at how we might back off a few of those regulations in the area under the freeway, because I do believe that there are some, for instance the active use regulation. The Portland streetcar, a maintenance facility, really just doesn't fall into a category of -- that really fits there. It's more of a technicality. It will be an active use by observation, but maybe not by definition.

Kelley: It means you don't visit the ex, so much as you revisit the plan district standards.

Katz: All right. The big issue?

Kelley: You asked about the citywide telco. We understand that's an issue, it's not a funded project at the moment. We'll need to scope that out and put it in the mix with other program priorities that we've been wanting to get to.

Katz: Right.

Kelley: On the big issue -- again, I don't know that there's a right answer here. Let me just crystallize I think two options. 1 is a straight up and down vote on expanding the exd or not. I would add another dimension to that, though. In that I think that if you were to go forward with an extension of the exd zoning to the area west of 405 and north of pettygrove, that you would -- you would do well to accompany that action by extending the plan district there and applying some of the standards that -- or perhaps all of the standards that -- that barry mentioned in his presentation, and those had to do with things like maintaining street wall -- active street wall on 21st, getting through streets to happen.

Katz: Okay, let me interrupt you for a second. Was there no -- has there been notification at any point to the property owners on the change?

*******:** Not in those areas, no.

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Kelley: There was the notification to dlcd, wasn't there, originally?

*******:** There was a notification originally, yeah.

Katz: But not to the property owners?

*******:** Not a measure 56 notice to the property owners, no.

Hales: I'm sorry, i'm lost. What notice are you talking about?

Katz: The zone change, if we decide to --

*******:** I should clarify this. There are other property owners.

Manning: There was notice to dlcd, 45-day required notice, which was subsequently amended when the planning -- when we changed our proposal significantly. There was measure 56 notice to any property owner that was subject to a zone change or where the regulatory proposal would somehow limit their ability to have the land use that they have now, which is required notice by measure 56. We also sent broad notice of this action to the typical legislative list, both at the planning commission hearing and at the -- for the city council hearing. So the folks that are on our legislative notice list have received it, but individual property owners in the area north of pettygrove were not subject to notice of anything because we had not proposed in I any changes in that area.

Katz: Okay. I'm sorry, go ahead.

Kelley: I wanted to help crystallize the choices in front of you and back up and give you parameters about those choices. I would say that it's not ex alone, but exd with plan district and having some of those standards that were part of the council's original discussion, I think, back in december. Versus letting the process work that out over the next 18 months or so. Another kind of choice you might make, because I think that the urgency and the nature of the cnf request is really pretty recently known, even by planning staff. They clearly have been at the table. Chuck's been part of the cac, but I think the -- they're in a very dynamic business environment right now. Their opportunities have evolved and crystallized quite a bit just in recent weeks according to a conversation i've had with him this week, that it does sort of throw things into a different light, because frankly we had proceeded along the lines of the discussion here and then found in the community process that there was no reason not to slow down a bit and to look at some more fine grain choices in the neighborhood. You know, there seemed to be no urgency coming the other way not to do that, because, for example, the telco issue barry had said had gone nascent for a little while. And cnf had not motivated the concern that they are now doing in recent days. [no audio/picture from pca]

Hales: We have a reputation about being bold and visionary city. As opposed to legislating our fears, which is what most cities do through zoning. I've read this plan. I bet you have too. You know, there's not a single item in this plan and not a single photograph in here that to me would answer the question the other way. And that is, in your opinion, would this plan be advanced by the maintenance of industrial -- general industrial zoning without design review?

Kelley: No. And I guess I would have to say -- and maybe john bradley was articulating this -- that the exd may not be the only choice for at least some subdistricts. The real question then is do you zone one way now and then go back and rezone some portions?

Hales: Do we get all the angels in perfect order on the head of the pin or make a decision that makes common sense that's good enough for now. You know, that's the job.

Kelley: Let me say that I agree with you in some respects, commissioner Hales. I agree we shouldn't take forever with this plan, and I agree that I think the bold move in this area was the presence of the streetcar and what we're doing from this point forward was regardless of what zoning we put is probably not going to add up to a bold move. I think what we're doing is trying to

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accommodate a fairly fine grain mix of uses and an infield strategy that we all want to be a good one in an existing neighborhood. And so i'm not sure that we're going to see the bold move there, whether we do ex today or nine or 12 months from now.

Katz: Let me try it again. Let's try to move through this.

Sten: Can I ask a quick question?

Katz: Sure.

Sten: It seems to me that there's a working assumption that nobody would ever dare do something industrial in the two years we're studying. In your opinion, is that a good assumption? Assuming somebody had an industrial use, like the gentleman who does bone meal, is it a perfectly good assumption that he won't move over there or -- I mean, it seems like --

Kelley: I think it's a matter of weighing the relative risks, if you will.

Sten: That's what i'm trying to get at.

Kelley: I think given property values in the district, you're not going to see new industries move in. Whether it be an expansion or not, that could happen. The risk on the other hand is perhaps the case that was articulated having to do with the parking lot next to the church, will that likely be housing or likely be office. Neither one's likely to occur if you leave it ig-1 for the moment. Either could occur, conceivably, under the ex. I think that -- speaking now from what I hear from the neighborhood rather than as the planning director for a moment, I think that is probably a fear of sort of the -- the fear of the unknown is greater if you flip it to ex without some additional standards than if you leave it as ig-1 while the planning process goes on.

Saltzman: I have one question. You said you agree there needs to be a more thoughtful, holistic approach, and I guess can you do that in 2-3 weeks or is the 2-3 weeks really a just a design to overcome the procedural issues that mr. Sullivan has raised and then basically have us slam dunk the decision in 2-3 weeks or does the thoughtful holistic approach happen through the northwest area plan?

Kelley: I think it happens through the northwest area plan, which we can't do in 2-3 weeks. What I wanted to do was just see if there's a way that there are some other options that could help cnf, which is the one coming forward to motivate this change sooner, in some way short of doing the wholesale ex, or if it's ex what are the right conditions that might go along with that that the neighborhood would feel largely satisfied with. I don't know that there's an answer there. All i'm saying is we haven't had a sort of three-way discussion on that particular point.

Katz: Right.

Hales: I think I like your other suggestion. That is if we were to make the decision to go ahead and zone this property exd, you would recommend applying additional regulatory requirements in forms of --

*******:** Through the plan district by --.

Hales: We don't have a plan district now. Are you saying form a plan district?

Kelley: Extend the plan district that was contemplated earlier on in the first bureau proposal that went out for discussion.

Hales: Okay.

Kelley: So we'd expand the boundary of the plan district.

Hales: And that would give us what in addition to -- we already got the design review if we do -- what does this get us, get the neighborhood in terms of, again, the advancement of this goal?

Kelley: One of the issues that you mentioned, commissioner Hales, early on in the process was the notion of reconnecting streets through the superblocks.

Hales: Wouldn't get that through design review under exd necessarily?

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Kelley: I'm not sure.

Hales: I want to do that. I think we could get that --

Kelley: I could answer that question b, but what I heard from staff is we wouldn't necessarily get that through design review.

Hales: You don't have to argue about that, because I think the plan district is a fine way to do that. The city engineer under title 17 can do it once, which we demonstrated on north macadam. But fine, if we have to have a plan district, that's another layer of protection. Certainly won't get an argument from me about that.

Kelley: I think limiting the size of retail establishments there, if it does go to exd.

Hales: Okay.

Kelley: I think that you should talk about whether you'd want to see -- attack the issue of drive-thrus at all in the area off the streetcar. We've talked about applying near the streetcar.

Katz: Before you get to this, I need to get a sense from the council where the council -- I know where commissioner Hales is.

Kelley: It's those kinds of I think so I think we could add to the exd through the district.

Francesconi: And what's the citizen's role in this plan district? What involvement would they have?

Kelley: Well, the plan district could be further amended. For example, I think the next 2-3 week time frame is too short to get in all the height and far issues and various development issues most likely. Those might need to be revisited in the continuation of the -- of the area planning effort.

Katz: Let me just -- you have about 2-3 weeks before you come back, because there's some amendments that need to be made. Do you think in that period of time, if the council has -- you know, i'm going to check in with the council members in a minute -- if the council has any interest in expanding the exd zone to a much larger area, do you think that you can sit down and work with nwda and cnf and see if you can work something out that would come back, since this has been a collaborative effort from the very beginning?

Kelley: All I can say is I will make that offer and I will try. I cannot promise could bring back a package of things like these industry changes. I think the argument we've heard today is that exd is kind of performing without a net, and we're maybe safer on the ground. Well, you can add some pieces to that net if you have a plan district and if you have the restriction on retail and if you have a --

Katz: I'll let you talk in a minute.

Hales: Those kind of things. You might be able to broker some cement on that.

Kelley: And the other side of the spectrum, we could also work on the issue that chuck dragon articulated about the two-year need, or 2-3 year need for filling up existing space, and the need beyond that. I think there could be a discussion --

Katz: I need to understand what their immediate need is versus the long-term need, because I think there may be a desire on the council to deal with their immediate need and give a little bit more time for their long-term need. And so that's something --

Kelley: I think that is something we can do through the planning district. Without pretending to speak through them --

Katz: You haven't spoken to them today?

Kelley: Earlier this week. I think there is a way to give them flexibility to lease out existing space for, you know, relatively short-term lease, but then gives them the ability to reoccupy and economically use it in the interim. I don't think that that amount of space is going to get them the whole thing that they need. And again, how soon they need it and how much they need is a little

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bit of a guessing game, even for cnf. They're in a very dynamic corporate environment right now.

Katz: Debbie?

Bischoff: Thank you. As project leader for the northwest area plan, I am a little concerned about taking too big a leap and to back-trace and deal with any ramifications with property owners. It's one issue, but also as John Bradley said there is a lot of difference of opinions out in the northwest community as to how the transition area should develop over time. And so I'm just hoping that maybe as we look at options, maybe it's not black or white in terms of exd or ig-1, maybe there's ig-1 with a plan district that has provisions that can help cnf in the short term and give us that not jumping off the high diving board too quickly before we go through our public process and come up with good recommendations.

Katz: All right. Let me get a sense, then. I know commissioner Hales, where you are. You are willing to give them a little bit of time to come back with a package that has all the protections, but you want it as broad -- as broad as possible. Commissioner Francesconi, where are you on this particular issue?

Francesconi: I don't know, because of this reason -- I think we have two good options, but the second one isn't flushed out. So the fact that this came here lately, we need to give staff two weeks to try to develop it, to come up with that second option. In other words, I think that we should change -- it makes sense to change the zoning. The question is how are we going to change the zoning? Industrial doesn't work. There's agreement on that. It seems to me that ex zoning is more appropriate. Then if you combine that with the master planning idea that puts some specificity on this and has a role for citizens, that's actually a good option. That's the one for commissioner Hales, but I don't have the other option to compare it to yet. I am concerned that we take care of the employer, if there's a major opportunity, and we need time to try to work that through, but I do, you know, want to be this big, bold leader, but one of the best big bold things we do is actually include the citizens who come with up big, bold ideas and we implement them. I'm a little reluctant to kind of violate that process if we don't have to and we take care of the employer. So I'd like you to kind of look at that and then we can weigh this. But I'm confident that either of these two options, once you come back with the second option flushed out, is something that's going to get us where we need to be.

Katz: So far I've heard flush out the two options. All right, commissioner Saltzman, then we'll go back to the details.

Saltzman: Well, I think, you know, I want to try and accommodate cnf's desires, although I think they can be accommodated through some of the ideas we mentioned earlier. I guess my overriding concern is I do believe that cnf issue should be left to the northwest area plan. This did emerge relatively quickly. And I think, you know, some other uses were mentioned that I don't think will be addressed in the 2-3 weeks, such as open space. I mean, we're talking about most densely populated portion of the city, and probably the most parks deficient.

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

Saltzman: So I think that's an issue that will get looked at in the longer process.

*******:** Right.

Saltzman: So it's not all about just housing and commercial uses. So that would be my preference. Having said that, though, I'm certainly willing to see, you know, what you can work out in 2-3 weeks and I'll take a look at it, about you I'll stay right here. My preference is this be dealt with through the northwest area planning process.

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Katz: And provide some flexibility at least for the space we know of, which is the office -- the building, right?

Saltzman: Yeah, correct.

Katz: Commissioner Sten?

Sten: You know, I lean towards, you know, changing it to ex. You know, I think the industrial play is -- you know, I think everybody knows that that's not what it's going to be. I don't know how you get a climate in which you're going to get any decent kind of investments when everybody says it's really not ig, but we're never going to make the change. But I probably, cnf, you should hear this from me, because if i'm the swing vote, you need to take a couple more steps and agree to some kind of design guideline strategy so that there's something that the neighbors can engage in to try to get it right. I think that the idea would be to give you the certainty that you need to -- that you've got something you can invest in, because obviously you're not going industrial, but I think you've got to come up with some -- some give so it's not a free-for-all. And I think that could be accomplished. If neither side can take a step to the middle, i'll rethink, but my instinct is on the rezone side.

Katz: I think you've got some very clear direction. Let me just say as a resident of that area and as a citizen who is involved in the '60s plan -- none of you were, right? Al, you weren't, were you? Ahh, okay. But we struggled on this issue. And it was a decision that was made at that time that -- in an industrial sanctuary, industrial land use, was very appropriate. I'm very sensitive, even though I don't always agree with john and the wda, but they have had things done to them over the years without a lot of discussion with the community and with the neighborhood. And one of them was an institutional expansion over the years until we finally got some peace. And i'm nervous of making that change immediately without giving you the opportunity, gill, to sit down with john and representatives of the nwda and cnf, and come back with the two options you just heard. And then we'll make the decision whether -- whether we just wait until the plan district work is done, expand the plan district, and -- okay. Now, so, you've got your instructions, to come back within 2-3 --

Kelley: Yeah. I think it's going to have -- it's going to take us on the 2s weeks to probably getting the meeting together and get through a discussion, so I would say three weeks would be the earliest.

Katz: Okay. Now, the -- expanding the retail from 10,000 square feet to 40,000 square feet on the east side of i-405. Everybody in agreement with that?

*****: Yep.

Katz: Okay, so ordered. What about the freeway, the zone --

Hales: He move we change this to exd.

Katz: All right does everybody agree? All right, we got your marching orders on that.

*****: I assume we'll look at the plan district standard to see if there's --

Katz: Right. We need -- you need to come back with an amendment on the noise, because we are not going to deal with that as a land use issue.

*****: Right.

Katz: Is everybody in agreement with that? Okay.

*****: And we actually have substitute language. We'll bring that back.

Katz: Bring it all back as a package. Anything else i've missed? I've covered everything.

Saltzman: I guess on the noise issue, why don't we want to deal with it, or consider dealing it with it as a land use issue?

*****: Umm --

Saltzman: If you want to explain it to me later, you can do it.

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Kelley: Yeah, it's certainly a choice. I think that -- there may be one or two commissioners that would have made that choice. I don't think it was clearly articulated at the planning commission meeting. Certainly in talking with staff, opdr staff and planning staff, I think one -- the notion that -- that we all understood the planning commission was to make a performance standard here that people had to comply with and that they knew where to go to find the performance criteria, was pretty straightforward, just as many things are in the permit process. Doing it in the exact way that the commission motion was stated would mean that application of that standard would be discretionary and appealable, which is just kind of lengthens -- draws out one part of the permit process for a building that might not otherwise need any form of discretionary review. So that's sort of the balancing act to do that.

Saltzman: I guess, you know, it kind of reminds a little bit of sort of the air pollution model, where you can have every plant emitting air pollutions meeting the best performance standards, yet you're still violating the overall ambient air quality standards. This is very relevant to the noise issues, particularly in northwest, is everybody can be doing the performance standard, yet noise still is an issue.

Kelley: Uh-huh. I'm not sure if that's a question of individual performance or question of standard.

Saltzman: I think part of the concern of those advocated it be a land use decision, just as we heard last week on some of the land division code issues, is that often times we -- the bureaucracies are just too prone to want to push these issues aside and say, well, you know, they met the technical standard, and sometimes it takes the attention of neighborhood activists and citizens to really get us to make tough decisions, but nevertheless decisions that will -- or, you know, may improve the quality of life. So I guess I want to do some more work on that one.

Katz: Okay. And you do some more thinking through that one and come back at our meeting next week on that particular issue.

Kelley: Okay. Now will this be a continued hearing I guess is the question?

Beaumont: I think if you're coming back with amendments, it does need to be a continued hearing.

Katz: Yes. And double-check with kathryn on the notification issue. I get a little bit worried about expanding the zoning and maybe not letting other neighbors know, but owe.

Hales: Aside from the legalities and formalities, I think it would be useful for you, gill, and perhaps get cnf involved, go sit down with the church. I don't think the issue's zoning. I think the issue is, you know, working out an agreement about what happens there at that portion of the neighborhood and their plan district requirements that could get you there from here. So I think there's an opportunity to resolve that conflict by means other than luba appeals, and I think ed thinks so too, but it requires an outreach from us to the property owners to try accomplish that.

Katz: Okay. Does everybody feel ready to adjourn?

Francesconi: No. I'd like to say one thing. It's on your planning staff. I mean, this new flexible planning staff that we were led to believe that we were going to get, we got it. You were asked to address the telco thing. This thing came up, cnf, as a different issue in the hearing and you've made adjustments and you're helping us get through this.

Katz: I'm sorry, we're not adjourning yet, we have one more item, but do put that issue on our calendar.

Beaumont: Mayor Katz, to be clear, this is being continued three weeks to june 20th?

Katz: Yes. Who's not here?

Moore: Commissioner Sten is gone on the 20th.

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Katz: He's happy that he's gone.

Sten: Vacation. [laughter]

Katz: All right, everybody, thank you. Let's go on to the next one. 652.

Item No. 652.

Debbie Bischoff: -- to offer available parking in their structure parking lots for use during the evening and overnight hours. This shared parking concept was initially rejected because the legacy medical center property is zoned high density residential. A residential zone that does not permit what is considered in this case commercial parking. In 1998 a first of two code waivers was approved by city council. Each code waiver lasted 18 months. Today you are being asked again -- ones again to approve a code waiver for shared parking in northwest Portland. The time frame that is being recommended in this agreement is for three years and should allow ample time, more than ample time, for city staff to try to more fully address parking issues in northwest Portland as part of the northwest area plan and also through pdot's parking management efforts in northwest Portland.

Included in your packet today is the evaluation report for the northwest shared parking program.

The medical center has designated 195 spaces for this program. There are a lot 172 residents participating in this program, along with ten business people. All properties involved have not found the shared parking program to be problematic and feel that the program should continue.

The attached agreement to the ordinance you have before you has been signed by legacy, nob hill business association and the northwest district association. Letters of support follow. The only change in the agreement from previous agreements is a provision that allows a charge for administering the program as requested by neighbors west-northwest, and agreed to by the affected parties. The bureau of planning and the office of transportation recommend that city council approve the ordinance, which continues implementing the shared parking pilot project in northwest Portland and grants the code waiver for this program. We ask that this ordinance be adopted as an emergency ordinance because the present waiver expired. Thank you.

Katz: Okay, what time line is that? Yeah, move it quickly.

Saltzman: Who gets the administrative fee? Neighbors west-northwest or legacy?

Bischoff: They're the ones that administer the program. If they do decide to charge, what i've heard, it would be like a nominal, like a \$10 fee just for the staff time it takes to process those permits.

Katz: Okay. Further questions?

Francesconi: You said three years as pilot? So can we make it four years so it comes back after we're gone? [laughter]

*******:** Whatever you'd like.

Hales: Parking's always with us.

Katz: All right, public testimony? Come on up. Our good citizens.

Katz: John, why don't you begin.

John Bradley, 2350 NW Johnson: I'll keep this short and sweet. My name is john bradley, I reside at 2350 northwest johnson. I'm here to support the proposal. There have been no problems, no complaints from the neighborhood. It's increased parking availabilities. We like it.

Steve Fossler: Steve fossler, transportation coordinator for nob hill business association, 600 southwest tenth avenue. It's been in place for three years. We like it, it's working well. No problems. We thank legacy for making it happen. And are glad to cooperate with nwda and all the parties to keep it going.

Katz: Who's using it?

*******:** Largely residents for overnight parking. And weekends.

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Katz: Okay, all right. Go ahead.

Ginger, Legacy Hospital: Hi. I'm ginger here representing legacy, and basically ditto. We're pleased to partner and continue that partnership, and three years is fine with us. We see it as a positive strategy, to help a little bit with easing the parking problems in northwest. Our security department will continue to monitor and make sure we have availability. I just wanted to clarify that we're happy to discuss any -- any charge, but it would not be legacy, and I want to make it really clear that if they go forward with that that it's not legacy charging, legacy getting any benefit from that, but we're happy to enter into that discussion to see if folks want to do that.

*******:** And one other --

Katz: Identify yourself for the record.

Fossler: Steve fossler. One other item. While we're talking about parking here, all three parties are also actively involved in transit and alternative modes transportation. This is just one segment of the things that we're doing.

Katz: Right. Thank you. Anybody else want to testify? Roll call.

Francesconi: This is terrific. You all reached agreement. One thing on legacy, legacy, this is another example of legacy being a terrific corporate citizen. There's a lot of employers that do a lot with their schools. It's come to my attention that nobody does more than legacy. So I just wanted to thank you for that as well. Aye.

Hales: Good work. And although it's good that you clarified the record that legacy will not be quote, unquote, enriched by this fee, it would take a long time these fees that legacy made in the streetcar. Aye.

Saltzman: This is a great example of how cooperation can achieve a greater good here, and as somebody had who's actually availed myself of the after-hours parking himself, it's really great, 'cause as you all know northwest can be extremely hard to find a place to work at times. Good program. Aye.

Sten: I agree. Aye.

Katz: I absolutely agree. It's nice to see history change with legacy hospital. Aye. You don't live in northwest.

Hales: No, he parks there.

Katz: Okay, we stand adjourned before I walk into --

At 4:06 p.m., Council recessed.

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2:00 PM

Item No. 653.

Katz: Let me just open it up by -- I asked gil to make a presentation or whoever is going to make a presentation as if it was never made here before, because it was only jim and myself that were at the public meetings, and I think only dan, jim and myself again that had heard the presentation. So we're going to assume that you haven't heard it, which you haven't heard. Let me start by saying, i'm not sure to what extent this conversation would have started if it wasn't for neil goldschmidt, who I saw here. Is he here? Thank you. And tom more. You're am waving. Who are you waving to? [inaudible] all right. For those who didn't understand, when we have a rowdy crowd here that wants to applaud, and I tell them we're not going to run this as the school board runs the meetings, they are to do this. And that would reflect their support of what's being said. So our two wonderful citizens who are here for the good and the bad and the ugly remember that. It wouldn't have been here if it wasn't for, as I said, neil and tom, and others, who had a vision and who still have a vision for this city, and brought that to all of us and our decision, then, was to bring a panel of experts, sort of removed from the interests at hand as well as the politics of this city or the politics or the interest of this council. And brought a panel of experts to look at the -- this core heart of the downtown and make some recommendations for us. I want to thank Portland development and the parks and planning for their work on this. This is a collaborative effort. When that all happened, we had two public meetings. What was exciting about the two public meetings that for the first time in at least in the nine years or 8 1/2 years i've been here, we haven't discussed the core of the downtown in the way that we talked about it that -- those two nights. The excitement and the interest of property owners, but as well as architects and citizens who live in that area and who work in the area was really exciting. They reengaged themselves in the conversation about the future of the downtown. And I don't think that's happened since the central city plan or the downtown plan. And I see former commissioner margaret strong here, who -- and former commissioner lindberg who were involved in that with their heart and flair soul, and their vote on that -- on those issues. So the excitement is there, a proposal for us today is before us. The future is for us to act on, and so there's a lot of wonderful possibilities and still a lot of wonderful -- a lot of hard work and hard work with partners from both the private sector as well as the public sector. I won't say anymore, but I want to turn it over now to gil and to don and to have you hear the presentation. Then we'll open it up for public testimony.

Gil Kelley, Director, Bureau of Planning (BOP): Thank you, mayor. This is a great day for us because it marks the completion of what we call the first phase of the midtown blocks planning effort and hopefully with your action today the beginning of the second phase, which takes all these great ideas and will put them into the mix of a real development strategy that is more specific and involves more stakeholders, even than the last phase in making these ideas real. What we'd like to do is i'd like to give a little bit more background to how we convene the a.c.e., which is shorthand for advisory council of experts. And then mark ragout from the planning bureau will walk you through a power point with some visuals so you can have some understanding of what we're talking about as these concepts lay out in the midtown blocks area. I'll follow mark, then by saying what we've done since the a.c.e. Was here in february, and what we are proposing for your action today. I would then invite don, the new development director for the city, to come forward and to add his thoughts as well about going forward with the development strategy. So let me begin, and I think the mayor covered very well sort of how we got into this. I would just add that following the donation by tom more of what we now call park block five, that the parks bureau and the Portland development commission really set about on an effort to begin the design work for park block five

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for that new block that was donated. And at the same time the development commission les printes and amy miller had developed a retail strategy for the district as well that recognized the sort of fine grain nature and the distinctive nature of the retail in that end of downtown. And we're proceeding along those lines. When the -- what is now the park blocks foundation came forward with a pretty radical idea, which is actually an historic idea of opening up those blocks continuously, and at that point as the mayor said, clearly the stake were higher. There were bigger notions on the table. And the mayor asked me to convene this team to really look at the deeper questions and the possibilities that were involved. We did that principally by hiring don on my left, who has a long history of planning and design in Portland, and who convened a really internationally recognized panel of experts who were representing a multiple of disciplines from architecture to historic preservation, urban design, retail expertise, development examiner sees, and project development expertise for major downtown retail projects. A very, very talented and interesting group who came to town and spent a week here and the report that's in front of you, which mark will go over, is really the summary of that week's effort. It is not meant to be a plan,, per se, it is a set of ideas that are really aspiring larger actions on the part of the city. So I would echo exactly what the mayor said, which is we got into this notion sort of starting with the idea that this was about park block design, and found that it was really about much larger issues than the future of downtown's retail core, the question has come up, are we to be the retail hub of the region as it continues to grow and flourish, or are we just one of many retail districts? Secondly, it looked at the question of the future of the west end of downtown and really really saw huge potential there for a very urban neighborhood. And it also looked at the nature of the investments that we've made in the streetcar in downtown, and light rail, and saw an amazing crossroads right here next to the park blocks area, which really signaled a huge investment that we can leverage off of. And the potential for this being a very active and very urban district. And they then looked more closely at the park blocks themselves and tried to give us some guidance about how design or at least guidelines for project development and open space development in that area might further those bigger ideas that they are to -- that they articulated. And we engaged the public I think in a very comprehensive and enthusiastic, although compressed week of activity which really upped the ante. It brought a lot of creativity. We heard from lots of people during that week and don in particular should be credited with not only the care and feeding of that group of experts, but the instructions to the a.c.e. Themselves, really broadening their view out and forcing them to look at the real issues. So we want to thank don in particular for that. Before we go forward into what comes from here, I want to sort of step back and let mark sort of walk you through what the council of experts did and said, the week they were here, and hope that it sparks some enthusiasm on your part as it did with the rest of us who participated in that process.

Katz: Okay. Mark, go.

Mark Raggett, (BOP): Thanks, gil. My name is mark raggett, with the bureau of planning. I'm just going to walk you briefly through the report that was produced by don's office, the --

Katz: Jump in any time you want to, don.

Raggett: Absolutely. Basically, the report is divided into three sections, contains some context wall principles, then jumps into a series of alternatives that were looked at in different -- for different pros and cons, and then it dives into the four-step phased recommendations over time. So i'm going to walk you through the power point presentation briefly. They looked at the -- obviously here is a map of downtown Portland. The study area is directly in the middle of this diagram and it's -- includes the narrow south block 5 at the north end, the west end, highlighted in blue, the river district and the pearl district, the brewery blocks development, currently ongoing with highlighted in the red. At the northern end the north park blocks are taking off. The historic district to the northeast, the retail core as it was identified and kind of developed in 1972 is to the east and government center is down to the southeast of this study area the group was looking at. There's a

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diagram produced that was -- it's in the early part of the report, calls out in bubble form, again looking at psu, the cultural district, the housing potential, the dense urban neighborhood, and then connecting the potentially the government center, the retail core, this community retail idea that was brought up by the a.c.e. And the retail experts and ultimately the brewery blocks, using the new straight car light rail connection as sort of a new potential ground zero in downtown. Gil went over the events. There was three primary events listed in the report that kind of stimulated this talk and the a.c.e.'s focus order those issues. They set up with nine principles in downtown. The first one being to create long-range benefits in the value of downtown. That's based around the idea of developing did there's no market to build big I ban buildings now, building stronger below-grade parking structures. When -- to reestablish downtown as the region's prime retail location. Again, they were looking for and they didn't find a real strong policy backing for reemphasizing the downtown of Portland as the region's retail core. To support and enhance the diversity of retail. The experts identified a three-tiered retail situation with national, regional retail at the top, larger department stores, nordstrom, meier & frank, a community level, a retail, old navy and crate and barrel are examples, and then the specialty or neighborhood oriented retail, which is what you see in the west end and midtown blocks area itself today. The next principle is connect the surrounding neighborhoods and developments to the retail core. They -- there have person lots of connections -- discussions about the north-south connection, and an idea surfaced of using these midtown blocks as a gateway from the retail core to the west end. To the fifth principle, to spark variety of substantial mixed use development with a strong residential component. That again basically they saw the west end as an enormous opportunity for the denser -- dense urban neighborhood. They recommended the city look at a recreational oriented park or open space in the west end that would augment the potential new open space. The next principle was to minimize reliance on the impact of the automobile. Bob gibbs spoke at some length about how structured parking is -- was a good decision back when those -- the buildings specifically they identified the 10th and yamhill garage, when those were put in, but now the city needs to look to underground parking and how to achieve that to maintain the active uses at the ground level of the to respond seventh principle was to expand open space for long-range city growth. Think about what the city was going to be 50, 75, 100 years from now and.

Raggett: May not be the demand for open space now, but in the future the city needs to think about what the open space demands will be and what types of open space would suit those aids. Protect buildings of historic significance. They recommended the city get a very clear and rapid -- be able to wrap its arms around the properties in this area in the midtown blocks and their immediate vicinity that are of key historic significance and are helping to enliven the character and the small retail local uses that are along southwest park and ninth in the midtown blocks area. The final principle was of course to create instruments for implementation. Looking at the air rights, looking at the air rights above the historic structures, being able to use those as a way to stimulate redevelopment, perhaps provide new incentives for the redevelopment in the area, et cetera.

Basically trying to figure out how we can make some -- a lot of the ideas and strong concepts that are in the report, how we can make those happen. A.c.e. Came up with answers -- these are the three questions, the -- that they were brought in to answer. There was also a list of stakeholder groups, property owners, et cetera that were asked to answer these questions and respond to the a.c.e.. So the a.c.e. Could use that information when coming up with the ideas and recommendations contained in this report. The questions are, what ask role of the midtown blocks.

What should be the criteria for uses in the midtown blocks to complement and connect the retail core, the south park blocks, the west end and the pearl district. And third, what are the physical attributes of the desired connect evident and the midtown blocks and the north and south blocks. I'm going to start in that -- into their seven options basically and starting with the existing situation, they looked at the idea of currently between salmon and burnside you have the generous donation of

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tom moyer, the block west of the fox tower, and brian square. Basically trying to fix those or designed -- redesign -- design those new urban spaces and the street southwest park and ninth between salmon and burnside with a burnside crossing as one design exercise and develop that as an urban room. Did -- do that first and soon. Option 2 was open space every other block. This is what's been called and referred to as the necklace scheme. It's been discussed before. The a.c.e. Arrived and basically it would call for south park block 3 looking at that park block space as open space that you'd have south park block 5, 3, and a facelifted potentially o'bryant square along with the rights of way southwest park and ninth between salmon and burnside developed, so you'd have an every other block open space system. The section diagram would not only apply to this option, but any other -- any of the other options you see or have seen previously. Option three, they suggested maybe south park block 5 perhaps a stronger east west connection would be to look at potentially redeveloping that. South park block 5 and look at 4, which has been referred to as the sele block and look at that as -- two built blocks and o'bryant estuary and look at redeveloping all the rights away from salmon to burnside, southwest park and ninth as one design exercise that. Would strengthen the north-south and also the's-west. Option 4 was what if we just took all of the blocks between salmon and burnside and converted them to open space. Leaving one small building up in the block just north of bryant square and a very physically -- that would be as hard or soft escape, very physically connecting the north park blocks and the south park blocks. Option five was the analyzing and considered the park blocks foundation proposal, which called for a boulevard scheme at the time the a.c.e. Was in town and this would potentially bring the right of way southwest park and ninth together for one park avenue that would continue down the middle and have double rows of trees and two layers of retail, at least two layers of retail facing onto that street. Option 6, looked at basically if we keep at salmon the bottom park block and looked at the city, they recommended the city perhaps study the acquisition or control of park block 4 for combined kind of -- and they refer to it as a two-park belong long open space leaving southwest -- south park blocks two and three and a facelifted o'bryant square and looking at the right of ways as one cohesive scheme that would potentially give it a very unique and narrow long north-south oriented open space that might have a covered piazza you see next to it on park black 4. And option seven looked at sort of a fairly radical and aggressive open space scheme this one in the east-west direction that would look at the nordstrom site connecting pioneer courthouse with a new civic arts building. That would also call for making open space out of the nordstrom site and park block 4 so you'd have not only a north-south along open space, but a very strong east-west open space connection between the retail core and the west end. The four-step phase strategy basically step one called for the creation of the urban room, which was -- I -- step 2 was to initiate strategic infill, step 3 was to reinforce the east-west connection and step 4 was to anchor the new neighborhood. You see that here. This is step 1, which is create the urban room, which again looks at the right of ways from san month to burnside crossing burnside and the right of way of southwest park and ninth with a new open space at south park block 5 and a facelifted o'bryant square, looking at all those as a singular design unit, designing them as one piece and to work on creating an urban room. Step 2, the initiation of strategic infill, looking at key sites and opportunities for catalyst redevelopment projects. One of them being on the block immediately north on o'bryant square and perhaps looking at a dense residential projects that could provide eyes on that park to provide indirect levels of surveillance. And the half block behind the gil theater facing the library looking at that for another dense redevelopment project that might have -- be a mixed use project with office or residential, some combination. The 3rd step was -- would be looking at a three-block section that includes park block 4, the nordstrom block and the tenth and yamhill garage look, -- looking at those three. These are layering on top of each other over time. So the we -- now we're at step three, so these three would -- are then recommending the city is to pursue the park block 4 scheme as open space that may be the -- there's a definite relationship between the nordstrom block and the tenth and yamhill

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garage and that having a structured parking facility and a loading dock for nordstrom facing an open space may not be the best situation that we should look at the redevelopment of all three of those at the same time. And step four, a large six-block redevelopment opportunity west of the west end -- of the midtown blocks area and that would include the tenth -- it's bound bide southwest Washington, southwest yamhill, ninth and 11th. This sixth-block redevelopment opportunity would be anchored by an additional ground zero at the crossing of the light rail and the streetcar lines. And again, the -- they identified this as a major redevelopment opportunity not only for the west end but could anchor the new retail core and all the redevelopment that would happen in the midtown area. This is step 4 after four-step phase to strategy. That's my brief take. Does don -- I don't know if don wants to add anything.

Katz: Don, did you want to add, both you and gil add anything to it?

*****: Yeah, if I might. This last option I think --

Katz: Identify yourself for the record.

Don Stasny, Architect: Don stasny, architect.

Katz: How did you define yourself?

Stasny: Eye tin rant architect.

Katz: Okay.

Stasny: The report I think stands very well for what the council of experts came up with. And I think it stand very strongly in that way. I would add one little clarification. Mark said redevelopment opportunity, and that's redevelopment in the proper way in which there might be reuse of many structures that are there, adaptive reuse as well as building upon the successes that are in that area, like the governor hotel and other development in there. But I think it is a general area kind of anchoring a new neighborhood that might come out of the west end. It was an idea that was perking along here in Portland and I think they identified it in many ways having people come from the outside, they can have the forest instead of the trees, and be able to identify that. The second big element that came out was this idea of the new 100% ground zero that we've created. Where we regional light rail system and a local trolley system coming together, and really surrounding a block which potentially could be one of the softest blocks in Portland as far as buildings that are on it that might be removed or redeveloped in some way. Moreover, and I think much more important, and the reason that I am here today, is that I have been a part of the green development of the city for about 27 years, since I came back to Portland. I came at a time when the downtown plan was just beginning to be implemented. I was a part of managing pioneer courthouse square and putting it together years ago, once we had a number of the downtown plan elements in line. With commissioner strong, commissioner lindberg, others helped with the central city plan in putting it together. I know of no other decision since the downtown plan that is so important to the downtown of Portland than proceeding with this particular area in an orderly, cooperative way with the council, with the private property owners and with the citizens of Portland. This area is absolutely the most important effort that we need to undertake to guarantee that our downtown is a -- is the strongest possible downtown it can be. Without a strong downtown, we can't have a north macadam, we haven't a -- have a pearl, we can't have a northwest district, we cannot have a coliseum goose hollow area that is healthy. The downtown needs help. We've extended it, pushed it to its limits. It now has to move on to the next level of evolution. In accepting this report, it's accepting the report of some experts, but it is far, far more important, because it lays the ground work for this city going from being a good city to a great city.

Katz: Thank you, don. Gil?

Kelley: Let me just add a couple more words about what I think the a.c.e. Said as well, the council of experts said. I'd like to talk about sort of what we've done in the intervening period and where we're going next. I think commissioner Hales, for example, is fond of saying that Portland is and should continue to be the most european city in the united states if not north america. And I think

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that feeling resonated with the council of experts in the sense that they felt there's not an easy answer for the future of the park blocks and the west end that it is in fact a very dynamic set of forces at work there and that that's to be celebrated and worked with, even know it makes development and redevelopment a little bit harder and more challenging, but that's part of what really Portland is about and that doesn't mean that their recommendations are not a bold move. It means they're really wanting a sort of sophisticated approach to redevelopment of these blocks. The other thing I think I would say is that -- and again, sort of stating the obvious, is that for the council of experts, equally important to what we do in this narrow set of blocks is what happens in the west end and what happens with the city's overall retail strategy for downtown. And so I think those are key side boards to this report. One of them you'll be seeing until the form of planning commissioner recommendation that's are coming to you next month on the future of the west end, and the second is the need to really prepare a fairly aggressive retail strategy for downtown and I think that don is very keen on that notion and will be talking to you about that in the future. So I think those are parallel efforts that really reinforce what went on here. Let me just describe a little bit about what we've done since you last saw us in february.

Francesconi: Can I ask just one question, mayor? Is that all right if it's just one question?

Katz: One short question.

Francesconi: It's for don, but gil you can answer it too if you want. Can you elaborate a little bit don on your pretty significant statement that this is the most important thing we could do? And specifically why are the midtown blocks so important to the pearl and macadam, the central eastside, lloyd center as well as the neighborhoods? Why?

Stasny: The thing that makes Portland unique, and you as well as others have had an opportunity to travel this great country of ours, but also internationally to see how cities work. Because in my background, that's a what I do, and I do travel a bit. The -- if you find a successful city, it always has a very, very strong core. And it goes back to central place theory, in which the central core of an urban area provides a lot of the basic services and then is surrounded by a number of satellites which have different kinds of specialties. As we have grown more and more, this kind of very strict hierarchy of the way cities are structured has melded into much more whom only news kinds of situations, especially in our western cities where we basically have very low density all the way through. The reason -- when you have a very healthy downtown core, and this goes back to our downtown plan, is that that forms the basis for the region. It sets the standard. It sets the quality level. It sets the expectations of what the citizens are. From that, then you can have other specialty areas that surround that core that enhance it and there develops a synergy between those subareas and the central core. The reason I think this is so, so important is that a lot of the actions we have taken as a metropolitan area, as a state, have to do with creating higher densities in our outlying areas. What this does is tend to mitigate the importance of our downtown core in that every municipality, whether it be beaverton, hillsboro, whatever else, have -- beginning to grow up. They still need a father and a mother, and that has to be the downtown. We have built the downtown, but if you look at it, retailwise or activitiwise, it really hasn't developed much for about the last ten years. We've seen pine ore place come in -- pioneer place come in, and that's been the only major development coming in. All of a sudden we're faced with an opportunity through the midtown blocks to begin to link not only the old downtown retail core, but an expanded core which also begins to set the core of the new neighborhood. What is most important of all I think is that this expansion then begins to develop almost a fertile crescent of activities which goes all the way from the brewery blocks back through the park blocks down through the retail core and begins finally to tie into the government center and to the old town area down below. So it's a matter of hierarchies, it's a matter of activities, and it's a matter of setting examples for the entire region.

Francesconi: And creating wealth. Thanks, don.

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Kelley: I would agree that I think downtown is not just another neighborhood. It is central to the identity of the whole region, and I think for that reason it's worth making this kind of special effort and investment downtown. I think one of the things that the council of experts saw was the advantage we have over many other metropolitan areas in north america in two critical respects. One is the establishment of the urban growth boundary. They were amazed at that concept and could see that really has the ability to reenforce the kind of urbanism in the central city that they envisioned and that we're beginning to see. And they witnessed the phenomenon that is the pearl district in that record. Secondly I think they opened the window to the downtown as we know it as really being -- becoming the central city. Looking at the river district and potentially the central eastside, it's really being the larger downtown. And so the more efforts like that that we undertake to cement the identity and the future of this larger downtown district, the better. And this seemed like a perfect opportunity to do that.

Katz: Okay.

*******:** Let me just if I could describe a little bit --

Katz: And then don, you'll come up and we'll open it up for council questions and then we'll do public testimony.

Kelley: In case I otherwise leave this to the end and forget, I wanted to acknowledge the hard work of mark raggett, the bureau of planning who is a comanager of this project, but his fellow comanagers were amy miller from the Portland development commission --

Katz: Amy, raise your hand.

Kelley: And riley whitcomb from parks, who I think may also be here. There he is. And I think the importance of acknowledging their collective efforts is that this was really an interbureau effort here. And I think we needed that to get this far. We included pdot and opdr as well and will be needing their assistance as we go forward into the next phase. And I just wanted to acknowledge that part of the effort. Let me tell you a little bit about what we've done since the council of experts was in town. We have after receiving don's report, the record of what the a.c.e. Did and their recommendations, we have visited four commissioners, the planning commission, the Portland development commission, the landmarks commission and the design review commission, and all are supportive of this effort. They have forwarded comments to me and some in writing to you and I think we have revised -- addressed those in the resolution that's before you, but I think I can say all much they are very interested in this effort moving forward. More than that we've had a series of conversations. One of the things that I did was convene an advisory group to me so that when I came forward with this resolution I had the benefit of the advice of several of the stakeholders. This was a committee with no name and no special stature and no pressure to vote or even reach consensus or to even hold to anything that was said in agreement in the room, but they gave me a lot of good ideas, and many of those people are in the room today and i've benefited greatly in rounding out the resolution from their advice. We've also had conversations with private landowners and building owners in the area with cultural institutions who are interested in the future of these blocks and the west end. With representatives of the park blocks foundation, and as recently as today, with development consultants who have relationships with the may company and with nordstrom. And I think it's going to be very important as we move forward to keep all of those parties actively engaged at the table. In a nutshell, I think what we're asking for in the resolution is first of all that we take phase 1 of the a.c.e. Report, which is sort of creating that urban room, doing the design for block 5 and the streetscapes including the burnside crossing, forward without delay as a design effort. Parks and pdc have been anxious to get going on that. And that will show real progress and intent here. We'd like to take what they have referred to as sport of phases 2 through 4 and really wrestle with that, because what we've got is a set of great ideas that really need some further work and prepare a development strategy and come back to you in roughly nine months time frame. And i'd like to volunteer that we'll come back with periodic reports to let you know how

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we're doing. We would do that through the -- with the assistance of the Portland development commission itself as well as the planning commission itself as expressed interest. We'd involve the other two commissions I mentioned. Essentially that's an interbureau partnership between planning and pdc and with transportation, parks, and opdr's design review function. All those people need to be in the mix to help us with that. We'd like to use that as an opportunity to really identify the catalyst projects that would not only revitalize this part of the midtown area of downtown, but would further leverage investment in the west end and would get us down the road in terms of implementing that retail strategy that we're still needing to develop into that extent we'd like those major retailers as well as the smaller retailers at the table in this discussion. Thirdly I think we want to -- owners and developers of existing properties in the district that may or may not involve one of those major retailers to be part of this, because there are many ways in and existing properties can be redeveloped, freshened up, reused in a way that compliments those open spaces and gives real activity to them. I think there's a lot of interest on the part of downtown property owners to participate in an effort like that where there's a clear focus of the activity. So that is critical. We've outlined a number of steps in the resolution, but I think really the choice if I can boil it down to one question for you today, is whether we continue this as sort of a modest scale park design effort, or whether we really attack these larger questions and say, for example, that you want the downtown of Portland to be the regional retail hub and for us to pursue an aggressive retail strategy like that that you want us to figure out ways to really make the vision of the west end as a very dense urban neighborhood come to fruition. And that you want us to work with the parties, many of whom are represented in the room here today, to really unlock the development puzzle that's going to create those urban open spaces and retail and housing developments that make this midtown blocks a very special area. So that's a shorthand version of what's in the longer resolution. I would say that i'd like to -- we recommend that we continue to convene, this is an interbureau effort, and i'm -- i've volunteered to continue to be the convener there. But a critical partner in this effort is going to be the Portland development commission and don hasn't been on the job long, but he's been on long enough to know this is a big one and something he'd like to be involved in.

Don Mazziotti: Don mazziotti.

Katz: This is your first official meeting. I understand you were involved in a work session.

Mazziotti: That's correct.

Katz: Thank goodness I wasn't there.

Mazziotti: I'm kind of nervous. [laughter]

Katz: Welcome.

Mazziotti: Thank you very much.

Katz: You've done this before, but not --

Mazziotti: I have. It's been a while. I can't speak with nearly the eloquence that the other members here have spoken to. Except to say a couple of things that I think may be important for the council to know. First, I think it's very important to know that I don't believe anyone could have done a better job of orchestrating you to the point that you and this plan process has been developed to -- than gil kelley. He's condition a fantastic job, and it's no small accomplishment. So I want to say that, and gil didn't ask me to say it, I say --

Katz: We've been working on this.

*******:** I paid him to say it. I didn't ask him.

Kelley: So that said, don probably said it better than anyone and certainly better than I could say it, we are at a threshold of a new era for downtown Portland. The issues that are raised in the next phase or for the next phase of activity should you decide to go forward, are issues that go well beyond the midtown blocks themselves, and will resonate throughout the downtown and indeed the region as don said. So they have a dramatic impact on setting the future course of Portland, how it's shaped, how it's regarded, how we regard ourselves. Secondly, there is no small amount of public

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money that will ultimately be necessary to make all of this work. In terms of land control, building control, development agreements, all of those sorts of things for our part we obviously are interested in heading in that direction. There's a good deal more clarity, however, that has to be brought to the concepts that the a.c.e. Group has put together that Gil has described that the resolution encompasses, and the development commission, they've communicated to you through Marty Brantly, is very supportive of continuing that effort. We're committed to the interbureau approach. We'd very much like to be partners with the planning commission in -- in the development strategy component. We think that's important and something that we're willing to step up to and participate in and help make it work. I would only say that we support the resolution as it's been developed, and we're ready to take on the task. We've got some great people and I think if you look around the room, at the people who are here, the significance of this resolution is made all the more important by the interest that it has attracted and the talent that is available to make it work.

Katz: Thank you. Okay.

Francesconi: Can I ask one question?

Katz: One question. Commissioner Saltzman, -- why don't you ask your question.

Saltzman: Okay. I had two questions. One relates to an amendment I'd like to offer to the resolution, and that is to first of all include the office of sustainable development on the interbureau team, and since the interbureau team relates the objectives I'd like to modify objective number 4 to read it would identify and pursue catalyst public private projects which will not only spark new sustainable development, but also further the objectives of this resolution. So it would add the word "sustainable." that's great.

Katz: I don't think that's a problem.

Saltzman: Okay. My second question was, is the thing that I am concerned about, and that is, I think we're obviously envisioning an urban renewal district. I am quite concerned about two large of a district being formed, and so I wanted to know what your thoughts were as to boundaries, as to assessed value that would be included and I also know we're very close to exceeding our allowable threshold for urban renewal, which is 15% of the lapped area and I think 11% of assessed values. So depending on how large of a district you're looking at, that is going to use up our capacity, and that's going to be it. We have commitments made to other parts of the city too to come forward with urban renewal as a tool for redevelopment. So I -- I realize that's all speculative, but are we talking -- how big of an urban renewal district are we talking about?

Mazziotti: We're currently at 13%, so we're approaching the 15% limit. But we also have several areas that are in the process of expiration by 2004. Several districts will be in that expiration period. We have not begun to look at district boundaries for a new district at this point, wanting to fold it into this process so that we can really start at ground zero and plan it in that way. But we know we have to address that issue and we certainly are aware of the concerns that you and for that matter all of us have with regard to the impact of new or larger or more renewal districts. It's a major development challenge for us and a significant challenge for the tax base itself. So we haven't begun to look at it. We're very aware that it has to be done. We are not over our limit, but we're pushing that limit. However, the expiration of existing districts should handle that problem. We want to fold it into the development strategy process here.

Saltzman: And we'll be mindful of other communities in the city we've made commitments to?

*******:** Absolutely.

Katz: Okay.

Francesconi: My one question for you, Gil, I may not have understood you right. On the design side, I think I heard you say we're going to design park block 5 and the connections to O'Bryant square, but it's hard to design park block 5 without knowing about block number 4. So it's my understanding that we're also going to go design work on block 4.

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Kelley: I -- I think that there are two elements to the design going forward. One is to do a schematic design, and in that regard we should design it with block 4 in mind as well as block 5. So we're really designing something that works when block 4 is opened. The detail design work we'd want to do so that we can proceed with improvements even before that block's available. So we'd begin to see the streetscape and block 5 begin to define that urban room that mark spoke of. But we would clearly do the schematic design with the whole concept in mind, including block 4 as open space.

Francesconi: Thank you.

Katz: Commissioner Hales?

Hales: I guess sort of waiting to hear -- I haven't heard, maybe we'll get testimony about this from others, but I guess while I've got you two hear -- here, you three, particularly you two directors, to comment on this, I guess what troubles me about this work, although there's a lot of it that I'm enthusiastic about and I appreciate all the good effort, it seems like there's two fundamental problems in this district that you two has the development director and the planning director don't talk about, that the activists on the issue don't talk about, and the report doesn't talk about, and I'm afraid will compromise the efficacy of what you're trying to accomplish. It's like the emperor's new clothes. Nobody talks about. They are neglected existing buildings, outside of the existing strip that you're talking about, and surface parking lots. Hello: The big problem in downtown Portland is surface parking lots that are -- that are blocked from redevelopment by their lucrative nature and the lack of investment needed for -- to continue the cash flow. And the report doesn't talk about that. It ignores this gigantic problem. The big difference between Portland and the European cities we admire is we've got surface parking lots. Can we talk about the subject we never talk about and say does that matter to this strategy? Are we going to ignore that problem and do this work on these blocks and have this patchwork of surface parking lots surrounding a redevelopment area? When are we going to get around this issue that is the fundamental problem in downtown Portland, dead buildings and surface parking lot?

Kelley: It clearly matters and they recognize that issue and in fact the west end planning effort took that issue on, and dealt with it at least in some way. And that's coming forward --

Hales: You say dealt with it. You proposed a scheme in this by which we acquire buildings and recycle them, but there's no recommendation about acquiring surface parking lots and recycling them into buildings. Tell me how we would get at that absent any application of money to that problem.

Kelley: In this narrow formal block area, there are two surface parking blocks, one which is being donated for a square and one which is being use and would continue to be used for surface parking. That is one of the key catalyst sites that was recommended by the a.c.e. To be built upon.

Hales: I'm not talking just about the strip.

Kelley: In the larger west end planning effort we looked at that notion of how you innocent the redevelopment, those parking lots, and you'll be hearing some proposals about that when we come forward in June with the west end plan. We didn't talk about it through the remainder of downtown, but we acknowledged that it's an issue, and in fact even the a.c.e. As they're called, even said that the structured parking being where it is at 10th and Yamhill, is sort of a historical figure and probably ought to go underground and be replaced with more active uses. So the a.c.e. Report really identified the desire to look at block 4 and 5 and the O'Bryant square as the key open spaces in the near term. And not to necessarily demolish other buildings without having a good replacement strategy there in place. That's a lot of the work that we want to do in this next phase.

Katz: Okay. We'll get to that. Let's move on. Thank you, gentlemen. Let's go to public testimony.

B. J. Seymour: For the record, I'm B.J. Seymour, and I have lived at the Cumberland apartments for 22 years. The Cumberland is located at the corner of 9th, which is called Park at that point, and

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columbia. So i'm very much a resident of the part of town that is involved in this and will be affected by this, and I came and I signed up to speak just because I felt it was important for ordinary citizens who are residents of the area to talk about these issues. I'm open to any questions. I don't have any further recommendations at this point.

Hales: Thanks, b.j. Thank you. Who's next?

Cathy Gilbraith: Mayor Katz and members of the commission, i'm cathy gilbreath, a 27-year resident of the city of Portland, last 24 years in the field of planning and historic preservation. I agree about the importance of the midtown block areas. I attended the first a.c.e. Committee meeting and given the preliminary media accounts, glowing accounts of the report, I in fact expected something fairly different. And in reading the report and the cover, the resolution and the transmittal memorandum, instead i'm somewhat disappointed in some of the specifics of those documents. In general i've grown tired of comparing Portland and aspirations to what other place we might want to be like, whether those cities be elsewhere in the united states or elsewhere overseas. I find Portland to be already a wonderful and beautiful city as it is with a lot of wonderful qualities that we need to maintain and enhance. But I will say that the one very noticeable characteristic of great european cities is the very careful attention to the preservation and restoration of their historic buildings. And given my experiences and -- in traveling, I find the finest department stores and commercial districts and mixed use districts in cities like london and rome, florence, moscow, paris, all of those kinds of buildings and districts are in historic buildings. I find that the resolution, the memo and the report to partially be an -- kind of a thinly veiled effort to plan for the potential demolition of the historic buildings in the midtown blocks in the future, when perhaps some of the political hoopla dies down. And I hope that i'm wrong, but I think that some of the comments in the resolution and the memorandum that talk about preserving the ability over the very long term of opening those other blocks to leads me to be concerned about that. We have national register on local landmark buildings, we have potentially historic buildings throughout the blocks and I think unless we call for a careful study of them and their options for preservation, I think we will get what potentially the reports call for, which is demolition. Commissioner Hales, your comment about dead buildings and neglected buildings is an excellent point and i'm glad that you raised that. I believe that some of those conditions have resulted from the huge public subsidies that went into concentrating regional retail in pioneer place. We concentrated retail efforts with public subsidies in one section of downtown and there are only so many customers to go around. I'm a huge fan of local retail and traditional department stores, and I think that some of the report and the memorandum discussion about attracting and retaining national regional serving retailers is something like what the public does not want, those stores that are in the malls throughout the country, and also elsewhere in Portland. The may company acknowledges that the meier & frank store in Washington square is their largest producing units. As a result, they may a make juror effort to stock the best merchandise and the greatest selection out there and any of the clerks will tell you that. I see the performance of their downtown store therefore as somewhat self-fulfilling, especially given their resistance to maintaining that building. And I suggest that we look at the flagship bon marche store in downtown seattle as an example of a wonderful major downtown department store. I remember when nordstrom demolished the beautiful building to build their downtown department store. And I know they spent many months and very stormy design review meetings. They got what they wanted to build and I think these are private sector problems. I think we need to encourage them to be at the table here with us. And do what it takes so that those stores remain viable.

Katz: Thank you. Okay.

Tim Greve, Association for Portland Progress: As you can probably see, i'm not tim grewe. I'm tim griev, and mayor Katz and members of the council, i'm here as a member of the association for Portland progress's downtown development committee and the downtown retail council. Last week

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the downtown development committee sent each of you and Gil Kelley a letter commenting on the resolution before you today. I'm here to amplify some of those comments. App strongly supports the advice of the a.c.e. Report that we as a city must make a commitment to downtown Portland's retail core and should be the premier retail venue in the region. As downtown retailer, I can tell you that I believe it is the finest mix of national, local, mainstream and eclectic retail offerings in the metropolitan area. However, it is an extremely fragile environment that is beginning to struggle. And changing that direction requires the commitment of the city. I think unfortunately a perfect example of this is that downtown just lost a 101-year-old retail business that happened to also be associated with the former governor of Oregon, Atieh Brothers Carpets. If downtown had a better retail environment, perhaps this would not have happened. Second, we strongly support the opinion expressed in the a.c.e. Report that the effort to take downtown retail to that next level will require more balanced residential community approximate to the retail core. We have been an advocate for such residential development for years, and our work on the west end project dove tails perfectly with this recommendation. But we are not without reservations about the a.c.e. Report before you.

To us the strength of the a.c.e. Report is in the -- is in the two concepts I've just discussed. By definition the retail core is broader than the midtown blocks as is the need for market rate housing downtown. While the midtown blocks has been the spark that has ignited this activity, we hope we stay focused on the broader context, the midtown blocks are in. I can also say that as a neighboring tenant and as a downtown business person, I have some serious concerns about the resolution's calling for the city to control those five blocks. I do not believe that I'm alone in that, and as our letter states, that concept interjects controversy into this effort that we don't need -- we don't believe needs to be there. With those caveats, we look forward to participating in the public discussion that we foresee, and this planning process that you are considering today. Thank you very much.

Katz: Thank you. I'm going to ask at the end of the public testimony for Gil to except on that, because we might -- modified the original language. I know what's behind that, those words, and I want Gil to share that with everybody. Okay.

Art Lewellan: I'm Art Lewellan and I have a statement I'll be -- I want to enter into the record. I'm not going to read all of it. All in all, it looks like a pretty good development plan. However, I object to the proposed development of the block north of O'Bryant Square, because it's not in keeping with the historic plan. And I think the park -- the historic plan is a good idea, and I don't see it as a division east and west. I see it -- park block as a destination, particularly for major events, but other activities as well. I agree that the modest building should be removed and the Miller building preserved. And I think the two squares should be a -- become a two-block pair. We have to remember that events and regular activities are more attractive because these are half-sized blocks. We need more space. That's my point. I -- if the Miller block would become an urban plaza, I'd like to see it serve as an outdoor eatery kind of a place so I saw the bare wall of the Miller building facing a plaza softened with a row of permanent or semipermanent vendor kitchens, booths, buildings, small ones, that could serve an array of cuisine. Portland has many portable food vendor booths located on parking lots where automobile fumes and fluids do not add an appropriate flavor to a -- to a meal. So a plaza on the Miller block would be ideal for food vendors. That's my idea. Following that line, O'Bryant Square's underground parking could be extended under Stark. So I -- where you can create some parking. Modify the existing access to towards the west and that would bring the two blocks together as a unit down -- and maintain that north-south flow. Okay. That's about the bulk of it. I -- one more thing about the Guild Theater. I like it, I think we should keep it, but it needs -- it needs remodeling. Major remodeling. Inside and out. And I like the Marquis, but I think it should be relocated to the center of the blank space above the arched windows, up and in the middle and then you could see it. And it would allow for the construction of more awnings and an entrance, and I've also thought the Guild would -- the roof would be a nice place for a garden. So there's my comments. Thank you.

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*****: Thank you, art.

Irwin Mandel: Good afternoon. Irwin mandel, 1511 southwest mark avenue. I will be brief, probably no more than a minute to a minute and a half. I will start by quoting from an article by "the Oregonian"'s art architect which your and our urban design critic, randy greg, commenting on the a.c.e.'s report about the midtown blocks. Quote -- this is a legacy waiting to be built. But it can't be accomplished if politicians are ambivalent and property owners remain locked in their own tiny orbits. Opportunity is knocking loudly on everybody's doors. The question now is, who will have the vision to answer? End quote. We the citizens of Portland look to you, our elected officials, for foresight and leadership and dairy use the word vision. Now is the time for all of you to become the engine that brings this train into the station and not end up the caboose that lags at the rear. Thank you.

Katz: Thank you very much.

Mike Lindberg: My name is mike lindberg. I came in to support the resolution today as written, and compliment the city council in advance. I hope for supporting it, at least I read the morning payer and it looked like there was quite a bit of support for it. And to really compliment the city council, the city staff and citizens, in terms of the way this all unfolded. In many cities, the way this unfolds we would have really started a war. Instead we've really ended up with a great process involving dialogue and a commitment from the city to do some really god planning. I also want to compliment the planning director who I thought has done really an excellent job throughout this process in dealing with an extremely complex political situation. And the park blocks foundation. But why would I show up today? The reason would be because i'm so pleased that the city council is being so proactive. In the development of cities, sometimes we get wonderful results by letting the marketplace work, we get beauty from the chaos, we meet our goals by happenstance. But I strongly believe in this case in terms of the midtown, and also west end that this is a time where we need to have very good planning really be proactive and develop a lot of Portland public schools. I would use as an analogy perhaps the creation of a sculpture where if you had 40 different hands pulling it in different directions, you wouldn't end up with a very good product. Versus working in advance to have a unified vision to be in alignment and end up with a product we can be proud of. I also came today because my -- because i'm so impressed at the holistic nature of the way this has evolved. Starting out as a vision for the extension of the park blocks. And now it really ties into the central city plan, ties in strongly to the recent central city 2000 plan, which I would remind had the goal of creating 70,000 new jobs in the downtown area, and I think that we should never underestimate the value of downtown as was so eloquently expressed by don, not only in terms of its role as a model but in terms of an economic engine and the creator of wealth in the community. I'd be interested in -- at some time because of the political aspects of making so much time and investment in our downtown of looking at the economic implications of this wealth as it spreads to our surrounding areas and how it affects our neighborhoods if we have a strong downtown. And lastly I would just say that I do believe that it is a downtown, it's much more fragile, we're always in competition with other areas, and if we aren't moving forward, we're almost inherently moving backwards. And it is about economics and wealth, but probably more importantly it's about people. As we have the dozens, the hundreds of people who visit us from other cities to find out how we've done what we've done, they really talk in wonder about how in the heck 25 years ago would you ever get people to start coming downtown? And of course one of the ways that it started was getting people to want to live downtown. And that was a remarkable breakthrough and one of the things I really like about the efforts that are occurring now, is the great emphasis upon affordable downtown housing. And people will live downtown obviously only if there's safety, if we preserve that character, if we have the amenities, we have the culture, if there are economic opportunities and the transportation system, and I think the thing that's about this planning effort is that it covers all those

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bases. So I really came here to support I think which is going to be a breakthrough opportunity for the city in our future. Thank you.

Katz: Thank you. And before you leave, on behalf of the council and the citizens of this city, I want to thank you for your vision and your commitment to continue the work on the east bank esplanade and make that a reality.

Lindberg: Thank you, mayor. I appreciate it very much.

Katz: Okay. Go ahead.

Garry Papers, Chair, AIA Design Committee: Thank you. I'm Gary Papers, architect and urban designer. For the past six years you've known me as the chair of the design committee. As of last month, a new chair will be taking over and today I'm speaking on behalf of myself. In January and February I led the urban design committee's efforts responding to the parks foundation proposal and helped expand the discussion. The AIA's position was largely confirmed by the A.C.E. And the vast majority of over 300 citizens who showed up at the two workshops. Of course I recommend that you support and find funding for the proposed study as outlined, as has been said in many different ways, this is a very important turning point. It's not just about a couple of park blocks. It's also a good indicator that we should start reacting to initiatives brought by private sector entities and truly become leaders and guiding and planning and designing the health of our downtown. There are only three small changes I would recommend. One is you certainly must incorporate a strong heritage preservation aspect. Not on the buildings need to be retained, but if system attic analysis. Two, you don't need a park on park block 4. Urban squares work best when they have definition on all four sides. And third, I'd like to encourage you to shift the emphasis of the entire proposal away from such an emphasis on retail and more to reinforce the west end and the emerging neighborhoods that are the core of our downtown. Instead of retail for conspicuous consumption and for parking, which benefits a relatively small percentage of our population, shift to community building and create a truly mixed downtown core which has useful commercial and neighborhood services. The -- a healthy downtown serves all of its citizens, not just those with a lot of discretionary -- people who own land or have political clout. And of course as Mike has said, strong downtowns also have residents. It was interesting when we described to the A.E.E. How many people live downtown currently they were shocked at how few. One of them said, that's just about a college campus. It's true, our downtown or central business district has relatively few residents. We have to improve housing for the median middle-income levels. So-called 80 to 120%. Our downtown is not succeeding if nurses and teachers and firefighters and bank clerks, et cetera, have to live on the perimeter of the region because that's their only affordable choice. There are a lot of studies having to do with housing affordability, but there are certain simple formulas we can learn from other cities. For example, simply require 20% of all major housing projects to have affordable units and require 50% of those to be for families. The idea of families downtown is new, but that's what good downtowns are always about. The central business district to address the reasons, and I believe they're largely myths for family flight to the suburbs, would be to address four key elements, and they're all incorporated into the study -- safety, which a lot has already been done, our downtown streets and parks are very safe. Parks and open space and recreational outlets. I would suggest we strongly -- we would locate a park more in the heart of the west end rather than just down near the downtown.

Katz: Quickly finish up.

Papers: And I also would like to stress schools. You don't need to have an existing population to justify a good elementary school in the heart of downtown. It could be a magnet school and attract people from all over the region. So in short, for probably my last comments to you, I strongly suggest that this study be -- begin a new effort to reinvent the downtown core as a mixed use neighborhood and therefore I suggest you change the top title from the midtown blocks study to the downtown core study.

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Katz: Thank you.

Lili Mandel: Lili mandel. The seven a.c.e.s have played their cards and dealt us all winning hands, and it is now time for the city to get into the game. The seven a.c.e.s have concluded parking structures are obsolete and suggested the yamhill garage location be put to a far, far better use. It's time to send the yamhill garage to that great garage heaven in the sky. [laughter] yet there is a contradiction, since the west end plan continues to call the parking structures. Portlanders have to stop going ga-ga over garage architecture. I urge you to accept the a.c.e.'s report and adopt the resolution presented by planning director gil kelley. Not to do so would be a sure agonizing, slow death of the midtown blocks. It's time for all the players to get into the game and make the midtown and west end realize their great potential. I hope in the future other cities will point to us and ask, why can't we be more like Portland? Thank you.

Katz: Thank you.

Jan Wolf, League of Women Voters: My name is jan wolf. And I represent the league of women voters. The league commends city council and planning director kelley for bringing in the experts to cast the clear eye of experience on the midtown blocks. The a.c.e. Accomplished more in a week than typically is accomplished in years by the less experience of -- steering committees that have driven city planning in the past. Not only did we get our money's worth but the savings of time and money could be enormous. We applaud all those who participated in the process, including the many citizens, local experts and city staff. The term midtown is an apt name for these key blocks. They play a pivotal roll in the larger downtown Portland puzzle. Poised between pioneer square, the pearl district, the west end and the south park blocks, the midtown blocks must complement and connect all of these important areas. As the city promotes the development of more market rate and high-end housing downtown, care must be taken not only to preserve but also to increase the number of low-income and affordable units in downtown Portland. The unmet need for affordable housing is so critical it must be included in all our plans for new development. Before we create yet another urban renewal district, a careful evaluation of whether such a district is appropriate and whether its benefits outweigh it's costs must be made. We certainly question the assumption that substantial public investment is needed to stimulate the development of market rate housing. One need only look to the river district to see that there is an overwhelming demand for downtown housing. Further, transportation systems including the new streetcar line and max and other basic infrastructure are already in place. As far as who pays for the open spaces needed in this area, may we suggest that those who will profit from the increased densities both retail and residential, and whose property values will be enhanced by such spaces support these amenities. We urge council to direct planning director kelley to lead the ongoing effort to develop a more detailed development strategy based on the a.c.e. Report. Thank you for all your leadership. You have shown in focusing our attention to this critical piece of downtown Portland.

Katz: Thank you.

Josie Michael, Workers Organizing Committee: Good afternoon. My name is josie michael and I work at workers organizing committee. I would like to press our concern regarding the midtown blocks planning study. Your council of experts identified blocks 216, 217 and 218 for redevelopment. We are concerned that this redevelopment will lead to a process that will give further subsidies to the developers who own the properties while continuing to ignore low-age -- low wage workers. Fair wage ordinance was passed last summer, the city council promised us that smart park and other contracted workers would get an annual raises if you hadn't -- if you had funds. We are concerned that the city has not allocated money for wage increases for this workers, and want to give subsidies to some of the same developers who also employ the smart park workers. These these subsidies would amount to much more than the cost of a raise for the workers. The cpi, consumer price index cost of living increase for the past year was 3.5%. In Portland. Unless smart park workers get at least a 33 cents an hour raise, you are lowering their wages or making the poor

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poorer while considering subsidies for their bosses who don't need the maybe as much. Workers are -- organizing committee believes low-wage workers need to be represented and have a voice in this community. I hear the mayor said that the city of Portland is a community. To me, a good community is where all walks of lives -- life are represented, and that is what we value about america. Where everyone is encouraged to speak up, and be part of this great nation. So when you plan for Portland's progress, please do not exclude the poor, because we are all part of this community. Thank you very much.

Katz: Thank you.

Francesconi: Just -- I think you know this, but just for the council's information, what the mayor and I and the council -- we just last year required health insurance to be provided and we did up the wage on this. I will personally look into this issue of the wage increase, but I think we've taken care of it. So I just wanted you to be -- i'll check into it. But we also expanded the living wage to include health care coverage for you. Just last year.

Michael: Yeah. We did receive the payroll report last month and we didn't see the increase.

Katz: He'll check into it.

Michael: Thank you very much.

Katz: Oh, they forget. Welcome former commissioners. We'll start with you. It's good to see you.

Margaret Strachan, 1108 NE Going, Portland, 97211: I want to thank you -- i'm margaret strachan. I live at 1108 northeast going in the king neighborhood, 97211. I was very pleased to see the council is -- has moved forward on this. I agree very much with michael lindberg that you have taken a situation that could have been a real hot potato and worked hard to diffuse it. This is a plan that seems to me that as a city we've somewhat backed into. The region -- originally the downtown plan was because the city was in real trouble. When I began working on the central city plan with don and the rest of the council members at that time, it was because many, many of the things, nearly everything in fact in the downtown plan had been implemented or was in the implementation stages. So it was clear that if we were to keep a healthy downtown, we needed to move to the next step. And we did. And the results have been the pearl district and the dismantling of the overpass, and all of those things. In fact, the whole term "central city" came out of that plan. And the idea was to not only strengthen the downtown, but to tie it tightly to the communities around it. But you know all that. This plan that you're looking at now does some of those things again, and reinforces those things, and will be built on the basis of the downtown plan and the central city plan.

However, I have one big concern, and that is that I feel that the real owners of the downtown, and the real experts in this city, and i'm not meaning to insult -- insult the council of experts, but the real experts in this city and the ones that pay for it are the citizens. And I really feel strongly that there needs to be an expanded citizen participation portion to this that I feel that while you did do significant outreach and work very hard, it was very compressed. Very short amount of time. If you've got two kids, one in this soccer outfit and one in that one, and you both work, let me tell you, one week's time isn't time to take part in this kind of a thing. Yet these experts have not been asked.

The city of Portland has a wonderful history, and a wonderful tradition of involving citizens. I hope that we don't let this plan be the first plan that ignores them. Please expand the citizen involvement portion so that those folks in st. Johns or sellwood or kent or king who own downtown get to have a say in where it's going. Thank you.

Katz: Thank you.

Jim Westwood, President, Park Blocks Foundation, NE Thompson St.: Thank you, good afternoon. I'm jim westwood, northeast thompson street. I'm president of the park blocks foundation, and as they say, i'm from the government and i'm here to help. No, i'm from a private sector organization and i'm here to help. The city and the private sector and the public and margaret is exactly right, are going to have to work together I think to make this happen. It's going to talk

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public support and let me say that the public support has been flocking to the park blocks foundation. We are a node, a visible node, and the volunteers have been coming out of the woodwork. We're taking our show on the road to neighborhoods, gathering public support, I think that we can be very helpful to the city in raising public visibility throughout the city for the goals that you're setting today. Let me add too that the funding piece here, this is something elsewhere I think the foundation wants to -- I know we want to be very helpful and I think we can be very helpful to the city and to the public sector in getting this to happen through the participation not only in moral support but financial support of the public and the private sectors. So let me just say that the Portland parks foundation -- the park blocks foundation is not going to go away. We're definitely going to stay involved. We want to stay involved, and we look forward to a fruitful and successful collaboration with all who are interested in this, including you, the city. Thank you.

Francesconi: Jim, just one -- I don't know if this is a question or a comment. Because I wasn't aware that you're taking the show to the neighborhoods. Show is the wrong word, but the project. When the council approves this, we might consider how to coordinate a little bit of that, because I could see a citizen outreach through the city participating where we're outreaching to the neighborhoods, so we -- that's something question need to talk about.

Westwood: There's much to be done, and we're certainly not going to try to do it alone without some support, help and cooperation. We certainly look forward to that. Yes.

Katz: Thank you.

Robert Dortignaco, Portland Historic Landmarks Commission: Robert doorknack. I'm here as a member of the Portland land marks historic landmarks commission and also as president of the aia, historic resources committee. I'm a little horace because I was -- I just got back from new york last night and i'm a little punchy. I agree, jim and commissioner Francesconi, I think that the public outreach that former commissioner strachan mention second degree very vital. People who we saw a tremendous outpouring of public support at the first meeting --

Katz: Both of them.

Dortignaco: Right. And I think that should continue. We -- these are people who are not paid, they're volunteering because of their passion about the city, or about aspect of it, and I really would appreciate if the park foundation would include that opportunity in a meeting such as -- and swirl in my neighborhood, at 18th worth school last week, we -- which we didn't have the opportunity to coordinate with you on. We saw -- and I think we agree the -- there is a -- we want to see a very vital and economic downtown. We don't want to see -- and i'm speaking for the commission and the aia -- a downtown that is like st. Louis where they're demolishing 1600 buildings and planning court fields. We want to see this area of -- develop and be diverse and expand beyond just retail, but have maybe a hospitality sector. It's a difficult task. It really is. As we -- as we tool around and look at buildings and districts and city much what works and what wasn't -- hasn't worked over time, it's difficult to retain that mix of diversity of an economic strata of different businesses. If you look at where we are today compared to 20, 30 years ago, we've lost a lot of those businesses. They're moving out of downtown. We don't have that vital interesting mix like new york does that we see there. And we're going to continue to lose that. Businesses will leave, they're go out to this hawthorne or other outlying districts, so it's to -- to create that mix in downtown both with buildings and with occupants and not just housing, but with office and retail spaces as well, is a difficult task.

And it will be a challenge, challenge for all of us. The other aspect that -- and I won't repeat what we sent on prior testimony and information to you, but the other aspect of Portland that's very unique is Portland's small block size, which renders -- gives us one of the highest open area percentages of any of the cities in the u.s. It also results in basically developing single buildings per site. Part of what the aia has seen is a very interesting park for this midtown blocks is that it provides this intimate pedestrian scale of mixture of buildings and types. Thank you.

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Katz: Thank you both. Before you leave, I recall a conversation with Gil regarding the citizens' participation. In fact, I think I recommended to him that it not be structured, that the wonderful participation that we had from citizens from all over those two evening meetings was exactly what we're looking for as opposed to shrinking it to 20 people, here we had 200 people, 300 people. As long as we keep them informed and take in their recommendations, I'd like -- I'd like to keep it other informal than formal.

Strachan: I'm not suggesting that you form a 20-member committee. I am suggesting that as Jim said, the show goes on the road and that you solicit -- you both share what you've got and solicit suggestions and support from around the city. A lot of the things that have been implemented in past plans have been because of broad citizen support. And you get that broad support by having people be invested at the front end because you went to them and asked them. And you know, they've never made mistakes in this city. They really haven't. The politicians, myself included, have made mistakes. But basically the citizens have always been right on. So we ought to listen to them.

Katz: Thank you. Okay.

Ernie Bonner, 2924 NE 27th Ave., Portland: I'm Ernie Bonner, I live at -- where do I live? 2924 northeast 27th avenue in Portland.

Katz: You don't need to tell us. [laughter]

Bonner: Okay. Okay. It went so well yesterday I thought I'd come back again today. A couple of things that strike me from the conversation so far. One is, the -- is this notion of perspective. The council of experts, or whatever they were called, they actually took a 100, 200-year perspective. They were not talking about tomorrow or the next day. And if you look at it that way, if you go back 150 years and see where we started from, which is a bunch of stumps down by the river, to now, think what it would be like from here another 150 years. So if you take that as your sort of perspective about this, you can say, well, we can make a couple of mistakes maybe along the line, but we better get it right by then. I think we will. But the -- but I also think that that's the way -- in my own mind I think these historic resources are important to keep, and they have contributed greatly to Portland. But I look at it as well in some respects those park blocks are the only -- oldest historic resource we have. They were plotted in 1848, before any building was on them for sure. And secondly, I think in 150 years that open space will be so precious in downtown. We wouldn't -- nobody here would give it up in 150 years. The other thing is with respect to citizen participation. I think that's absolutely right. And I think the park blocks foundation is correct, you know. We need everybody to work on this. But I have a lot of faith that the planning commission and development commission are going to figure this out in terms of how you actually present this widely to the people of Portland. And so I have a lot of -- I have a lot of hope that they'll do it and a lot of trust that they will. Anyway. That's enough.

Katz: Thank you.

*******:** Good luck to you.

Richard Lishner, 245 SE 37th, Urban Design Commission: Good afternoon, Mayor Katz and city council. My name is Richard Lishner. I live at 2545 southeast 37th. I'm a member of the urban design committee of AIA and I'm speaking for myself today. I'd like to say something about the stakeholders. I went to both of those meetings, and I would like to -- a lot of people have said, I would like you to include the citizens of the city as stakeholders in this project. It's not just the property owners and it's not just even downtown residents, it's the stakeholders of the entire city to be included in this project. I support the findings of the council of experts, I think it was a very wise move to bring in people from outside the district to complement the local talent, and the vision of local leaders. I would suggest two things happen. I would suggest that you take strongly, one is that architects and urban design professionals generally will always expand the boundaries. And I think that's good. The two blocks or the four blocks we need to talk about the west end and everything as part

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of this project. It's not just three or four park blocks and which ones turn into park blocks or not. The other item I felt was very good from the council of experts was the retail expert who scoffed at the notion that people could not walk across one park block to get to the other part of downtown. I think that's very important to ream eyes that this is not a barrier to retail going across -- going across a couple of park blocks. Finally, I want to just say as a stakeholder and as a person who's interested in vision, I want to thank you all for the east side esplanade and for the coming trolley. I think the east side esplanade is another example of something that needs to be expanded. I think it's far better than I thought it would ever be, but obviously it cries out for getting rid of the freeway, whatever you can do, whether to -- whether you bury it, or move it, or just plain declare it dead and do away with it. The same thing has to happen with the mid-park blocks. They are the catalyst for change elsewhere in the downtown neighborhood as we move west. Thank you.

Katz: Thank you.

Alix Nathan, Mark Spencer Hotel, President, Downtown Community Association: Good afternoon, my name is alex nathan. On a personal note, i'm with a family that's operated a business in downtown Portland for about 25 years, mark spencer hotel. Also speaking here today as the president of the downtown community association. This is not a formal statement, but it is a statement that summarizes some of the discussions that we've had from meetings we've had going from the west end discussions. We were also privileged with meeting in many -- with many different parties especially with the a.c.e. Group back in I believe it was february or the end of january. And we had a -- three or four you're of -- of our board members present and we had a two-hour meeting with the committee. A meeting we felt was very productive and gave a lot of insight from their perspectives as well as hearing from our side. Ideas and notions that the dca has supported for a long time, one is that the downtown and city of Portland is vital to the whole state of Oregon in many ways. Having a denser and a city that supports a 24-hour city is crucial. Portland is a fantastic city. Coming from the hotel sector, I hear all the time comments and praises for the city of Portland. And the variety of architecture, the people are so friendly, aside from the rain, of course. But the retail is lacking. There are signs of some danger on the retail area. Housing is well, we need to create that -- make sure we sustain and develop further a city that support everything. Not just well-balanced housing, but also retail and otherwise. The downtown community association has long advocated, supported, I should say, public transportation. We say hurray for the trolley coming through now. More of that is needed. We need to get rid of these surface parking lots. We absolutely agree. I have personal perspective for some of this because we are in the west end, our business, we are in a retail zone and there are zoning limitations. We support 100,000 dollars a year surface parking lots. We are about to develop the historic telegram building on 11th and Washington, and we are planning to put parking in the basement there. But because of zoning, we may run into -- i'm not looking for support, i'm just trying to cite some examples of problems. If there is not -- they're not ways to address parking, I support the underground parking when feasible. And we should try to make that feasible. But unless we give less incentives to support the surface parking lots, they're not going to go away. And there's a strong hold on all the parking lots down hold for the most part and it makes sense from a business perspectives, because if you go to city center parking they be can help because they can shuffle things around to make it happen. That needs to be addressed somehow. Going into the balanced housing, I think that's -- doesn't require much explanation. We need more housing downtown. But also has to be able to support retail in the local sectors. So not just low-income, not just high income, but all types of housing that will support local mom and pop retailers and larger stores as well. Cultural and art. I don't know if anybody from rac is here, but they should football they're not, or they should be invited to attend. Oregon ballet theater, the fact they moved to the east side, if we don't try to keep these organizations downtown we're going to have trouble because we're not going to have the early morning -- early evening activities. I'll be brief --

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Katz: Your time is up.

Nathan: That's fine. Thank you. We look forward to being more involved with discussions and thank you very much.

Katz: Thank you.

Moore: Neil goldschmidt.

Katz: Is he the last?

Moore: Yes.

Katz: Oh, that's dangerous. Is there anybody else that wants to testify after neil and zare? Okay.

Neil Goldschmidt, 10425 SW Riverside Dr., Portland: Neil goldschmidt, 10425 southwest riverside drive.

Katz: Governor goldschmidt.

Goldschmidt: Thank you. For our park blocks foundation, it has always been about both fulfilling the dream about the park blocks and about what could be developed around it and because of it. As all of you know, we came to each of you individually, asking for your help. Today we're here offering our help. So what happened in between? You commissioned the civic process which is come to be called a.c.e.. There are parts of it we don't understand, but aren't particularly worried about. There are parts of it we might disagree about, but there's plenty of time to talk about those things and there are things which we're encouraged about, all of which I suspect are different from the people who were here just ahead of me. What it is, at its best, is a pallet for a generation of Portlanders to paint an exciting economic and artistic future. Will the park blocks foundation affirms as a commitment its commitment to a strongly held civic vision that has been sheared by Portlanders for a long time. That we can, we should be the best city our size in the world.

Fulfilling this vision begins in our neighborhoods and in their schools. It's where we compete for home buyers for school children, for renters, for the mix of energy, cultures and roots that give us stability, lower crime, and safer streets, and above all, special and differing choices. But if we win this struggle, and I know that you know that verdict will be out for as long as if I of us are likely to be alive, but if we win that struggle and we lose the effort to attract jobs, whether from professional and creative services, tourism, retailing or whatever, to the suburbs or to other regions in the west, our neighborhoods will always struggle, and our most visible flagship, which demonstrates our ability to build and sustain a great city core, will transmit to ourselves, on our next generation, and to every visitor to investors and job creators a message that we respect quite what we hoped we would be. When I served the public here we treated downtown as it is said in the law, the first amongst equals. It is not better or more important than any other neighborhood. But it is for whatever other neighborhood may want to think, an engine that supplies resources for other neighborhoods when it does well, and it is the place where most of our visitors come and our investors touch first. We have been blessed with the kind of civic involvement that commissioner strachan talked about and the leadership that she and commissioner lindberg and the five of you can provide. But above all, what we have been placed with is momentum. And for those of us who've have a -- had a chance to watch this council, the council of bud -- bud clark served on, and congressman blumenauer and the one that followed me, we think maybe the old ideas are getting a little stale. There is a reason for rethinking them all. There is a reason why our merchants are talking to us about what can be further done to enliven pioneer square. Are they right? I think you've actually start add process here that's going to spread in a very positive way. Because the most exciting thing for all of us in the -- and the foundation wasn't when we heard a.c.e. Agree or disagree with us, when did -- it was when they said all of us under estimated the opportunity. When they all saw the turnout, it was the Portland we all know when we get out and we're cranked up and doing something, whether it's a streetcar or parks levy or we're worrying about our kids or dealing with housing, it really was us at our best. So we commend the city staff that did this. I thought don's statement about why this makes a difference can't be improved on, and we look forward to

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working with you and the folks you put to work on it. Only thing we're concerned about at the foundation is we still think it's going to be hard for a little foundation like us to keep up with all the people that are working on this --

Katz: Why do you think they're here? [laughter] what am i, a fool? Is stupid written on my head? [laughter]

*****: So we're regrouping. [laughter]

Katz: Thank you. Thank you for starting us in -- as a lot of us say, we sometimes have to grasp an opportunity, take it and then move with it. And without you and without the help of your colleagues, you started us, it wouldn't have been there.

Goldschmidt: I'm just here as an agent of tom moyer. [laughter] thank you.

Katz: One of our partners is parks. Because -- whether we have a necklace or we have broaches, or maybe a couple of earrings, parks is going to be an important component on this. And zari I know has been our leader in helping us think through block 5, the square, and now block 4.

Zari Santner, Bureau of Parks and Recreation: Thank you, mayor. Zari, Portland parks and recreation. Before I start my brief comment, I want to join what seems to be the core -- chorus of appreciating gil's work and his leadership in bringing us -- bringing all the bureaus together, and for us truly creating a couple of weeks of true excitement. It was as many of the citizens indicated, the week that the experts were here were really invigorating and really kept our brains working. So I was very, very appreciative was part of that. I think probably would not be a surprise to you to hear from me and as a park professional to tell you about the importance of the parks and urban plaza in adding value and character to urban cores. And throughout this process we were really appreciative of the panel of experts recognition and endorsement of that concept that parks and open spaces are important in the urban core and particularly the member who was -- was the expert in retail development, sort of dispensed with the notion that parks and retail don't go along -- they don't get along or don't go along together but having said that, we also believe that creating parks, no matter how beautifully and appropriately you design them, it's not going to be enough in creating a vital and vibrant public open spaces. What happens around and next to them are just as critical as a design of the park or programming of the park. So we believe that the recommendations that came out of this report truly -- it's a recommendation that emphasizes the need for people and sufficient number of people living and working around these urban open spaces that we create so that it could truly add value and vibrancy to the core. And we think that this report and the steps that have been outlined in the resolution sets the stage for not only developing park block 5 and o'brien square, renovating that, but also adding value around it so that in concert we -- with each other we could create a tremendous downtown core. Thank you.

Katz: Thank you. Okay. Council, you've heard from a lot of the people who spoke to us during that very exciting week. Did you want to testify? Oh, okay. All right. I didn't want to go ahead if you did. I don't know -- are there further questions of the council of anybody here?

Saltzman: Yeah, I have a couple questions probably for gil or don.

Katz: Gil and don, why don't you come on up.

Saltzman: First question is, the issue of preserving local retail opportunities or local commercial opportunities. Somebody testified about that very early on that while it's identified in the plan as one of the tiers, I guess what do we intend to do to preserve downtown for the small local businesses, which I tend to agree, I think people want to see those just as much as they want to see the crate and barrel that you can see at clackamas counsel square or Washington square as well, that you want to see the unique things as well. Do we have anything here or in the west end study that's coming to us?

Kelley: Clearly it's a policy -- clearly that's a policy in the background of all of this. One of the key conclusions of the council of experts was that

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ownership from the local to the national. And that's something to be preserved and enhanced. The reference you heard to some -- to attracting and retaining the national retailers or the biggest department stores is actually seen as a help to that. Because there's a lot of synergy. So we don't see that at the exclusion of a lot of the local retailers. A lot of the conversation we heard was will the need to keep those unique Portland retailers in the district. And in fact throughout the downtown. So I would take that policy very much to heart and I think it's embedded in here.

132 so that's clearly something we're going to keep our eye on.

Saltzman: You will keep a focus on -- strategy other than just helping the national retail --

Kelley: Absolutely. We just don't want to ignore the bigger moving pieces at the same time.

Katz: I will also keep an eye on it, because I think that is an absolutely critical component. In fact, Portland development commission, the retail strategy we were thinking are nodes of different retailers, big ones, the pioneer place, but also the smaller ones. My favorite is a la cart. Those kinds of stores. Tim Grieve, of course, but the smaller retails that won't go into pioneer place or won't go into Lloyd Center.

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Sten: It strikes me, it's just a small piece, but the first goal reestablish a downtown retail core as the hub, to be honest it sends shivers up my spine. Not because I think of the gist of what it's doing, but retail hubs are malls. That's where people go. I think something that's -- I don't mean any offense, but pioneer place it has not hit that hard. We put a new mall downtown and the response is nothing's happened downtown in years. And so -- Moyer's got a brand-new Banana Republic, I like the store but -- those are what people hub to right now and they're seas of asphalt. You're not going to get the kind of people coming here that are coming to Washington Square without seas of asphalt.

134 we need to be care what kind of competition we're in the suburbs. We need retail base, but sort of a head-to-head competition with the suburban malls, which is what that implies to me, seems to me to be a race to the bottom.

Kelley: I take the concern. We certainly didn't mean to imply that. I'm sorry if it comes across that way. I think one of the reasons for pulling in this particular panel is that they worked in every major retail district in the country and they got clearly the message from us that we don't want to see the downtown retail energy die. And they reinforced that in everything they said that we need to take some proactive actions to make sure that it doesn't, just as the city did when Neil Goldschmidt was mayor here in the '70s. That being said, I think this group and certainly the public at large is a very sophisticated group in saying, we don't want downtown to be a mall. So we will definitely keep that right in our focus that doesn't mean we won't be as part of our strategy trying to attract major national retailers, but it's a part of a mix that has to happen here, and there are frankly building prototypes that are more amenable to very urban settings that include those. For example, in San Francisco, Nordstrom went into a complex that is really -- they occupy the upper floors, not the ground floor. And there are smaller retails on the ground floor. Those two are fairly high end retailers but they're in the middle of a mix that includes all kinds of stores that serve all segments of the population. So that's the kind of mix that we're looking for, not the cookie cutter approach.

Sten: I think -- I just want to say that out loud. My experience is -- has been that the downtowns that -- that aren't really what I think -- aren't really that nice, that hub all the really current retail right in the core of downtown, Honolulu, it's just a core downtown retail strategy where everything is hubbed there, I think the shopping strip up in Vancouver BC is not all that nice. I'd hate to see us at the cost of getting tons of new retail knock out some of these old buildings. I think the old buildings are an incredible part of what I like about this city, so I just want to be careful on this one. I don't know that you win by selling the most shirts. There's been a ton of retail that's come in in that area that basically seems to me to fit the definition of all the -- people who are saying downtown needs a jump-start, I think have the feel right, but at the same time they're saying that,

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banana republic just moved on broadway, banana -- they have all hubbed downtown in the last decade. They're there. Everybody is saying nothing's happening. So something is amiss in that that we've got to figure out. People are saying we don't have the retail, the retail is dying off here, so I don't think -- I don't they we've got our arms around what a retail strategy looks like. I certainly don't.

Kelley: The retail is clearly not dead downtown by a long shot. I think what we're seeing though is the need to take some proactive steps so we stay ahead of the curve and don't fall behind. Because you can -- may remember the days when downtown retail with a in danger of actually dying and you can see that in the number of cities around the country. I think that's what we want to avoid, is the baseline. But this is very aspirational in terms of actually moving to a much more sophisticated model I think than what you might fear.

Sten: No, that's great. That's terrific.

Kelley: All the speakers who expressed concern are exactly right, and I think all those concerns right down the list of historic preservation to the small scale retail toll the need to look at in as beyond the narrow park blocks to the central city, the need to look at the mixed income housing nearby, the need to get the message out to the citizens, the notion that this should aren't be just -- we should be highly leveraging private resources and public volunteer efforts and so forth, all those are exactly right, and I think those have been themes in here and they probably need to get some further work and emphasis. I heard all those concerns today, and I think we need to incorporate those and make sure that they continue to be part of the formula here.

Katz: don, did you want to jump in on the retail?

Mazziotti: I'd like to respond to both questions, really. From the commission's standpoint, where we have made enormous investments and -- in concerted with the city in all parts of the downtown over the last 30, 40 years, really, for all the time the city has developed, we've also acquired a considerable degree of property throughout the east part of downtown that represents significant investments, but also an intentional policy on the part of the commission to have the ability to augment, supplement retail and other kinds of development which must also be given attention, as gil has suggested. This can't just be midtown or park blocks focus. It's good to look at what the impact is downtown wide, and not only at retail. I think the retail issue is not that retail is failing in downtown Portland, but that our proportion of the total market in this area is declining. As a measure -- measured on a square footage basis or a market basis, and that's I think the extra jilt that some of the small retailers who spoke today are referring to. So it's extremely important that we make certain that those small retailers have a continued growth track as well. And not only the big stores that can push them out of the way. Having said that, it's very important to understand that in monday retailing, large users of space, big stores with big names and branding pay for many of the improvements that are the fallout from large-scale developments and really allow amenities to be paid for that will accommodate lower represents for small tenants. And that's really kind of the core of what we must be able to accomplish in a development strategy. I don't know the answer to that yet, but that's certainly what we have to address.

Sten: Let me ask you this. I'd like to spend some more time, i'm not smart on retail stuff, but it just seems to me at times we throw some of these indicators around pretty easily and -- for example, have we lost a bigger percentage share of retail sales than we've lost of the population? Do we know the answer to that? The suburbs have grown a lot more in the last decade than the city, and so it just makes more sense and from a transportation standpoint, I don't think we necessarily want the 100% growth in hillsboro to drive all the way to Portland to buy everything. So it would make sense they're going to sell more stuff in hillsboro if a ton more people live out there. Have we -- so when we've lost a share s. That taken into account -- I think the thing that makes me nervous on this stuff isn't so much that we shouldn't be -- of course we should be growing downtown and we want more retail, but I think the sort of fight with the suburbs is an outdated notion. And I think what we have

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to do is figure out how to make the land uses in the suburbs and downtown. When we justify huge expenditures on the theory the suburbs are growing faster than us, which a -- I just am not sure that the today's benchmark. I'd throw it out for discussion.

Kelley: I think the other way to look at it is what makes a great downtown for Portland, regardless of the fight with the suburbs or whatever is actually a fight with the suburbs. What we're seeing here is the possibility to really kind of turn the corner and make a very vital urban place. A neighborhood, a place with unique retailers, a place that have the one of a kind, you're not going to find the saks fifth avenue in vancouver, but you'll find it in downtown. You might find a bloomingdales downtown, but you also plate find the mercantile or any of the other small shops that have been talked about. But you're going to find hotels that are very urban, you're going to find eating places that are unique, and you're going to

145 have a walking experience that really defines the core of the city. So it's all those ingredients we've kind of emphasized the retail piece because it's a little bit of the alarm bell, but it's not any more important than any of those other components.

Mazziotti: We're certainly not looking at suburban malls as the parallel to downtown Portland. There is frankly no comparison. There's no housing at Washington square, obviously, and for that matter there's -- there are none of the amenities that are accommodated in downtown. And I would say the same thing about arts, culture, and other amenities in terms of our proportionate concentration of those kinds of facilities necessary for the future. Really talking about retaining

146 our historic share of those kinds of activities in downtown, probably broadening to encompass more housing as resulted from these discussions clearly housing and population is vital to the downtown south over the long run. But i'm not looking nor am I comparing our downtown market share issues with the suburbs. We can't compete with them. We wouldn't want to.

Sten: I guess i'll stop there. I think it all makes sense. As we say -- let's reestablish downtown retail core as the region's retail hub. That's what we're going to vote on, and there's -- it seems like to me it's almost more create and nurture downtown's niche in the regional retail pattern. You've got hubs at jantzen beach, at clackamas, at Washington square. And you're not going to beat those hubs, but there's something about downtown and there's some sort of shops and retail and things that are missing. And how we get that right, I don't know. But I just think sort of -- i'm not convinced -- I don't know what percentage, but some enormous percentage of what people buy is bought at chain shops. So if you're going to beat -- if you're going to dramatically get the bigger, bigger chunk of purchases, you have to get more chain shops downtown or fundamentally change american consumer behavior. And I think at some point you don't want to just get chain shops downtown, so those are the kind of things I think is not real well understood by me at least, so i'm -- the retail strategy makes me nervous, but not because I don't want more retail, but because I don't think we've got it just yet. And i'd be interested in learning more about that.

Kelley: I think what we want to do is develop that retail strategy with those guidelines in mind. We don't have one yet or we'd be unfolding it here. All we're saying is we ought to have a retail strategy that really reinforces what downtown is for downtown Portlanders and for the region.

Saltzman: I really think a lot of the reasons people come to downtown versus the malls is they can find those unique services like you can get a suitcase repaired downtown, and what do most visitors talk about? Powell's books. It's those little antique stores, the real mother goose. That's what tilts the balance. I want to go downtown to shop because I can also access the retail chains b. --

Francesconi: On this subject, I think -- i'm not sure --

Katz: Are you finished?

Saltzman: Yeah. I have one more question, but it's not on this.

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Francesconi: I think they've only built eight or nine retail -- suburban shopping centers in the past few years, because they are having trouble. Why don't we let a retail expert assemble and column up with a strategy as part of this and then help educate us on that.

Katz: Let me just jump in on the retail strategy. Because I got educated on the retail strategy.

in -- am I an expert? No. It is a very complicated, very fragile phenomenon in our country. Mergers after mergers, and if you want one store and it's under the umbrella of the same company, you can't get another store. And so you need to know who the players are and you need to know what column they belong into. And you can't pick and choose any one of the big stores because they aren't allowed to compete with each other. So we have to be very cognizant of the fact we need to keep what's down here today. And that's fragile as well. And that also creates opportunities for the smaller niche retailers. They won't survive if we don't have some of the saks and the meier & franks and the nordstrom. And we have to -- our mix, but we need to be -- keep cognizant that and keep working at it constantly, because the lapped escape there changes, and it's very, very hard. Once one of them leaves, it is very hard almost impossible to get another one in.

Mazziotti: That was my point that I made better than me, but precisely by having those large-branded names that protects and helps small retailers flourish.

Katz: Okay. You have a question.

Saltzman: My last question, I really took to heart the comments of commissioner strachan about public output -- input, i'm sorry. I think we have those two meeting, but they happened in a very compressed timetable. the crowd you get there is one that's very sympathy tick to what's going on. I'm wondering first if you've been talking to office of neighborhood involvement about taking it on the road, and second, I want to reiterate the need to do it. I realize the crowds may not be as favorable, but we should have a lot of trust in Portland's citizens that they will get it right and they'll help us make this a better project.

Kelley: I agree. Her comments were very well stated. She's exactly right. We need to do that. We have not yet contacted oni about a specific outreach program. One of the things we're doing as a matter of fact tomorrow, anticipating your decision today to go forward with this, i've called an interbureau meeting to sort of really scope out what is the detail of the work program for this strategy. And so the outreach part is one of those items that needs to be considered. So I don't have the answer for you yet about what it might look like, but it is a critical piece of the work.

Saltzman: The commitment to get it on the road is there.

*******:** Absolutely.

Katz: Okay. Any further questions? If not, why don't we take roll call.

Saltzman: I have an amendment.

Katz: Another one? We added it. It's in.

Saltzman: And sustainable?

Katz: Yes. trust me.

Francesconi: That was easy.

Katz: roll call

(Note: Commissioner Hales left at 4:11 p.m.)

Francesconi: I guess the headline in this paper today by the -- the city makes dr. May extend the park block study. I'm not interested in that. I'm interested in extending the park blocks. And i'm more interested in using the midtown blocks as a revitalization strategy for housing, for retail, for open space, or a central city that helps keep us one of the best cities. That's what i'm interested in. To do that in your meeting tomorrow, i'm interested in flushing out the funding strategy that includes tax increment, but also private sector, the roll of -- the role of foundations in executing this, and i'm interested in pdc and don taking the lead on the development agreements that we're going to start approaching property owners with and how we're going to move this in a way that

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benefits them economically, but advances this. I'm also interested in a lapped acquisition strategy to make sure that this is eventually over time in public ownership. And that the process treats everyone fairly, especially the sell family that's helped build this city. I'm also interested in the design beginning work on the design, not just park block 4, 5, but park block 4 as it integrates all the way to o'bryant square and beyond to burnside and the connection. It important that I believe that parks also plays an important role in that design process. We have a very good working relationship with pdc that's only gotten better over time as the esplanade proves. I'm also interested in a retail strategy as commissioner Sten was indicating. And where you educate all of us, including me, on that retail strategy, and how that fits. And finally, i'm interested in a developed citizen strategy with the prominent role for the parks block foundation, but that opens this up photo only to the private sector businesses, not only to the citizens coming here, but the citizens of lents, st. Johns, hillsdale, that view this as their central city. And so how we do that, those are the things i'm interested in. The reason i'm interested in moving in this is because as I listen to the a.c.e. Experts and to the center -- the citizens that evening, I became increasingly -- my dad, who i've been thinking about anyway, and the advice he gave me, and i've said this before, but he gave me advice the night I was first elected. He took me aside and said, son, you have a terrific city. This was five years ago. Don't screw it up. [laughter] at the time he said that, I underestimated what a terrific city we had. As I listen to these outside experts and our citizens talk about what an opportunity we have because of the urban growth boundary, as you talked about, because of the land use and transportation system, we've person given such a precious gift here, it's going to change whether we like it or not, the only question is are we willing to change, which made me think of my dad's second part of the advice, don't screw it up. The option of doing nothing is screwing it up. And so the question is, how did we develop? And how do we develop for everyone? That's the key. Now, we are presented with many opportunities here at the council that -- that good private sector citizens present to us. And that's good. One of the people testified we should take the lead all by ourselves. The question is, we have to decide which opportunities as the mayor started her remarks, to seize. And then -- because we try to do so much simultaneously. As i've thought about my dad's advice and being on this council for the last five years, the opportunities we need to seize are based on four. One is, do we take -- are the opportunities consistent with our past? Not luka, as much as I love luka, as some other european city, or some other city, but what's our past? When you look at that criteria here, this idea did not begin with tom moyer and neil goldschmidt. The park block idea goes back, and this is part of our past. This is part of our heritage. More recently the issue of the '70s and the transit mall and nordstrom here, that's our past. We're talking about a strategy that then mayor goldschmidt employ and we're updating. It the -- the second is, do the opportunities that we need to seeds capital eyes on our other recent investments because of the good work of commissioner Hales, we have the streetcar. We have the light rail. We have that intersection. This is just capitalizing on that investment. We have park block 5. We have o'bryant square that needs to be redone. We're just capitalizing on those investments. We have nordstrom. We have meier & frank. We have low-income housing. We need to preserve it. Those are all investments our citizens have already paid for. So this will help upgrade those. The third criteria is, are we meeting current challenges and future challenges? The issue of -- we are in a regional employment center. In fact, our regional employment as commissioner Sten was saying, is more important than our national employment or our city center. But to do that we have to have jobs at the center of the region. The retail strategy is a job strategy because we have more cars now coming in at night than going out. We've reversed that. So I belief that employment in the central city is a current challenge, and we do need that for the revenue that it will generate for parks and schools and neighborhoods, et cetera. I also believe that there is a housing challenge. We need more market rate, upper income and lower income housing working together in the central city, because that takes pressure off the neighborhoods, and

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it also helps keep the city vital. so -- and for future challenges we need more open space that the public owns. Which brings me to the fourth point. When we're making opportunities for investment, who benefits? It's not only who participates, but it's who benefits? The trouble i'm having with the argument on preserving the historic significance of the buildings in the park blocks is important -- as pore as that is, we're talking did giving those buildings -- that property to the public. Not the private. It's public. So when we go taller, when we grow more dense, the question is, is the public also going to own a part of our downtown? -- and our central city? That they can benefit from? And that's what this is fundamentally about on the open space side. We don't need that now. Parks, three or four years ago said it is too premature to bring down all the buildings. Because we're not tall enough, we're not dense enough. But we have to be thinking for the future if i'm going to be following my dad's advice. Will the last thing I want to say is a few thank yous. And to acknowledge the work of a few people. I want to thank the mayor, because the word was said, city, you've got to do something. Somebody paid for the study. It didn't just -- \$150,000 came from somewhere and it came from pdc. And then it was planning that assembled this. And pdc, I want to especially thank, because you kind of -- this wasn't the original plan, I don't think. And pdc's been able to adapt and adjust to this. In -- the other thing is, I think we as a council have to understand what I didn't understand at first. We have our own a.c.e. Experts right here. It was great to hear the a.c.e. Experts and the quality, but we have gil kelley, who is -- if we give him the opportunity and the resources, can succeed. We have the pdc director who can help implement this. We have a planning person at parks that came up with this design before the a.c.e. Experts ever did. We have the -- we have vic rhodes, one of the best transportation experts -- we -- the point i'm making, we have the talented here to implement this. All we have to do is let them here -- do their work. And i'm done. Aye.

Saltzman: I guess I want to say i'm very supportive of this work that's been done. And as commissioner Francesconi said, we need to allow you to do this work. I'm not sure I know exactly what "this work" is, but I think it's a vision in motion, or a vision in process. It's been a good process getting here. I do want to say I appreciate the attention on pre -- to preserving with coming up with a local preservation strategy. I also want to do sound a note of caution, I am not supporting forming a giant urban renewal district downtown to finance a lot of projects that may be

166 better appropriate for -- financed by private sector investment. I think for a couple reasons, in is the highest value assessed value in the city, taking it off the tax rolls does have an impact on our sister governments, and it has an impact on us as well. So I support a strategic urban renewal district, and so I -- i'll be watching closely on that one. Finally, I just wanted to sigh that the reason I feel it was appropriate to add sustainable development to the objective that talks about public private sector development is it relates right back to the green building standard we passed in june -- in january, that talks about pdc in particular, where it uses tax increment dollars, where it uses development agreements, property assembly. That -- and these are the types of buildings that are covered by the green building standard, so it's very appropriate where our money is involved with the public sector and it's for the types of buildings covered by our green building standard, that sustainable development also become a cornerstone of those developments. So please -- i'm pleased at your receptiveness. Good work. Aye.

Sten: There's been a lot of terrific discussions and politics over the last few months. I've pretty much enjoyed watching it. And I want to say that I appreciate a lot of people's efforts that put a lot of time on this, including the mayor, the foundation, and many of you citizens who in various degrees of expertise dug in. I think we'd be nuts not to move forward and jump into the next phase. I think what's clear to me is that the council of experts broke this up in a nice fashion, so you can kind of seize the moment and I think there is a moment wherever it came from it's here, and we ought to seize it. And I think that's great and i'm ready to go on that. I think there's more work to be done but i'm trying to ask provocative questions because I think some of the things that always

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drive -- if we take the approach that, hey, we've got to beat these other guys, but what these other guys have suck, what do we win? So I think i'm not -- i'm not sure that's -- when I go to old cities everyone is saying i've been to enough of them, if anybody wants to send me, i'll go, it seems to me it's the old flavor of the city, people living there, and so I think the difficulty for a young city is it's difficult to build the ambiance that people want. And that's what we're trying to do to some extent. But I think we've got a shot at this thing. Putting in a couple park blocks doesn't actually get my blood pumping as well as cleaning up the river and restoring some things, but this is critical and I think what excites me about this, and I think it's going to be that the tougher part, but I think this team that's around here one way or another is up for the task, is that I think this midtown blocks is 170 incredibly important but it really is the link. I don't think it blocks people from crossing, but I do think that getting housing into the west end in a big way, housing of all income levels, is absolutely critical on this. I do think as par the it we ought to make unambiguous promise that nobody loses their home over this. If a building comes down we ought to replace it and preserve all the housing. I think this community ought to stand up for a principle that as we make this downtown better and nicer, nobody gets displaced. I think we can do it. There's not that many units here and I think there ought to be more, but we ought not to lose the ones we v so i'm excited, i'm ready to work on this, I think there's lots of knits to be picked and i'm trying to be more provocative than -- I don't have a strategy, but I think we need to figure out what is it about coming downtown that really makes it exciting, and what is that it people could come here to buy and -- I also think the other piece of this that maybe is for me just a little missing, although it may be, there how do these blocks physically, I think this is a lot about physical development, lead me towards the art museum and down towards the chinese garden and make me sort of figure out that i'm in the center but there's spokes that reach out everyone ever where, because I think that my hates off to the mayor, I still am impressed, it's not an economic engine, but I drove by the chinese garden on the weekend and you want to talk about getting people to come downtown, so how do you tie all these things together and give that sense of place? I think this is a step in the right direction. I wasn't -- am not all that fond of the idea of knocking all the buildings down for park blocks, but the action this could go, and if we could find a way that I think -- if quo find a way to preserve old but create new excitement maybe we've got the next step. So i'm very excited. I nits kind of -- I don't think we're there yet but it's a chance to update that energy that made things happen, so impressively in the '70s. And who wouldn't be on board for that? Aye.

Katz: I'm excited because I thought there were just two of us that really were looking forward to moving on, so I thank both commissioner Saltzman and commissioner Sten for supporting the vision that was drawn out for us. You're know, 81/2 years ago I talked a lot about this special city and the importance of the downtown. And sort of found myself in a self conscious state about it, because everybody said, downtown? It's the neighborhoods. And I said, yes, I know that, but it's also the critical downtown that keeps Portland the way it is. And if you recall, we had a lot of conversations about that. In fact, I even asked the office of finance and management to take a look at the expenditures of downtown versus expenditures throughout the city, and lo and behold, the expenditures outside of the downtown were far greater. And we continue -- it continued to be so, and rightfully so. We have urban renewal areas now, neighborhood we never had before. But I still keep saying to all of you, you need to keep an eye on the downtown. And you need to do that because it is very fragile. And from transportation to public safety, to noise, to all -- to make sure that the historic buildings remain, and I will chain myself to the studio building if any of you think you want to tear that one down, and I will look for people to join me on that, because part of the charm of the downtown and the central city is the fact that somebody finally in the '70s said that's enough, we're not going to rip them down anymore and the gentleman was silting in front of us a few minutes ago. And the community said the same thing. And i'm not about to do that. You're going to have to wait until i'm out of here before I do any of that. So what do we do? We worked

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around the edges of downtown. Pioneer place ii was on the books a long time ago. It just happened that it came up a couple of years ago, but it was the drawings on that one were very clear and the plans were long before any of us were sitting here on the council. So we worked around the edges. The brew are you blocks came to be, pearl district, river district, and now there is discussion before the 9th and 10th after blocks. And there were discussions about those blocks long before the discussion of the midtown blocks. Pdc was looking at what do we do with the parking garage. We ought to be looking at underground parking. What do we do with the gallery, which hasn't offered very much to anybody in the core of the city. How do we open the backside of the galleria so that it has a face to the street? And then what do we do with that awful parking lot that's just waiting to be redeveloped? And a lot of people had been eyeing those three blocks, and sow now the conversation incorporates not only the midtown blocks, but those three blocks and probably even further west and some day it will incorporate i-405. [laughter] so we have a wonderful opportunity. There is a lot of work yet to be done. There is a financing issue that we have not resolved. We think we have a retail strategy, but i'm not sure we ever have a retail strategy. Because it keeps changing, people move from one neighborhood to another, I remember one when we had the unique retail indigenous retail on 23rd and all of a sud 89 they were gone and they were on hawthorne and I know they're going to disappear from hawthorne and move to belmont. So you have that kind of movement and every time I find a local retail I try to get them in downtown, but the represents are very high, and that's one of the reasons that you will constantly see the mix changing. But it is critical to see the big boys and girls downtown because the little ones will not survive. And we need to be very creative in making sure that we do something so the smaller retail, the ones that we like to poke around in stay alive. And finally, there is one other area that we're going to have to grapple with and put our hand around, and that's the fifth and the sixth avenue mall. Which is dead at night. And it's for us during the day, and for the people who work here, but that doesn't mean that it can't come alive or should stay alive certainly after 5 o'clock. And so we haven't talked about this, don or gil or i, but when I walk around after 5 o'clock when I do that, the fifth and sixth avenue streets are deserted. And that's not right. So that's another big, big challenge ahead of us. So I want to thank the council. I -- we'll come back, we'll continue working on this and one flag to everybody that we have just given both pdc and planning another assignment. We continue to do that so be patient with me when I say wait a minute. There are things we need to finish up. But I hear that you're ready to go and i'm ready to go, and I vote aye. Thank you, everybody. We stand adjourned.

At 4:30 p.m., Council Adjourned.