



CITY OF
PORTLAND, OREGON

**OFFICIAL
 MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 20TH DAY OF JUNE, 2001 AT 9:30 A.M.

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

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

Items No. 737, 739 and 741 were pulled for discussion and, on a Y-4 roll call, the balance of Consent Agenda was adopted

<p>723 TIME CERTAIN: 9:30 AM – Amend City Code requirements regarding district property management license (Ordinance introduced by Mayor Katz; replace City Code Chapter 6.06)</p>	<p>Disposition: PASSED TO SECOND READING JUNE 27, 2001 AT 9:30 AM</p>
<p>724 TIME CERTAIN: 10:15 AM – Accept report from the Bureau of Financial Planning regarding State Revenue Sharing (Report introduced by Mayor Katz)</p> <p>Motion to accept the report: Moved by Commissioner Hales and seconded by Commissioner Saltzman.</p> <p>(Y-4)</p>	<p>ACCEPTED</p>
<p>725 Certify that certain services are provided by the City for eligibility of State Shared Revenues (Resolution introduced by Mayor Katz)</p> <p>(Y-4)</p>	<p>36003</p>
<p>*726 Elect to accept funds from the State of Oregon under the State Revenue Sharing Program for Fiscal Year 2001-02 (Ordinance introduced by Mayor Katz) Rescheduled to Thursday, June 21, 2001 at 2:00 PM</p> <p>Motion to move item 726 that was removed from the Wednesday agenda to this time slot: Moved by Commissioner Hales and seconded by Commissioner Saltzman.</p> <p>(Y-5)</p>	<p>175700</p>
<p>CONSENT AGENDA - NO DISCUSSION</p>	
<p>727 Cash investment balances May 10 through June 06, 2001 (Report; Treasurer)</p> <p>(Y-4)</p>	<p>PLACED ON FILE</p>
<p>Mayor Vera Katz</p>	
<p>728 Accept contract with Russell Construction for remodel of The Portland Building 6th Floor Water Bureau project as complete, authorize final payment and release retainage (Report; Contract No. 32918)</p> <p>(Y-4)</p>	<p>ACCEPTED</p>

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<p>*729 Authorize General Obligation Refunding Bonds (Ordinance) (Y-4)</p>	<p align="center">175680</p>
<p>*730 Accept a grant from the U.S. Department of Commerce, Economic Development Administration in the amount of \$60,000 (Ordinance) (Y-4)</p>	<p align="center">175681</p>
<p>*731 Create two positions in the Bureau of Parks and Recreation (Ordinance) (Y-4)</p>	<p align="center">175682</p>
<p>*732 Pay claim of Bruce Smith (Ordinance) (Y-4)</p>	<p align="center">175683</p>
<p>*733 Authorize acquisition of vehicles for use by City bureaus (Ordinance) (Y-4)</p>	<p align="center">175684</p>
<p>734 Partner with Metro to develop a non-regulatory incentives program to protect regionally significant natural areas and associated riparian and upland corridors known as Incentive Strategies for Fish, Wildlife, and People, and provide for payment (Ordinance)</p>	<p align="center">PASSED TO SECOND READING JUNE 27, 2001 AT 9:30 AM</p>
<p align="center">Commissioner Charlie Hales</p>	
<p>735 Set hearing date 9:30 a.m., Wednesday, July 18, 2001, to vacate a portion of NE Mallory Avenue between NE Russett and NE Baldwin Streets, and a portion of NE Baldwin Street between NE Mallory Avenue and NE Martin Luther King Jr. Boulevard (Report; C-9842) (Y-4)</p>	<p align="center">ADOPTED</p>
<p>736 Set hearing date 9:30 a.m., Wednesday, July 18, 2001, to vacate a certain portion of NE Baldwin Street west of NE Martin Luther King Jr. Boulevard (Report; C-9990) (Y-4)</p>	<p align="center">ADOPTED</p>
<p>*737 Agreement with Vintage Trolley, Inc. for the provision of vintage trolley hosts on the Portland Streetcar system vintage trolleys at a maximum compensation of \$40,000 over two years (Ordinance)</p>	<p align="center">REFERRED TO COMMISSIONER OF PUBLIC SAFETY</p>
<p>*738 Authorize agreement with Union Pacific Railroad Company for permitting of facilities related to the Lower Albina Overcrossing Project and approve payment (Ordinance) (Y-4)</p>	<p align="center">175685</p>

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<p>*739 Amend Intergovernmental Agreement with Portland Development Commission for additional scope of work for Lents Town Center NE Killingsworth Street improvements and planning for NE Burnside Street and the Rose Quarter (Ordinance; amend Contract No. 51465)</p> <p>Motion to amendments to increase compensation to \$702,721. And correct a \$20 error in the Intergovernmental Agreement: Moved by Commissioner Hales and seconded by Commissioner Francesconi.</p> <p>(Y-4)</p>	<p align="center">175694 AS AMENDED</p>
<p>*740 Amend agreement with Oregon Department of Transportation to provide services for Northeast Portland Highway, 102nd Avenue to 122nd Avenue Project (Ordinance; amend Agreement No. 51126)</p> <p>(Y-4)</p>	<p align="center">175686</p>
<p>*741 Amend Code for Transportation System Development Charges (Ordinance; amend Code Chapter 17.15)</p>	<p align="center">CONTINUED TO JUNE 27, 2001 AT 9:30 AM</p>
<p align="center">Commissioner Dan Saltzman</p>	
<p>742 Accept completion of the NW St. Helens Road and NW Saltzman Sewer Extension, Project No. 6179 and authorize final payment to Kerr Contractors, Inc. (Report; Contract No. 32651)</p> <p>(Y-4)</p>	<p align="center">ACCEPTED</p>
<p>*743 Authorize an agreement between the City and Multnomah County to provide laboratory analytical services (Ordinance)</p> <p>(Y-4)</p>	<p align="center">175687</p>
<p>*744 Authorize Solid Waste and Recycling to enter into a service contract with Deborah S. Allen not to exceed \$23,263 to identify and recruit food generating businesses for a project to reduce waste of food, energy and water (Ordinance)</p> <p>(Y-4)</p>	<p align="center">175688</p>
<p align="center">Commissioner Erik Sten</p>	
<p>*745 Increase agreement with Enterprise Foundation Bureau of Housing and Community Development Child Care Support Project to \$165,119 and extend contract termination date to January 31, 2003 and provide for payment (Ordinance; amend Agreement No. 33521)</p> <p>(Y-4)</p>	<p align="center">175689</p>
<p>*746 Contract with the Senior Job Center for \$135,000 for the Senior Home Repair and Maintenance Program and provide for payment (Ordinance)</p> <p>(Y-4)</p>	<p align="center">175690</p>
<p>747 Amend contract with Montgomery Watson Americas, Inc. to extend completion time for six months (Ordinance; amend Contract No. 30491)</p>	<p align="center">PASSED TO SECOND READING JUNE 27, 2001 AT 9:30 AM</p>

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<p>748 Authorize contract with Community Energy Project for \$50,000 to provide water conservation workshops targeted to low-income water and sewer customers (Second Reading Agenda 710) (Y-4)</p>	<p align="center">175691</p>
<p align="center">City Auditor Gary Blackmer</p>	
<p>*749 Authorize contract with Poorman-Douglas Corporation for billing and mailing services (Ordinance) (Y-4)</p>	<p align="center">175692</p>
<p>*750 Amend contract with LNS Captioning to provide additional compensation in the amount of \$10,000 and extend contract duration for closed captioning services of City Council sessions (Ordinance; amend Contract No. 32954) (Y-4)</p>	<p align="center">175693</p>
<p align="center">REGULAR AGENDA</p> <p align="center">Mayor Vera Katz</p>	
<p>*751 Levy taxes for the City for the fiscal year beginning July 1, 2001, and direct the Chief Administrative Officer of the Office of Management and Finance to submit said tax levy and other certifications to the County Assessors of Multnomah, Clackamas, and Washington Counties (Ordinance) (Y-4)</p>	<p align="center">175695</p>
<p>*752 Authorize an exemption to the competitive bidding process to the Bureau of Purchases for the Bureau of Environmental Services West Side Combined Sewer Overflow Project No. 6680, pursuant to ORS 279.011 (5) (a) and (b) (Ordinance) (Y-4)</p>	<p align="center">175696</p>
<p align="center">Commissioner Jim Francesconi</p>	
<p>*753 Contract with the Center of Design for an Aging Society to construct the Portland Memory Garden in the eastern portion of Ed Benedict Park (Ordinance) (Y-4)</p>	<p align="center">175697</p>
<p>*754 Approve acquisition of Lot 110, a public park site in Terrace Trails Subdivision for a new neighborhood park in SE Portland (Ordinance) (Y-4)</p>	<p align="center">175698</p>
<p align="center">Communications</p>	

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755 Request of Lisa and George Kirakossian to address Council regarding the Bureau of Environmental Services charges for engineering inspection services on a sewer development project (Communication)	PLACED ON FILE
756 Request of Timothy Lewis Brown to address Council regarding Camp Dignity Village land use permit and camping ban (Communication)	PLACED ON FILE
757 Request of John Paul Cupp to address Council regarding Camp Dignity Village (Communication)	PLACED ON FILE
758 Request of Mike Dee to address Council regarding Camp Dignity Village Out of the Doorways Campaign Homeless Front (Communications)	PLACED ON FILE
<u>FOUR-FIFTHS AGENDA</u>	
758-1 Public Hearing to discuss possible uses of State Revenue Sharing (Hearing) Motion to suspend the rules to bring forward a 4/5's item: Moved by Commissioner Hales and seconded by Commissioner Saltzman.	PLACED ON FILE

At 11:00 a.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 20TH DAY OF JUNE, 2001 AT 6:00 P.M.

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

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

<p>759 TIME CERTAIN: 6:00 PM – Amend Title 18 Noise Control to clarify authority for and means of enforcement, add regulations regarding certain sources of noises, and to increase maximum penalties (Ordinance introduced by Commissioner Hales; amend City Code Title 18)</p>	<p>Disposition: CONTINUED TO JUNE 27, 2001 AT 2:00 PM</p>
<p>760 TIME CERTAIN: 7:00 PM – Amends 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 (Previous Agenda 651 introduced by Mayor Katz)</p>	<p>CONTINUED TO JULY 11, 2001 AT 3:30 PM TIME CERTAIN</p>

At 8:56 p.m., Council recessed.

JUNE 21, 2001

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 21ST DAY OF JUNE, 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; Frank Hudson, Deputy City Attorney; and Officer John Scruggs, Sergeant at Arms.

<p>761 TIME CERTAIN: 2:00 PM – Approve the Gateway Regional Center Urban Renewal Plan (Second Reading Agenda 721 introduced by Mayor Katz) (Y-5)</p>	<p>Disposition: SUBSTITUTE 175699 AS AMENDED</p>
<p>*762 TIME CERTAIN: 2:30 PM – Adopt the annual budget of the City and establish appropriations for the fiscal year beginning July 1, 2001 (Ordinance introduced by Mayor Katz)</p> <p>Motion to accept amendment to eliminate the private-public partnership idea: Moved by Commissioner Francesconi and gavelled down by Mayor Katz after no objections.</p> <p>(Y-5)</p>	<p>175701 AS AMENDED</p>
<p>*763 TIME CERTAIN: 2:55 PM – Adopt a Supplemental Budget for Fiscal Year 2000-01 of \$29,711,312 and make budget adjustments in various funds (Ordinance introduced by Mayor Katz)</p> <p>(Y-5)</p>	<p>175702</p>
<p>764 TIME CERTAIN: 3:00 PM – Direct the Bureau of Planning and the Portland Development Commission to undertake an analysis of tax increment and other financing tools, including the creation of a new urban renewal district, to implement the West End action agenda (Resolution introduced by Mayor Katz)</p>	<p>CONTINUED TO JULY 18, 2001 AT 6:00 PM TIME CERTAIN</p>
<p>765 Adopt changes to the Central City Plan to add a West End Action Chart, a West End Urban Design Plan, two new actions to the Economic Development Action Chart, one new action to the Transportation Action Chart, and the designation of an entertainment district to the Culture and Entertainment Map (Resolution introduced by Mayor Katz)</p>	<p>CONTINUED TO JULY 18, 2001 AT 6:00 PM TIME CERTAIN</p>
<p>766 Adopt the West End Policy as an element within the Central City Plan and the Comprehensive Plan, and implement through Planning Commission recommended revisions to the Zoning Code and to the zoning and Comprehensive Plan maps (Ordinance introduced by Mayor Katz)</p>	<p>CONTINUED TO JULY 18, 2001 AT 6:00 PM TIME CERTAIN</p>

REGULAR AGENDA

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<p>767 Adopt a No Net Loss policy for affordable housing in the West End and state Council intention to seek adequate financing for the creation, preservation and rehabilitation of affordable housing in the West End and throughout the metropolitan Portland area (Resolution introduced by Commissioners Saltzman and Sten)</p>	<p>CONTINUED TO JULY 18, 2001 AT 6:00 PM TIME CERTAIN</p>
<p style="text-align: center;">Commissioner Charlie Hales</p> <p>768 Amend City Code to provide funding for Street Maintenance and Improvement (Ordinance; add Code Chapter 17.21) Motion to accept the substitute: Moved by Commissioner Saltzman and seconded by Commissioner Francesconi.</p>	<p style="text-align: center;">SUBSTITUTE PASSED TO SECOND READING JUNE 27, 2001 AT 2:00 PM</p>
<p style="text-align: center;"><u>FOUR-FIFTHS AGENDA</u></p> <p>768-1 Public Hearing to discuss probable uses of State Revenue Sharing (Hearing) Motion to move the four-fifths item to this particular time: Moved by Commissioner Hales and seconded by Commissioner Francesconi.</p>	<p style="text-align: center;">PLACED ON FILE</p>

At 9:38 p.m., Council adjourned.

GARY BLACKMER
Auditor of the City of Portland

By Karla Moore-Love
Clerk of the Council

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

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Closed Caption Transcript of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

JUNE 20, 2001 9:30 AM

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

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

Katz: Present. I don't know, is commissioner Sten on business?

Moore: City business.

Katz: City business, okay. I ask that question because the press usually says, and the mayor was absent. And so I want it on the record for the council that people are either on vacation, which they are permitted to be on vacation, or an city business, which is important to the city. Okay. Let's take the consent agenda. Any items to be pulled off? I have 737, 739, 741. Are there any other items? Anybody in the audience want to pull an item off the consent agenda? If not, roll call on the consent agenda.

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

Katz: Mayor votes aye. All right. Let's take item 737.

Item No. 737.

Hales: I'm not sure why this was pulled.

Katz: I have it pulled by commissioner Hales for no further discussion. Is there any reason?

Hales: Sorry, I don't know why that was pulled.

Katz: I'm sorry, why don't we -- do you have anything?

*******:** Just wanted to refer it back to your office.

Hales: I ask that it be referred back to my office.

Katz: Any objections? Hearing none so, ordered.

Hales: I will hear later what's wrong with it. Sorry.

Katz: 739.

Item No. 739.

Katz: Okay. We have amendments on this. Yeah. Why don't you come on up.

Greg Jones, Bureau of Transportation, Engineering and Development: Good morning, I am greg jones. There were two amendments necessary and the one in the ordinance and one in the intergovernmental agreement to deal with errors and typos that were found at the last minute by the office of finance management.

Katz: Are they commas that change financial meanings?

Jones: They change the dollar amount. The original ordinance was listed at increasing compensation of \$590 and it should have been \$702,721. And then there was another \$20 error in the actual -- in the intergovernmental agreement.

Hales: So I will move the amendments.

Katz: Do I hear a second?

Francesconi: second.

Katz: Any objections? Hearing none, so ordered. Does anybody want to -- do you want to tell us anything else? Does anybody want to testify on this item? If not, roll call.

Francesconi: This is very important to lents so we appreciate pdc paving the streets there, aye.

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

Katz: Mayor votes aye. 741.

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Item No. 741.

Moore: Amend code for transportation system development charges.

Katz: We have a request that it be heard next week. Okay. All right. Great. That goes with the other item. Any objections? Hearing none, so ordered. All right. We will start with -- let me flag to the council and anybody who is here. We will start with 723 and then I am going to have to ask for a suspension of the rules for a fourth item. I need to tell you the item was published in the daily journal of commerce so the public knows this is a public hearing. And that will then start the discussion on 724 and 725, and we will pull 726 for tomorrow. Did I get that right? Yes. Okay. So, let's start with 723.

Item No. 723.

Katz: All right. Come on up. Come on up and then commissioner Saltzman needs to make a statement.

Saltzman: Due to a potential conflict of interest in this matter, I will be recusing myself from the vote next week.

Katz: Do you want to share the potential conflict of interest?

Saltzman: Well, i'm part owner of properties within the existing bid and the soon to be expanded bid.

Katz: Okay. Since it's not an emergency ordinance, we'll be fine. Okay. Go ahead.

Kim Kimborough, Association for Portland Progress (APP): Thank you. I'm kim with the association for Portland progress. We are here today to talk about the renewal and with a minor modification to the boundaries of the downtown clean and safe district, commonly referred to as the downtown bid, business improvement district. This was first proposed and enacted in 1988 and has been renewed every three years since then with the last renewal running for a one-year extension so it's actually been four years since we had a formal renewal process. I hope all of us are, are well aware, business improvement districts clean and safe districts, are really self-help financing mechanisms that help provide for enhanced services in a contiguous and defined area, and those services are historically above and beyond those that city government is able to provide in that particular area and they are always for the benefit of the owners and the users of the defined area in which the services are provided. With regards to the downtown clean and safe district, and this current renewal, the -- we are bringing forward -- we currently generate about 3.4 million dollars a year. Those resources are spent primarily on clean and safe with almost 70%, just under 70% of the total budget spent on those activities. Additionally, we do spend some resources for marketing of the center city in downtown, some business development efforts, as they relate to housing and retail and market research, and as well, small amount in regards to advancement of public policy issues that secured, protected downtown. I'd like to speak to one issue that we had discussed earlier in the council informal a few weeks ago, and that is the inclusion of the condominium associations in the downtown clean and safe district. As we reported to you at that time, we were in active discussion and had been for some period of time, and that has continued and we have reached what we believe to be a, a very fair and equitable conclusion and we have accomplished our goal of getting all downtown users and stakeholders underneath the same tent, if you will, as it relates to the furtherance of a more successful and more equitable clean and safe district. In negotiations with the condominium associations we worked out an agreement whereby the condominium associations will enter into a written exact on an annualized basis, with the downtown clean and safe district that will effectively assess condominium owners 6.5 cents per square foot, assessed by the association, it's not a mandatory assessment under the ordinance but it's a written compact between the downtown clean and safe district and the condominium associations. It protects the deductibility for the condominium associations, which was a pretty substantial concern for those owner-occupied properties within the core of the downtown, but a little different than, than the commercial industrial properties or the traditional investment properties. But, it also is a recognition, and we

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applaud the condominium associations for that, of the fact that they do benefit from the clean and safe services and they are very willing to support and help pay for them. And we believe this would be an equitable resolution of that issue and will avoid the contentious situation we had four years ago on this topic. With those introductory comments, I'd like to introduce Chris Thomas, who has been functioning as our attorney in this regard and negotiations with the city attorney's office on the actual language of the proposed ordinance changes to actually highlight the specific changes and the substantive issues that are in the change. Chris?

Chris Thomas, Legal Counsel, APP: Thank you. Chris Thomas, legal counsel for Association for Portland Progress and Portland Downtown Services Inc. I'm going to highlight for the four key changes from what's been before you in the past. The first one has some particularly good news to it. As you know, we have come back every three years. That process of coming back is, has been a major process, and actually, has been a fairly expensive process to go through sort of the complexity of reviewing the formula carefully, going with the funders and having them review it, and I think it was on the funder's side everyone's agreement that that was beginning to get wearing and really wasn't necessary. The district has proved itself and they have been very happy with it. So, in the ordinance you have in front of you, the next sort of sunset review you would have would not be for ten years. The really good news about that is if you are lucky, that means you won't see me back here for ten years talking about this and you will probably never see me. [laughter] Because I think I will be retired by then.

Katz: I was going to say.

Thomas: Because of that, one of the things we did do was, the way the formula was written was quite complicated. We, without making changes, other than the ones I am going to tell you about, restructured so that when those of us who have worked on this are gone, seven, eight, nine years down the road, it will be easier for people who are coming at it new. The way we handled the length of the district was we have provided each year for a CPI-based increase in the fee, that's the consumer price index for urban wage earners and clerical workers, and so there will be an adjustment each year in the fee amount based on that, and that will be automatic and won't require any further review. We did add an element of housing that was not included, and that would be what I guess in the language you are used to would be affordable residential affordable rental housing, the amounts are relatively low. They would be paying for that type of housing that is managed by a nonprofit corporation or government entity would be \$20 per unit per year, and if managed by for profit, it would be \$44 per unit per year. I think you heard some amounts last time at the council informal in terms of the revenues that were being raised, and those amounts produce the revenue that were included in the projection you saw. And I believe the same is approximately true for the amount that the, the condominium owners have, are agreeing to pay under the compact. Let's see, the other significant change is one thing we have done is, as you know, it always was contemplated and always has been the case that the services that the district provides actually are provided by an entity that's representative of the property owners and managers in the downtown area through a contract with the city. That is explicitly recognized in the ordinance, and one of the things that is added to the ordinance is the possibility that revenues from the license fee up to one-third of the revenues could be pledged as security for debt incurred to finance improvements that would be capital improvements in the district. If, the way in which that would occur would be the, the contractor, PDSI, if it requested that the city allow that to happen, and if you agreed that that was appropriate for a project, then PDSI would come in and explain to you what the project is, what reduction in services might be necessary because of the pledge of the revenues, for the capital project rather than going through to, to other services and then based on that, you would be able to make a decision whether you think that's appropriate or not. So that is new.

Katz: Let me interrupt on that. Do you see yourself selling the bonds or coming to us and asking us with our fine credit rating to do that?

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Thomas: The way this is written, either is a possibility. You would have to conclude if, for example, pdsi were to do the borrowing, and the revenues were to be committed to it so that it would be sure it would have the revenues to support the borrowing, you would have to be satisfied, number one, that that was something that you can do, so your legal council would be, would be clearing that at that point, and you would have to be deciding if that was really the right way to go. I think from our own discussions, the question on, which would be the appropriate way, might have to do with how long the borrowing was going to be for and the advantage of your, obviously, terrific credit rating would be important and whether your debt service managers think that's something that they want to have done so this recognizes the possibility of that, but it makes clear that whether that would be something that would be done would be something that you would have control over. I think those are the major changes. I'd be happy to answer any questions or steve is going to speak a little bit.

Katz: Steve, do you want to say anything? Identify yourself for the record.

Steve Siegel, Consultant, APP: Steve siegel, consultant, app, one short addition to chris's, another piece of what's being amended is the district, itself, and there is the inclusion of the harrison square building, which is at what, 1st and columbia, if I remember correctly, which was a, a half a block that has been outside of the district up to now, and what the proposed ordinance does is to include that building in the district effective in the licensure of 200 4, and as part of negotiations, we will be entering into a compact with the building owner of harrison square to have that number phased in on a 25% level each year for the next, the next three years until it's fully in the district in 2004, so, let me add that to the presentation.

Katz: I can't resist. Why was that building left out of the formula? Historically?

Siegel: I was not involved and don't know, but I can hazard a guess.

Katz: I'm not involved. Anybody want to answer that? Chris?

Thomas: As I recall, what happened was we added the area in that vicinity a number of years ago, the owner of that building, I believe, did not have notice that that was going to happen, so at that time, he was -- that property was excluded from the district, and now we're back including it. I know it seems somewhat strange that you would go right down the middle of a block.

Katz: Don't look at me. I don't know the answer of the history of it that well. Thank you for sharing. At least a piece of it. Anybody else have any more questions?

Francesconi: There's a sentence here, is the intention of city council to enter into an agreement regarding level of service? I understand why because you don't want to be supplanting what we should pay for. Very done? I didn't see that agreement. Is that going to happen? Talk to me a little bit about that.

Hales: That is still under development. We, because of, quite frankly, of the period of time in which we did not have a president, my position was not filled and the short period of time that i've been here, we are working now very closely with the city staff to resolve that language and bring it in conformance with the language but the language was time sensitive and needed to be acted on now. We fully expect to bring that agreement inclusive of that language that you referenced before the end of july, back in front of you.

Francesconi: That is, by the way, an -- we always have had agreements that have had a level of services provision in them. So. There will be some discussion about what it, what it should be this time figure is there an enforcement mechanism?

Thomas: In the past there has not been -- it's been more of, of a notice and discussion process that's been spelled out with a definition of what the level of service has been that was sort of the baseline.

Katz: Further questions? Thank you. Anyone else for public testimony?

Ron Beltz, Louis Dreyfus Property Group: Good morning, i'm ron with the lewy dreyfus property group, we are one of the major funders in the bid district. We have approximately five city

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blocks. I was doing a quick math, on a daily basis between our tenants, their employees and visitors to restaurants, the camera world and our cinemas, we probably have 3,000 people a day going in and out of our building, so on an annualized basis we're approaching almost a million visitors in and out of our buildings, and you can see why we think we need a clean and safe district. The impact that we have and we think it's real important that a person downtown sees that it's clean and safe and wants to come back for another trip. So, we are fully supportive of the bid, and we hopefully will ask for your support, too. Thank you.

Scott Andrews, Melvin Mark Properties: Good morning. I'm scott andrews, a principal in the melvin mark companies, one of the things we do is own and manage a number of buildings downtown in excess of a million square feet, and provide hundreds of thousands of dollars to the bid. I'm here in support, our companies are fully in support of this renewal. We think that the services that are provided are essential to maintaining Portland's livability, which is known world-wide and I hope you will support it, as well. Thank you.

Michael Powell, Powell's Books: Michael powell, powell's books and I serve on the bid committee with app, just urge your support for this, like the other two gentlemen, I see a lot of my customers coming through downtown, my own interaction insist other cities, if I have one negative interaction, even way beyond the control of that city, but something unfortunate happens, it colors my feeling about that city, as well as if I have one positive interaction, it colors my feeling in a positive way. We think that we have put in place a system that minimizes the negative and emphasizes the positives so the guides are there to help, but also to quickly resolve issues on the street and very effective, I think of the cities where they have not been able to stem the flow of graffiti, and we have. It always seems in my mind to mark a city that cares for one, and Portland clearly cares, and I think it's a great program. I'd also like to say that, having served on this committee for a number of years, that the hundreds of hours that have gone into the renewal every four years, is time not well spent, I believe, and the ten-year extension can better be -- people working on that can better turn their attention to other needs of the city, and I think the ten-year thing is very appropriate.

Katz: Thank you.

Katz: Who wants to start?

Joe Weber, Wells Fargo Bank: Joe, wells fargo bank. I just wanted to offer our support. We have been a member since the original inception of the bid. We have roughly two blocks, two full city blocks downtown, so we are 700,000 square feet, and like the melvin mark group, we have probably a couple thousand people coming into our building on a regular basis daily. And we have done some improvements recently to enhance our building because of its age, and continue to support the bid and would, would recommend that we renew it.

Clayton Herring, Principal/CEO, Norris, Beggs & Simpson: I am clayton herring, principal and chief executive officer of norris beggs and simpson, we spend most of our waking hours promoting, or pedaling, if you will, this great city. And I think that the public-private partnerships struck over the years have really set Portland aside as a city. It truly is a leader, an example, and as it relates to the bid, it is being followed by dozens of other cities around the country, which is testimony to its past successes. The recommendations before the council at this moment will enable us to continue to move forward as budgetary constraints continue to place limitations on the level of services that the taxpayer dollars can support. It will enable us to meet the challenge that is an opportunity before us with sociological and demographic trends, for lack of a better word, called the rising growth of new urbanism, and Portland, most recently as I think this weekend's Oregonian was pointed out as being a city that is seeing a migration of people coming back into the city. The city and the cbd has and will continue to be the beneficiary of these opportunities if we rise to the occasion. The bid or business improvement district augments and fills the gaps to meet the standards to insure the quality of place to create this environment, this balance of quality and

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vitality so that Portland truly is a great place to work, live, and to play. Today's opportunity for Portland is to truly be a world class city. The recommendation before you will allow us to continue to be a leader as app and pdsi continue to focus on rising standards for cleanliness and safety, and to increase the marketing of the cbd, with a branding campaign, and to work towards building an effective, and I say effective retail strategy that will lead to the future, which I believe will establish Portland and meet the challenge of creating Portland's destiny and its due to be a world class city. Thank you.

Katz: Thank you.

Kirby Allen: Hi, I am kirby allen, unlike the others, I don't run a business. We chose to move into Portland and live here, 24-7. And the reason for that is, it's such a wonderful place to live. I just wanted to take a few minutes and emphasize how important people who live downtown are to the vitality of a city. Neil pierce, who is quite an expert on this, had an article in the Oregonian on the 12th, in which he emphasized this, that the life of the city is not just the businesses, it's those who actually live downtown. So that I think that the clean, safe approach has been very, you know, constructive, and, you know, I came in general for this, but I want, but one to emphasize the importance of maintaining the exemption for owner-occupied residences from the mandatory part of the fee structure of this, allowing us to make voluntary contributions to something that we would see as a worthwhile cause. Once again, Portland is a great place to live, as well as to run a business, and those of us who live downtown, I think, make a real contribution to the vitality of this city.

Katz: Thank you. Questions? Thank you, gentlemen. Karla?

Katz: Who wants to start? Go ahead.

Sharon Bourque: All right. Thank you. My name is sharon bourque, and I live in the Portland plaza, as does kirby alan, so we are here to -- i'm here to echo alan's comments, and we're here to try to emphasize the importance of not utilizing those of us who live down here. All of us, it's not that we don't support the clean and safe program, we do. But, many people come down and use all of the things that we have to offer in Portland. And it seems like, perhaps, singling out the residents in some of the areas to, to pay for this may be a little viewed not quite as positive as it should be, so I also want to emphasize the importance of keeping the contributory side of this still available for us.

Katz: Thank you. Go ahead.

Jerry Nothman: My name is jerry, and I live in the fountain plaza condominiums. I, personally, support clean and safe on a personal level, as well as recommending it our homeowner's association. The thing that concerns me and our homeowners is the fact that we are up for discussion every time that this bid renewal comes up, that we even have to be concerned about it. When this was originally enacted it was as a business property manage license fee, and by what kind of a definition that a private owner occupied residence is a business, sort of escapes me. So the necessity for us to even become involved in a discussion of this on an ongoing basis, I think, is the thing that is of concern. The fact that, that clean and safe does things that we, in part, support and feel are of a general benefit to the city, is beside the point. But, we even become part of the discussion and have the need to, to be viewed as the bad guys who have to be dragged to it and we get the headlines in the papers that we're being subsidized and we're not paying our fair share, those are the things that concern us. It isn't a question of, of that clean and safe does good things, and those things we're willing to support. But, we don't know to be put in a light as being the bad guys. Thank you.

Katz: Anybody else want to testify? Come on up.

Jim Wadsworth, Director, Bureau of Licenses: Mayor Katz, commissioner I am jim wadsworth, director of the bureau of licenses. As part of the renewal process the bureau oversees sending out letters of remonstrations to all the accounts and the folks involved in the bid. As of this morning at 9:00, we received five remonstrations in support of the bid and three not in favor of the bid.

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The fees involved with the three that were not in favor are less than 2% of the total bid revenue. Any questions?

Katz: Questions? Thank you. Anybody else? Okay. Everybody, this is -- this gets passed to second, and we'll be up for a vote next week. Thank you. All right.

Item No. 758-1

Katz: I need a suspension of the rules to bring forward a 4/5's item. Public hearing to discuss possible uses of state revenue sharing.

Hales: so moved.

Katz: All right. Do I hear a second?

Saltzman: second.

Katz: Any objections? Hearing none, so ordered. I need to read this officially. I keep saying over and over again I was in the legislature when we passed this. This is probably the foolish thing that we did because nobody pays any attention to it. This hearing is being held by the city council of Portland, Oregon, in compliance with the provisions of the state revenue sharing regulations. It is to allow citizens to comment on the possible use of these funds in conjunction with the annual budget process. As proposed for council adoption. The fiscal year 2001-02 budget, anticipates receipts totaling \$2.9 million. From state revenue sharing. It has been the case in prior years that it is proposed that this revenue be allocated and equal parts to support fire prevention and police patrol services. And it is -- has been built into our budget, so, let meet ask now if anybody wants to testify.

Mark Murray, Bureau of Financial Planning (BFP): I'm shocked.

Katz: Yes.

Katz: Thank you very much.

Murray: Remind council there will be another hearing on this tomorrow, two hearings are required.

Katz: So we will hear it again tomorrow. All right, then let's read now item 724.

Item No. 724.

Katz: Okay.

Murray: Mark murray, financial planning. This is another action required under ors 221 and the report which is included in your packets presents a history of the state revenue sharing receipts and their, mentions their past uses, as well. It's primarily the cigarette liquor tax receipts, sin-taxes.

Katz: Any questions? Anybody in the public want to testify on this? If not, I need a motion to accept the report.

Hales: So move.

Katz: Do I hear a second?

Saltzman: Second.

Katz: Roll call.

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

Katz: Mayor votes aye. 725.

Item No. 725.

Murray: Mark murray, financial planning, this required under ors 221, requires the municipality certify certain services are provided within their jurisdiction in order to be eligible to receive the state-chaired revenues. The services that are provided by the city of Portland include police protection, fire protection, street construction maintenance and lighting, sanitary sewers, storm sewers, planning and zoning, and water.

Katz: Want to make it very clear that tri-met services and poured of Portland services and mental health services are not included in our, within our, our jurisdiction and charge. All right. Anybody want to testify on this? All right. I'll need -- roll call then.

Francesconi: Does that make you feel better? [laughter]

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Katz: It makes me feel better.

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

Katz: Mayor votes aye. You should see the e-mails and letters on some items. All right. Let's -- thank you.

Item No. 726

Katz: Now, with the council's permission i'd like to pull 726 and put it on the item for thursday. Do I hear any objections? Hearing none, so ordered. Thank you. All right. Let's move to regular agenda. 751.

Item No. 751.

Katz: Okay.

Murray: Mark murray financial planning, this action includes the levy amount for property taxes occurring to the general fund and fpd and our levy, it also includes amounts for the urban renewal levies and annual -- an annual event. Any questions of our office?

Katz: Anybody have any questions on this? Okay. Anybody want to testify on this? All right. If not, roll call.

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

Katz: Mayor votes aye. 752.

Item No. 752.

Katz: Commissioner Saltzman?

Saltzman: Thank you, madam mayor. Before you is a, is an ordinance that would authorize an exemption from the traditional low bid award process and allow us to use a request for proposal process for one of the largest pieces of the sewage elimination program for the willamette river, in particular, for the west side of the willamette river. And what we're talking about is basically, a large, 14-foot diameter pipe that will run from roughly the marquam bridge north of the Broadway bridge, underneath the willamette river and also for a station on swan island. And an associated approval is with that. It's roughly, I think, a \$200 million project, and it was actually my request to, bureau of environmental services, that we do this on a request for proposal basis. For several reasons, and those findings, we have to make strict findings under state law as it why we are using an alternative bidding process, and sue, you can probably elaborate on that. But, we do feel this will not inhibit competition for this project. We do feel it will allow us to bring on a contractor early in the process rather than waiting until a design is done, putting out the bid by bringing the contractor onboard before final design is done. I believe we'll get a better design, we'll get more realistic input on how to make the project work better and hopefully, at the lowest possible cost. There is an inherited advantage of bringing a contractor onboard earlier. And i'd also say that using the request for proposal basis allows us broader latitude in who we select as our contractor for this major, major project. And two things that I am particularly interested in making sure is that the contractor we do select that we are able to look at the actual demonstrated records of cost overruns that they have had in other projects, or have not had, but we actually are able to look at that in the process of the selection for contractor, and you can argue whether that's allowed in an additional process or not, and two is that we also get to look at the, the actual track record contractors have in using minority women and emerging small businesses in prior projects and actual track record, not what they propose versus what they end up doing, so under the traditional low bid process, we don't really have the latitude to look at those types of issues. This allows us that type of latitude. It's not the only reason that we are doing it, but it's one of the reasons I requested that we do this major project on this approach. And if it proves to be successful, on all those fronts, in terms of getting a good design, getting a low cost, getting minority women, esp participation, as well as low-cost overruns we will consider using it on other aspects of the cso project as they move along, and the final reason we are doing this is because we are under a tight timetable to complete the west side

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line by 2006 and that's the reason we believe that bringing a contractor onboard will help us meet that deadline. With that i'll turn it over to sue or dean.

Katz: Let's turn it over to you.

Sue Klobertanz, Director, Bureau of Purchases: Mayor and commissioner, I am sue, director of purchasing. Part of my job is to make sure that procurement system is fair, efficient, effective and accountable. In large part, this means that I oversee the construction and goods and services acquisition for the city and make sure that we follow our federal, state, and local city laws. Those laws, for the most part, require as commissioner Saltzman indicated, low-bid type process, but those same laws also do allow us to take an exemption to what's called the competitive low-bid process, if we make sure that certain findings are met and that the public has an opportunity to comment on the process. Purchasing has worked with the bureau of environmental services and the city attorney's office to insure that the environments for taking an, an exemption from the competitive low-bid process have been met and I need to make a footnote here when we say we're taking an exemption to the low-bid process and it has been indicated to me that the Oregonian indicated that that meant we weren't going to have a competitive process. That's not true. It just means that it's not a strict, closed bid type process, but instead, we use the request for qualification, request for proposal, and prices -- price is one factor that we look at so, it is still competitive process. With that assurance that we followed and met the requirements, I guess at this point, I would just like to stop and turn it over to paul and dean to talk, give you a little more background on the project and also the alternative approach that we're using.

Katz: Okay. Paul, go ahead.

Paul Gribbon, Bureau of Environmental Services (BES): I am paul with the environmental services. Commissioner Saltzman basically gave the bulk of my presentation but I will just walk you through this very quickly. This is a very complex endeavor that we're going forth with. The biggest piece on the second page is the tunnel, 24,000 feet of 14-foot tunnel diameter tunnel across the river, we are going to be about 120 feet deep, ties in with the 220 gallon swan island pump station which, we'll start with a shaft of about 150-feet deep, so the coordination between the construction on both is critical. The other piece is then the main to the existing tunnel and the other maintenance pipelines to make this work. This all has to be done by december 1st of 2006, so we are under a deadline. Estimated construction cost as commissioner Saltzman said is about \$200 million. The three main pieces to this is we have to accomplish, the stipulation of final order requirements, which is december 2006 deadline so schedule is critical, so we are trying to minimize our schedule risk at this point. And we still want to receive the best value we can for our dollar. So, as sue said, the ors 279 requires us to go low bid which results in the traditional design bid build which means we can't advertise until the design is 100% done, signed and sealed. The next payment, one big advantage of this alternate approach is we can recruit the contractor prior to design being done, and they can actually become a participant in a design process, and this can save us considerable amount of time, such that by the time it is complete we have somebody ready to go and construction can start. What was required for the waiver in 279 was the publishing of the findings of fact document and a public advertisement for 14 days, and then an ordinance by the public contracting agency. We have done that. The findings have been published, and I think the 14-day period was up yesterday. The findings of fact we published had to cover certain items and the one thing I talked about already is the schedule of savings. This is the biggest advantage of this is the schedule savings we have. The other is cost. We feel this approach probably in the long run will give us the best value for our dollar. The public benefits is we'll have the combined overflows, managed by our deadline of 2006. The value of engineering refers to having a contractor onboard during a design process so we can get the benefit of their input, rather than having 100% of the design done before we procure a contractor. As I said this is a technically complex project and we need as much expertise involved as we can and it will require specialized expertise in the type of

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construction and we are not limiting competition at all. This is open to the same low-bid process. The approach that we propose is a modified qualifications-based selection process as commissioner Saltzman mentioned, we have a number of criteria that will review them on, on cost is not the driving factor in this case, but it is a consideration k we'll get the construction expertise brought on early. We can have a more partnering environment with the designer that, the contractor and the owner all together at the same time putting this design together and completing it. I also mentioned potential schedule of savings and commissioner Saltzman mentioned the, the advantage we have in the small business participation and nw so, our request today is that we proceed with the ordinance to waive ors 279 and allow us to go with the selection process.

Katz: Dean, do you want to add anything?

Dean Marriott, Director, BES: Well, thank you, mayor. Dean marriott, director of environmental services. I am really here to respond to any questions you might have. We feel very good about this process, as you all know. This is going to be very challenging feat for us to perform. It will be done literally below the groundwork cable in many cases. The tunnel will be a very large diameter tunnel. It will be crossing the willamette river below the river. I think we will attract a lot of national and international attention to this, and we hope we will attract a lot of competition. A lot of, of firms that will want to do this work. So, in no way do I think this will limit competition. I think this will actually be very good for the city and very good for the rate pairs of the city of Portland. Thank you.

Katz: Questions?

Francesconi: I have a couple. Could you say a little more about what you are going to do mechanically to make sure that there's adequate competition? How are you going to advertise this? How many bidders do you expect? Can you say a little more about that? Not bidders, but applicants, I guess.

Gribbon: Yeah. We have an ad, which will be advertised nationally in the local jvc, and we have had inquiries from probably 20 major contractors across the country already, so we already have 20 people that a we'll send the request for qualifications to directly in addition to the other people who will get when the ad is placed in the engineering record.

Francesconi: How many companies do this kind of work?

Gribbon: Well, we have interest from 20 so far, but internationally, it is quite a number of them. There is not local companies that do this work.

Francesconi: On the other jurisdictions that have done this, pdot and tri-met, can you say a little more about what kind of projects they have done and compare this project to, to their projects?

Gribbon: I believe the city hall renovation was. This is a normal process for a large complex construction projects I actually sit on a committee with the association of general contractors that is working on a revised white paper.

Klobertanz: This process is not going to result in extra costs as a result of accelerating the process. We are trying to do this such that we can get a scheduled savings without an increase in cost.

Francesconi: But where, and this is not just aimed at this project, where cost isn't the determining factor as it is through a normal bid process and where you are hiring somebody before you know the time cost because you haven't done the engineering, how, then, can you control cost?

Gribbon: It's a good question. The approach in a situation like this is before you completely are done with design, is negotiating what's called a guarantee maximum price, and basically the way we would proceed, will proceeds to proceed in this case is doing a cost plus fixed fee arrangement. We pay the direct cost of what it takes to do this at the same time the contractor is working under a fixed feat such that he has an impetus to finish early. The early err, more efficient he works, the biggest profit he has to gain. That's the, the approach we would take in this particular case.

Klobertanz: One of the benefits is the team building between the contractor and the owner in which case if we finish ontime and underbudget it benefits us all.

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Francesconi: Has there been some kind of analysis of these kind. Contracts which are gaining in popularity over the last five years to see if that has, in fact, worked? In terms of less money? Because they are built quicker? Has this been an evaluation?

Klobertanz: There's a requirement under state law that projects over a certain size that use these alternatives bidding processes actually come back and look at the findings to see if the findings have been met. In all honesty, the cost issue is very difficult because unless you are building two exact replicas of one another under the different process, it is hard to say, will we save this amount but in direct answer to your question there is a large contingent of folks watching all of these exemptions very closely to insure that they are appropriate.

Francesconi: Okay. Thank you.

Katz: Okay. Further questions? Thank you. Anybody want to testify on this item? Karla, do we have anybody signed up?

Moore: No.

Katz: Anybody in the audience wanting to testify? If not, roll call.

Francesconi: I think this is an appropriate type of construction process, given the complexity difficulty. I think we should proceed in this manner, and I do believe that if done properly, it can save money because we can build an incentive to save time, which will end up saving money. Having said that, we need to watch it closely, which I am confident that the bureau and the commissioner will do. Aye.

Hales: It works, aye.

Saltzman: I want to thank the staff for getting us to this point and also for the work of getting the rfq and rfp and doing the national evaluation process so it's going to be an ambitious process, but I do believe this is one that will allow us to do it at the best cost, but also to give us the ability to look at other factors in selecting this contractor for this very, very important, very complex job. So I think it's the right way to go. Aye.

Katz: Aye. I just want to approach this a little differently. I get a lot of e-mails and phone calls about the traffic and the construction around the city and I have already flagged to everybody that burnside will be closed for three months, and if you look at this map, there's a lot of construction that's going to be happening in the downtown area, and I just want to say, with everybody's concern about the river, and us cleaning up the river, that what we're doing here today is setting the foundation to get the river cleaned up and meet our deadline of 2011, as commissioner Saltzman continually say to the public, we are 50% finished on our share of the willamette. The columbia slough work is done so, for those of you who might have inconvenienced this, this is part of our important values of cleaning up the willamette river. Aye. Okay. 753.

Item No. 753.

Katz: Commissioner Francesconi.

Francesconi: This is a very exciting thing, the demographics show we are getting older, parks and the city is trying to respond in the important part of the city so we have been able to work something out that will be terrific not only for east Portland, not only for seniors, for the park system, but for all of our citizens, so why don't you come forward. We have a brief presentation here. Welcome.

Eunice Noell-Wagner, President, Center of Design for an Aging Society: Thank you. Good morning, mayor, and council members. I am the president of the center of design for an aging society, and coordinator of the Portland memory garden project, and it's with great pleasure that we are here today. This has been quite a process that started over 2 1/2 years ago, and, and I would like to direct a few remarks about how appreciative we are for the council's support and also the parks through, through the commissioner, we received many brands but one of them was from the parks trust fund, and has helped us really be on our way to build this garden. It's viewed as a national demonstration. There's only one other park similar to this in the united states, but it's much smaller

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in scale, and in scope. So, we're really trying to do super quality job to bring pride to our city, as well as serve our citizens. We have, we formed a partnership with the society of landscape architects. The alzheimer's association, of course, Portland park and recreation, are very important partner. Health systems, Portland state university, institute on aging and center of design for an aging society, and the neighborhood and I really want to stress that, that the neighborhood was a really key partner in this process. The garden is richer because of the process that we took on, and I think the fact that we have got neighbors here in support of the garden is really testimony to the involvement. In the spring of '99, we invited neighborhood associations to propose a site within their neighborhood in a given park and we received eight nominations, one had to be eliminated, we narrowed it to seven. Then we were to five, three, and then finally with a recommendation of the ed benedict park site for a number of considerations. Noise being one. Restrooms, traffic, you know, a number of things, and a flat site because of the, of the needs of the population that we're trying to address. And so then there was a recommendation to, to charles jordan for this particular site. We have been very active with fundraising. We received over 160,000 in donations, I should say in grants and part of that would be from the park trust fund, \$20,000 and \$60,000 from pdc. Then we have private organizations and foundations as well as inkind donations of design services, landscape work, and, and we even have some people from the scouts involved, so we really have tried to be intergenerational and reach out to all aspects of the community to come together to build this park and make it a reality.

Francesconi: Can you show us the park?

Noell-Wagner: I like to hold the anticipation. If you can hear me, powell boulevard would be, say, up here. This is 104th street. Ed benedict park stretches to 105th, so that would be down here.

So it's the southwest corner of that segment of the park. The rest of the park has the soccer fields, kids play equipment, you know, the physical younger generation approach, and so this is a flower garden. We have raised bins in these areas so those who can't bend over as well, would bring it up to them so they can touch and smell. Very gentle sloping path. They can come in at this point, this is a rain shelter here. They can survey the entire garden. It has a looping path, so that people with, with alzheimers don't lose the ability to think about turning around, when they come to an event, so it's a constant loop so, you can just keep on walking and still get to some place. Community gardens are planned for this area, but, it's to be fragrant and colorful in all seasons of the year, not just the spring-time.

Katz: So it's a fragrant garden.

Noell-Wagner: Right, colorful garden, art, bird houses, trying to attract birds and butterflies and it just will give a way for the people, caregivers to have conversation with someone that might have dementia or just for older people to enjoy, as well as children.

Katz: Thank you.

Noell-Wagner: Any questions about the garden?

Saltzman: I can't help but notice that the overall design was like the shape of a human brain, was that intentional? Or -- [laughter]

Noell-Wagner: No, it really wasn't. In fact, these gardens came from one of the workshops with the neighborhood. They said, we think that entering at this corner would be the appropriate way, and so, it, it really has a lot of involvement from the landscape architects where this was one of the hundred parks, or 100 years, centennial celebration contributions, so all the design was placed --

Katz: Thank you. Let's hear from the neighborhood. From the neighborhood. Bring the mike closer.

Bonnie Banks: I am bonnie banks and I am a neighbor. Directly kitty corner from the proposed, or actually the, we're hoping you will go ahead and sign on the dotted line so that we can commence our building. We are proposing our groundbreaking. Have it for the 29th of this month, and i, as a neighbor, to this area, and I have lived there for quite a few years now. Have really, I see a great

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need for this, and I was so glad when ed benedict park was able to be built up and things for the kids to be able to do because there is a lot of children in that area who don't have any place to do a thing, so it's keeping them busy but I also see, we have a very large, and i'm sure that you all know about this, is that there is a very large population of, of adult foster care homes, nursing homes in the outer southeast area over there. So, and I do see some of the elderly able to use the park itself but I see that with the Portland memory garden, that it's really going to open up a lot more opportunity for people because it's going to be a confined space, and with the raised flower beds, those that are in wheelchairs or using walkers, will be able to easily access, be able to touch and smell and probably, in some cases, they are going to be putting them in their mouth. So the plants we are going to be carefully chosen for those reasons. And also, I see it as a wonderful opportunity because there is so few gardens anywhere in, in the u.s. Any more, unless you go to some big cities, that this is going to be a great opportunity of Portland to incorporate this for the elderly and also for the kids in the area who don't have gardens, and I think that being able to have kids and those with dementia will be a great opportunity to get some, some therapy going there.

Katz: Thank you.

Andi Miller, Representative, Alzheimer's Association: Thank you, your honor, I am andi miller, and I represent the alzheimer's association, we are delighted to be partnering with the landscape of architects and the other partners on this projects. It is a really good opportunity. I am a pr person, by training, I have to confess, and to get some awareness of alzheimer's disease and what they are living with. This garden will give us an opportunity for the person to have something that is theirs.

The person with dementia should feel comfortable in this environment. We are acknowledging that they still have many things that they remember. We concentrate on what they forget. And this garden is multisensory. You talked about fragrant, that is one of the senses. It's also visual, we hope with the bird houses to have sound, and there will be the ability to physically navigate the space. The paths are wide enough. We tested cobblestones, and actually you pushed me in a wheelchair so we could see how bumpy it was over the different cobblestones so we are taking into account all the senses. Oregon is really renowned nationally for a system of home and community-based care. And in Portland, I think, i'm very proud to go to our national meetings and talk about what we can do here and in Portland, we have a very good system of adult foster care, assisted living and residential care facilities, and the idea in this kind of care is to keep people out of what we call institutions, which is a nursing home where. The home and community-based care option allows people to get into the community and the people we work with, especially in that east county area, are delighted to have something that their folks can do as a project. And the access, one of the things that I looked at when we were doing this site is the access to the, the park, off the freeway is very good. Our office is northwest, I live southwest. This is not an impossible place to get to because of the proximity to the freeway. So, all the way around we think it's going to be a well utilized facility. It was extremely well designed, and conceived and the process through the neighborhoods was, was exceptional, so I recommend that you allow us to start digging.

Katz: Thank you. Questions? Anybody else want to testify on this? Come on up.

Richard Jacobson, 4154 SE 103rd: I am richard jacobson, live at 4154 southeast 103rd about four blocks from the park. Lived there for 46 years so I am familiar with the area and everything, and have been involved with ed benedict park since 1988 when it was turned over to the city by odot. My wife and I sat on the citizen advisory committee, along with bonnie banks, and we fought for this park for two or three years. It was a struggle. And I believe this park, or the memory garden, would be an asset not only to the park, but the neighborhood, the city. I walk the park every day, and the only negative to this, when this park is built, I may stop and not complete my walk. [laughter]

Jacobson: But hopefully, I will. But, I really do, and like bonnie said, there are foster care homes in the vicinity and about six blocks away, this is lents village, which is a senior citizen retirement

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home, and I noticed people from there have seemed to go up the street to the park, and I think this definitely would be an asset, and I urge you to approve it. Thank you.

Katz: Thank you. Anybody else? All right. Roll call.

Francesconi: Well, parks are for everyone, including seniors or anyone with dementia or any disabilities, but it takes, you know, a lot of people coming together to actually make it happen. And parks are really for -- if we can have parks as community gathering places with seniors and young people like ed benedict park will now be, then that's the best of all worlds. Because, we really don't want to live isolated. But, it takes effort to do that, and I really want to thank unyss wagner, the president of the center for design, aging society for all your work on this. You are behind -- there you are. [laughter]

Francesconi: I want to read a sentence from darlene carlson, who is my staff person, and she said - - she described you this way, unyss, I have never done this before, but "she's a thoughtful, articulate and incidentally, beautiful woman who has devoted many hours of time, energy, and skill to this noble purpose." so you've been our leader on this and we participate it, but I also want to thank andy miller of the Oregon trail chapter, the alzheimer's foundation, who has been there from the beginning, helped us raise money, and whose been a very articulate voice with the neighborhood. Which brings me to bonnie banks and i'm sorry, sir, I forgot your name already. Thank you. We owe you to begin with because there wouldn't be a park there if it wouldn't be for your advocacy so we have to start with the neighborhood for that. But, this was, you know, parks has had some, been in the middle of some sighting controversies over the past few years, and it has been very painful to other people in parks. This has been such a terrific process, we had eight parks competing for this in a process that john designed and he deserves the credit for, and it was executed by, by susan, who is here and deserves the credit. But, this was an ideal process. There will be future controversies surrounding parks because as we run out of green spaces and everybody wants something there, it's unavoidable, and that's good because people are passionate about their parks and what goes in them. So, it's not bad. But, when we can have such an ideal process that brings young and old together, but also government and the neighborhood and citizens the way you have done it, we are showing the young people and seniors that we can work together and we are concerned about the whole community. So, thank you for your efforts. This is a terrific thing for our city. Aye.

Hales: This is a great park. I had the privilege of being there with rita benedict and many of the neighbors when we first took it from a blank slate to a neighborhood park, and that east end park was awaiting the right idea, and this is the right idea. So, jim, my kudos to you and the bureau and all the advocates for this, this is a great match between that park, other benefits to the community, the combination of kids and seniors here is, is a great idea so I look forward to visiting this park and enjoying it along with other grateful Portlanders, good work. Aye.

Saltzman: Yeah. This is a really tremendous project, and thanks to all the designers, the alzheimer's society, neighbors, jim Francesconi and the other parks bureau folks. As you noted, and I recall from my days as a county commissioner, southeast Portland and outer southeast Portland have the most adult foster care homes than any other portion of the city so there are a lot of residents that will be taking, hopefully taking advantage of this park, not to mention all the citizens throughout the city, too many of which are afflicted with dementia so this will be a real asset to them and to the kids and I can't help but notice also that being about a block away from the 9-1-1 center, I think it will be a very, very heavily used by many of our stressed employees as a way to sort of -- [laughter]

Saltzman: Get away from the job for a few minutes and stroll through a garden and refresh themselves. So, it's going to be a key benefit to our employees out there, as well. So, good job. Aye.

Katz: As many of you know, I prefer quiet places in parks. We have had conversations here about soccer fields, all well and good, but it's the quiet places that make it very special, and this is going

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to be a quiet place for everybody in the community, and a very special place for the elderly that are suffering dementia. So, I want to thank everybody and parks. We will be seeing more of very specialized parks as all of you know, there's another request for a cancer park. That's been controversial in the particular neighborhoods so i'm open to have other neighborhoods say yes, we want, we want another very special park in our area. I want to thank southeast residents and the society and all involved and our own parks and recreation bureau. This morning, I got a cranky e-mail from a gentleman who said, no more parks. No. Capital, "no." and I want to tell him today. You are wrong, these folks are right, and I vote aye. Okay. 754.

Item No. 754.

Katz: Okay.

Francesconi: Susan, why don't you come on up and give us a brief -- this is another good story. And you can tell us briefly. We're out there acquiring as much park land as we can, especially in park deficient areas.

Susan Hathaway-Marxer, Property Manager, Bureau of Parks and Recreation: Good morning. I am susan, property manager for parks, and this ordinance, that parks is requesting today, requesting to acquire, what sometimes we call an orphan site out in southeast Portland, is a park that right now for lack of a better name we are calling the future terrorist trail site. It was a requirement in the final plat decision for the trail subdivision, this parcel, which is 2.54 acres be dedicated to the city, and it's taken a very long time for, for everything to be worked out so that the owner would deed it over to the city. We now have that deed. We are requesting that you approve the city's acquisition of it, so we can become the formal owner and responsible caretaker for the property, which has been neglected.

Saltzman: There's no acquisition fee?

Hathaway-Marxer: There is no acquisition fee.

Katz: You have the maintenance cost built into the next year's budget?

Hathaway-Marxer: We do. We are requesting that, that the bureau of financial planning do that, yes. And there is a neighbor here who is, who wants to testify about the park coming into the inventory.

Katz: Okay. Questions? All right. Let's hear public testimony.

Karen Tindall, 10735 SE Knapp Circle, Lot 39, Portland: My name is karen, and I live at 10735 southeast nap circle, lot 39. Been a long time since i've been here. I haven't been here since the mildred schwaab days.

Katz: Things have changed.

Tindall: Yes, thank you. We are builders in the city of Portland since 1971, and as builders and trails, we have sold houses on southeast henderson and throughout the trails subdivision, with the assurance that this site was to be a city park, and we, of course, conveyed that to our buyers, and through the, the, the five, four years that, that the land has sat there to demoralize and be a real eyesore to our neighborhood, none of us were aware that the city didn't already own it. So, it's been kind of an, unfortunately, a blight on city, on the city but now I can be able to tell our neighbors that the city hasn't owned it up until now. And we look forward to having you acquire this property at no cost. The building permit we pay thousands of dollars to the city to acquire sites and this one comes virtually free. So, the neighbors are looking forward to the grasses being maintained, the dumpsite being removed and a safer place for our children to play. And a true enhancement and some day maybe we can be the cancer park. But, we look forward to your accepting this property on behalf of the city of Portland and the neighborhood.

Katz: Thank you. Anybody else want to testify? If not, roll call.

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

Katz: Mayor votes aye. Thank you. 755.

Item No. 755.

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Katz: Folks, you have three minutes.

Lisa Kirakossian, 12405 SW 27th Place, Lake Oswego, 97035: My name is lisa, my husband, george kirakossian, we live at 12405 southwest 27th place, lake oswego, Oregon, 97035. Please bear with me while I read from my letter because I don't do this well, so I tend to look up, I get lost and I don't mean to be ignoring you, but I don't want to, I don't want to blow this.

Katz: And let me -- hold the time for a second. You are not going to read the whole letter, are you?

Kirakossian: Well, it's, it's short. It's, I mean, it highlights our, our situation.

Katz: We are going to try and do it in about 30 seconds.

Kirakossian: There is other documents in here. I will not read all of that.

Katz: Go ahead.

Kirakossian: Dear mayor and city council members, we come before the city council to substantiate our claim we are being unjustly charged city engineering fees in the revised amount of \$14,358 for a private sewer project my husband and I took on to subdivide our one acre property, a good portion of which we were forced to deed over to the city of Portland for public access with no compensation whatsoever. The bid price of this job was \$32,000. Exxon completion of the project, the bureau of environment was charged with taking care of this prog. Remember, this was a \$32,000 bid job. You can only imagine our shock and disbelief upon receiving a bill of this magnitude, in the beginning when I did my primarily investigation with the city departments involved in this type of project as to what the associated cost and fees would be, I was informed that the customary engineering inspection not consultation fees would be 2 to 3% of the total bid price for the entire job. That bid price being 32,000. After receiving all this information from the city and after careful consideration, especially of the dollar amounts associated with this type of project, my husband and I concluded and decided to proceed with the sewer project and subdivision. After our shock wore off and receiving a \$26,000 final bill we immediately contracted our -- contacted our attorney to find out what our rights and obligations were in regards to this outrageous situation. Many weeks and several thousand dollars in attorney fees later after numerous efforts of communicating with the city department personnel on our behalf, our attorney informed us the bureau of environmental services responded and claimed that the city accounting department made an accounting error, which resulted in a \$12,372 overcharge to this project. Our final bill was now \$14,358 instead of \$26,495. This amount still remains unacceptable and unjustified for several reasons. One of which, being the pure negligence on the part of the city engineer for failure to report and communicate on a regular basis to us, the contractor, all the while remarking up billable hours. We report there was no supervisory correspondence to us on a kale daily weekly or monthly basis on the part of the engineer inspector and to my way of thinking and understanding, when I agree to pay for engineering inspection fees, that infers to me, that this person is hired in a supervisory capacity, and when you hire a supervisor in this case, assigned, I believe most reasonable people would agree a large part of the job responsibilities of the supervisor is to keep the people who hired you and are paying the bill, my husband and myself, abreast of all situations at all times especially counter productive work practices. This was never done throughout the entire job, except on one occasion. Early on in the project. Had we been given the level of service we expected based on the fees we were paying it is not unreasonable to expect your hired supervisor, ie the city engineering inspector, to not only be on the up and up but regularly report any supervisory findings on deficiency issues on the site that would adversely affect the outcome of the project or changes that might be necessary on our part to see to it that these outrageous charges are unwarranted and unnecessary. I don't think so. Secondly during the course of the project that lasted several months the city sent us only one written correspondence and that stated our deposit amount of \$45 05,000 of inspection fees was used up.

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Katz: I think we understand the issue. We have your letter in front of us. Because there isn't the time to read the whole thing, and this is --

*******:** It's a complicated issue.

Katz: Well, we got the gist of it. I just ask commissioner Saltzman if he would like to respond. We usually don't do this. It's usually one way communications, but inside particular case, let me turn to him.

Saltzman: I certainly became familiar with your situation and the issue, it has been familiar to des. I think one thing you failed to mention there has been a reduction of 15 percent of the final amount owed so it is now down to \$9,000, well --

Kirakossian: No, we had a deposit, an initial deposit. That was the final bill and they, we had a \$4500 deposit on file so that, there's a remaining balance due.

Saltzman: Nevertheless, I will ask bes to re this again and they feel that the costs are justified for several reasons. First, they felt the contractor quite frankly was relatively inexperienced and didn't have the proper equipment to efficiently finish this project. The contractor frequently starts late in the morning and works late into the evening, sometimes as late as 8:00 p.m., and our inspector charges have an overtime rate of \$67 an hour. And the contractor oftentimes works on Saturdays, as well. The contractor often informs the inspector they anticipate working on the job at a specific time and never shows up or calls to say they will be late. The contractor had to be reminded many times about improper shoring and when the project began it took them a week and two days so set a manhole, something that should take one to two days so I have reviewed this and you know, I feel that these charges are justified given these circumstances under which this property has been done.

Kirakossian: May I respond?

Katz: Very quickly and then we'll go on.

Kirakossian: At no time during any of this, except on one occasion, which the inspector later denied, did we ever receive any communication from him that, that any of this unproductive work was going on. I mean, he was -- as far as I know he was a supervisor hired to, you know, make sure that things run according to schedule. And if we're expected to be accountable for a certain level of standard of performance it's only fair and reasonable to expect the city and its bureau should be held accountable as well to a standard level of performance.

Katz: Thank you. You may want to continue this conversation a little later on.

*******:** So, I don't know -- where do we go from here?

Katz: Well, you get an opportunity to share this with the council in this particular case, there has been a review by the bureau and the commissioner, and as you heard from the commissioner that he thinks that they are justifiable, and unless --

Kirakossian: Without hearing our side?

Katz: Well, why don't you stay, stay until the very end, which is going to come very shortly, and maybe talk to commissioner Saltzman.

*******:** Okay.

Katz: Thank you. All right. 756.

Item No. 756.

Moore: he talked to commissioner sten and will not be testifying today.

Katz: Item 757.

Item No. 757.

Moore: Request john paul cupp to advance the (inaudible) village. We have been informed he will not be here today.

Item No. 758.

Katz: 758.

Moore: he will not be here.

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Katz: Okay. Thank you, everybody. We are going to adjourn until 6:00 p.m. Tonight. And we have got a previous item on the agenda, on the northwest transition zoning project. Remember, we recall that council asked you to come back with some options and then we have a title 18-voice control ordinance. Okay. Thank you, everybody. See you at 6:00. Stand adjourned.

At 11:00 a.m., Council recessed.

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

Katz: Present. All right, item 759.

Item No. 759.

Katz: Okay.

Hales: We have got quite a presentation here tonight from both staff and members of our noise control task force. From the noise review board, from, actually, more than one bureau, just want to thank the work, thank everybody for the work that's gone into this presentation, and proposal and work, ongoing work we are going to hear about tonight. The mayor, you have shown strong interest in this issue. It's something the council here is more -- hears more and more about from the community. It's a growing problem. Just in terms of the level of activity, and good news and bad news, we're a vital -- more and more people live here, more and more activity, the bad news is that causes side effects like noise, and these folks have been dealing with it. Also have new technology out there like leaf blowers that seem to be everywhere, and those new ingredients have made this a more difficult balancing act, as well. We have pointed, last fall appointed this task force that we'll hear from tonight, that consisted of neighborhood representatives, noise specialists, business representatives. They have had hearings throughout the city. They have done some good homework on this subject, and you will hear from them in our, in our series of presenters tonight, but we're going to start off with a staff report from denise klein.

Denise Kleim, Office of Planning and Development Review (OPDR): Good evening. I am denise klein with the office of planning and development review, and this is paul, he's our noise control officer. As charlie said, last fall the council appointed the noise control task force to advise the city on improvements that would enhance neighborhood livability by reducing noise pollution. The charge that you gave them was to seek citizen input on noise issues. We have had many public hearings. Our mailing list is now 1400 citizens and organizations strong. We also were charged with reviewing the best noise enforcement practices in other cities, and then recommending priority actions that council should take. In the research that we did, we looked country-wide, nation-wide at different programs, and frankly, did not find a great model program. I think once you adopt these recommendations and we move forward in our implementation program, I believe that Portland is going to be at the forefront in dealing with city noise pollution issues. We looked at albuquerque, minneapolis, seattle, and vancouver, b.c. And looked at pieces and parts of their programs. The task force met and had many community hearings. They spent many hours beyond their original commitment, develop recommends and presented them to the noise review board, and I would just say that this was a fantastic group of citizens. They each and every one of them was very committed to the process. They all came with different interests but when we had issues on the table, they looked at all sides of the issues. And I would personally like to thank each and every one of them for the great job that they did. We worked them pretty hard. The recommendations then move to the noise review board, who is kind of a quiet citizen's group. No pun intended but they are kind of in the background working on a monthly basis on noise issues, issuing and granting the variances, and these folks, again, are very dedicated citizens, and really are concerned about citizen noise issues. We had lots of input from business representatives. They have really come to the table. You will see tonight that they have some good ideas that is not only a financial commitment but is a commitment on changing their operations to decrease the impact of their noise. We also spent a lot of time with leaf blower supplier, who gave us lots of good

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information. Retail, large retail establishments, the dairy industry, and I appreciate all their work and their willingness to really look at their issues. City bureaus also had a hand in this. This was truly a city-wide cooperative effort, and I am still astounded by the support that we have received from all the bureaus, police, parks, transportation, maintenance, city attorney's office, intergovernmental affairs, commissioners offices and the mayor's office. They have all been willing to make the extra effort, and you will see in the report that some of the recommendations have direct impact on the other bureaus. They will need to put forth resources and staff time to meet the recommendations and they have all been willing to do that. We have had a number of citizens who have attended all the meetings, and some of them are here tonight, and will talk to you even though they weren't on the committee, they came to many, many meetings. And also finally, our consultant, joe zetler, has brought this project in within budget and thanks to her outstanding leadership and writing skills and organizational skills, I think we've been able to pull this together. I am going to turn the mike over to paul to talk to you about the specific recommendations and then I would like to speak to you just a little bit about implementation because we're proposing a phased implementation over several years, and i'd like to explain what that is.

*****: I am going to take a few minutes --

Katz: Identify yourself for the record.

Paul VanOrden, Noise Control Officer, OPDR: Paul, the city's noise control officer. I am going to take a few minutes to go over the actual recommendations that the task force organized into eight separate categories. First category that the task force organized with some general recommendations, that included a broad range of ideas, one of the ideas included reaching out to the public and doing education on noise issues in order to approve on the livability in the community and to make sure that we are achieving our goals the task force recommended putting together a noise forum in 2004 to readdress where we are at with the work that we are proposing bringing forward to council tonight. They identified the fact that mediation is a central resource to help resolve neighbor to neighbor type noise complaints, and they recognize that one of the ways we continue, can continue to be at the forefront in the noise pollution arena is to put together a design forum to take a look at planning and architectural strategies to address noise turns. The second category that the task force addressed was looking at noise sources not traditionally handled by the city of Portland. They are actually regulated by the state or federal government. And these noise sources are specifically transportation related noise sources, such as planes, trains, helicopters, motorcycle noise, traffic, roadway noise. These were of major concerns for the community so although the city council asked the task force not to address these issues, they made some broad recommendations to council that we look to lobby the federal government as well as the state to work on these issues. The third category was construction. And in regards to the construction, the task force found that the city has adequate regulations, the bigger problem is the enforcement is lacks so they recommended that we strengthen our enforcement program. There was one area that they felt that we could use some regulations in order to improve the ability of workers to continue being productive in downtown, and that was recommendations relative to establishing standards for pile driving. In seattle, they had a standard that allows a certain decibel level for pile driving during the daytime. If that standard is exceeded they limit the time frame for pile driving to the evening, primarily so the task force modified their recommendations not copying exactly what seattle does, and said that that time frame in Portland would be something to the effect of 3:00 p.m. To 7:00 p.m. To minimize the pile driving impact on the community, on the residential community and then also minimize the impact on the business community. The fourth category was a look at neighbor-to-neighbor type noises such as amplified music, loud car stereos,

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noise from businesses that would have compresses or other sounds that impact neighbor-to-neighbor type of situations. And one of the things that the task force found is the majority of these complaints are happening outside of the hours of the availability of the city's noise staff, since we have a relatively small staff, so in looking at this issue, the task force recognized the necessity to reach out and work with the police bureau and have them involved in the enforcement program. They also recognize that there were a few issues that they did not have adequate time to bring forward specific recommendations, other than the fact that we do need to do some further research on them. These include the city working further on car alarms, outdoor seating, at coffee houses and bars, impacts residential locations. Delivery trucks at commercial locations at night, and looking closer at outdoor speakers that impact the community. The task force also recognized the city needs to work with the county's Multnomah county animal control to try and help them facilitate a better system for answering the public's concerns barking dogs. Fifth category was entertainment venues and the first concern was that the council recognize work that the city's noise review board has done to establish a decibel level for open space zoning. Currently the city's noise code does not recognize open space zoning with a specific decibel level, so the noise review board has done some work and the task force recognized that work and felt that open space from the experience of the noise review board should be kept at the same decibel criteria as residential locations. The task force also recognized some specific concerns about Portland, pge park and Portland international raceway. The next category is outdoor equipment, and in regards to outdoor equipment there are two primary concerns that the task force felt the city needed to recognize. Parking lot sweepers do not currently have specific regulations in the city noise code. And they have been a major source of complaints for the neighborhoods. They had established the fact that the city needs to work to establish an actual decibel level for these pieces of equipment. They did not feel in the time frame that they had available it was appropriate to establish this specific decibel level but they did move forward with certain goals such as limiting any blowers or street sweeper use at a residential type of location from 10:00 p.m. To 7:00 a.m. They also felt that these decibel levels that they were asking the city staff and noise review board to start researching and establishing should be finished by no later than december 31st, 2001. The 7th category was garbage truck and recycling collection. And this was an interesting issue that we put together a separate subcommittee to try to address, and in that subcommittee, included members of the task force, and also members of the city bureau, in particular, lee barrett from the office of sustainable development. And one thing that we found in researching the issue of garbage truck noise was that there may be technological ways of resolving garbage truck noise so rather than moving forward with the wholesale ban on garbage truck utilization at night, lee barrett and I were able to determine that there are specific sources with the garbage trucks that we can work to isolate and mitigate for, that should reduce the sound low enough not to be a major impact on the community. There was also a concern of investigating the possibility of franchising of commercial haulers as a way of reducing the number of trips throughout residential communities. And the last category was one of the largest sources of discussion with the task force process, and that was the concept of improving our enforcement tools in the noise office in the city in general. To this end, the task force felt that it was appropriate to bring the police bureau into the enforcement program or the noise enforcement program for the city and their recommendation was to move the primary response to noise complaints into the police bureau, and utilize the city's noise control office as the technical experts to resolve the more challenging types of noise complaints we are dealing with. They also recognize that the current process of citations is not working. We need to organize this, a system of writing citations that's much easier for city staff. And they also noted that the penalties

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currently do not -- the level of penalties are not high enough for violators to really take the noise concern seriously so they have felt that, that the ceiling on noise penalties should be raised to \$5,000, which would give us a much better opportunity to help situations get resolved. And then the last issue related to enforcement was that the task force felt that we needed stricter enforcement on violations of noise variances so when we have worked with the public and held public testimony to the noise variance with the noise review board, if those variances are violated, they felt we needed stronger penalties to rectify future concerns for the community.

Kleim: So paul's outline is, is frankly pretty ambitious project for such a small office so what we have proposed is a phased approach. During the next year we'll be concentrating on several things. One is work with the police bureau in implementation, and with training. Another is working on the garbage truck issues and for the developing that. We'll also be working further on the ordinance. There is ordinance changes that are before you tonight, but we also plan to do some, pretty much a total rewrite of the ordinance. There's some conflict with, with some other ordinances that we have, and it just needs a cleanup, so we'll be doing that, and then, and bring that to you in the fall, and then in spring 2002, there is other issues that will have been research and had we'll bring to you at that point. We'll also be doing some education and training with some of the other bureaus that will be helping us with implementation in the next fiscal year. Then in 2002-03, we'll concentrate on public education, we'll work on researching some of those issues that didn't really get -- weren't able to get covered during this process. And we'll work with some other organizations to raise their awareness of noise. Then when we get to 2003 to 2005, we'll need to be following up on recommendations that have been proposed on garbage and leaf blowers. The task force proposed a symposium and also a community-wide noise forum. So, we'll be here to answer any questions that you might have. We've got several members of the noise control task force that are here tonight to speak with you, and i'd like to turn it over to them.

Hales: Questions for staff, first?

Katz: Questions, i'm going to have a comment later. I think you are dragging out your work plan far too long, 205. We could lose the city by 2005. But, we'll talk about it later on, so let's have members of the task force.

Hales: I think betsy, our chair, is here, and I think all, all five, we have five members, I think so, who were planning to testify, maybe more, but let's take three at a time, maybe betsy and --

*****: I wasn't planning to testify. Denise asked me if I could sit up here.

Hales: Go ahead. You don't have to follow the script.

Betsy Radigan, Vice-Chair, Noise Mitigation Task Force: Good evening, mayor. My name is betsy radigan, I was actually the vice chair of the noise mitigation task force. I am sitting in the chair's seat this evening because sarah fitch, our chair, is out of the country on a family emergency, and she would really love to be with us here tonight. We would like, as a group, to acknowledge the leadership that she provided to the task force. She allowed us to accomplish so much on such a short time line and we would like to make sure that, that you acknowledge the contribution she made. I think if there is one thing that she could say to you, it would be, keep the momentum going. Let's continue to address noise problems as proactively as possible. It's just too important to our livability. She has a true commitment to the work and the city of Portland. In our work in developing our recommendations, we realize that the challenge to the city in addressing noise problems is that there is such a wide range of noise sources, and that noise problems are an around-the-clock issue. Finding smart solutions to these problems was challenging, as well. But, we believe there are real opportunities to improve the city's response to noise. Many do involve regulatory process and enforcement. They are a part of our recommendations. They are essential.

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We believe they will make a real difference in terms of the city's capacity to respond to community concerns with most types of noise problems. We want you to know, however, we also support alternatives to enforcement actions. Chiefly, education and mediation. The city may need not always play the role of enforcer. They can also be effective as facilitators. Our work has shown us that some noise problems cannot be solved simply by shutting down the noise maker. It's not an option. We will lose essential services. Streets need to be cleaned. Downtown at night. It's that simple. Yet, street cleaning does disturb a good many of residents on a daily basis. We believe our recommendations will boost the city's response to noise, but we also believe that much more work is needed, especially if we value community livability as we say we do. The focus of further work, we would hope, would be directed to proactive approaches to noise reduction. Eventually, we'd like to be in a position where consciousness levels are raised to the point where all people, residents, businesses, government, voluntarily make decisions that actually cut noise at its source. We would suggest that nuisance noises could be the target of civic action much like littering was in the '60s. We also believe that this issue needs greater visibility and higher priority on the city's agenda. We would probably agree with you, mayor, that we would like to see the noise control office implement their program and our recommendations on a faster time schedule than three years. And we can't emphasize enough the need for community education and outreach program. We have found that so many citizens simply do not know who to call with a noise complaint, and I think their frustration ends up in your offices. And we really do feel that through cooperation with the office of neighborhood involvement, that there is a real opportunity to direct people to the appropriate problem-solver in the city and that would help reduce people's stress and frustration with the nuisance that they are dealing with. People in Portland are tolerant, that is just the situation. They really wait until they can't take it any more before they reach for the phone. And at the point in time they reach for the phone, let's make sure we connect them with the right city agency.

Katz: Thank you. Okay. Do you want to go ahead?

David McMahon, Noise Control Task Force: Mayor Katz, commissioner, I am david mcMahon, served on the noise control task force because of my experience with garbage and recycling collection. We found most of the complaints about garbage noise came from mixed use areas where commercial and residential uses were in the same location, and generally, the complaints resulted from collection of dumpsters from commercial customers by frequent collection, by front-load style garbage trucks. Restricting the hours of collection is a pretty awkward approach because there are other public interests, concerns that would be affected, as well, such as traffic congestion, public safety, worker, collection worker safety, cost of collection, and legitimate collection, customer service requirements by, by the customer needs. So, we decided to look at how we could reduce the, the noise of the activity itself, first. There are some technological improvements which can be made, and we proposed an ongoing subcommittee in, in cooperation with the, the noise control office and the, the office of sustainable development to determine what the best technical improvements, which are available and based on those improvements, establish standards for the maximum noise allowable for collection. Another emphasis would be the training of workers to, to conduct their collection activities in the least noisy way possible. There are definitely good ways and bad ways to do it, and so workers involved in early morning collection would have to go through a training program. Equipment used would have to be certified by the city as meeting the best technical standards. And then public education is also important, how can people redress complaints if there are. It's a difficult thing to file an effective complaint in the middle of the night when you don't know where the source of the noise is. So, facilitating that process, making people

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aware of how they can resolve complaints, what the standards, in fact, are, that's important. Also, there's recommended a voluntary mediation procedure, so that even if a collection activity may be in compliance, if there's still a problem, in a particular situation, the, the collector and the complainant would be encouraged to sit down together and find additional ways to mitigate noise problems. I'd be happy to answer questions. That would be easier for me than to give a presentation.

*****: I'll just do this --

Katz: Identify yourself.

Aviva Groner, Noise Control Task Force: Aviva with the noise control task force. We worked very hard on this and if we had had more time we would have spent more time on it. But these recommendations represent a step in the right direction, and I urge you to adopt them.

Katz: Since i've been the one that's been hollering on this issue, making a lot of noise, in mixed use neighbors, and we have more and more mixed use neighbors because of our land use planning goals, you have got commercial and residential garbage haulers moving several times a day, you know, every, every day of the week. In northwest, you tried, and dan andersen is here and he might want to reflect on that, if he's going to testify. Tried an experiment for a year where you weren't picking up garbage until 7:00, prior to that, you were on the streets at 4:30 in the morning. Probably some, some trucks illegally but you were on the street. Not you particularly, but, all right. I just need, and it worked beautifully, I mean, 7:00 in the morning, was fine.

Saltzman: Actually, it was 6:00.

Katz: Even 6:00 was fine, better than 4:30. How did it impact the garbage collection issues?

McMahon: I think you should ask that question of lee barrett. My understanding was that the results of the study were a bit inconclusive, particularly from the way it was conducted and, and it did make it difficult for collectors. One of the significant concerns they brought to our attention at the committee was one company had six -- it was a six-month pilot. There was six events where drivers were nearly hit by cars, which was unusual. That is a significant thing. There were not any, any efforts made to determine the effect on traffic congestion or hazards to, to pedestrians, that sort of thing. So I think that, that, that there are, there are a lot of competing concerns that need to be looked at carefully. It's, it's not a simple problem.

Katz: Did you look in terms of other cities and are there other cities that don't start their collection until 6:00 in the morning, or 7:00 in the morning?

McMahon: We found two other cities that, or maybe three other cities that, that restrict collection hours, st. Paul, albuquerque and seattle.

Katz: Seattle?

McMahon: We don't have a way of comparing the nature of their collection services, however, or knowing the, the effect of collection.

Groner: I think vancouver, b.c. Was on that list but they have alleys.

Katz: Well, that's interesting that seattle, which is fairly close to --

McMahon: Seattle has a franchise collection system. There are two operators in the entire city, so that would affect their ability to deal with routing problems and cost problems and customer service requirements.

Katz: Thank you.

Groner: And just so you know because that pilot study report was inconclusive, we did not rely on it. We didn't really use it.

Katz: Okay. Further questions? Thank you. Any more task force members?

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Radigan: Mayor, if I may, I would just like to turn your attention to the recommendations with regards to outdoor concerts and let you know that I think that the recommendations we are making, are going to make neighborhood associations very happy with regards to filling some gaps in the process that would provide neighborhood associations some additional options in terms of recourse to, to noise problems from outdoor concerts. First being, making good neighbor agreements a requirement for any operation. That is impacting a community at the request of the effective -- affected neighborhood, and just negotiation, would involve the noise office and the mediation center, so its less adversarial, and that, perhaps, we have some additional technical assistance in resolving some problems. The other thing is that there is a recommendation making an enforcement more effective as paul said, by increasing the penalties or canceling the variance to repeat offenders, and third, recommendation gives neighborhood associations standings that we have an automatic right to appeal a noise variance.

Katz: Thank you.

McMahon: One point?

Katz: Identify yourself for the record.

McMahon: David mcMahon. One company that does the collections reported that during the hours between 12:00 a.m. And 6:00 a.m., they averaged six container empties an hour, and during the hours of 6:00 a.m. To noon, they averaged seven pickups per hour. Did I say that right? Between midnight and 6:00 a.m. They averaged 11 pickups per hour and between 6:00 a.m. And noon, they averaged 7 pickups per hour so that's about a 35% difference in collection efficiency so that would be a factor. I estimated that there would be about, about, about 20 some collection vehicles downtown every morning, and if they were put over to collecting say after 6:00 a.m., because of the reduced speed of collection, there would probably be about 30 collection vehicles, which would be parked in traffic lanes, making collections. So, nobody has really got a good answer to those kinds of questions, but those are just kind of horseback estimates I made from some of the information provided.

Kerrie Standlee, Noise Review Board: Good evening, mayor, and commissioners. My name is kerry stanley, and I am on the noise review board and I was a representative from the board to the task force, and jocelyn cox has joined me, the chair of the noise review board. And I will first just say that I believe that the task force has done a good job of addressing some issues that kept coming up to the noise review board. I've been a member of the noise review board longer than I can remember now, so I am only guessing when I say 13 to 15 years, I don't know the exact number. It was, when, when mayor clark was mayor, that I began, I think, two years before he ended. So anyway, during that time, we've been faced with citizens coming to the board, bringing their issues, and we began discussing those but we could never have the time or have, have the opportunity to have hearings like the task force is able to have. So I believe the task force did a good job of addressing many of the, of the complaints we were receiving at the noise review board over the years, and I would highly recommend that you approve the recommendations that have been presented to you, and I think, rather than look at it as a five-year or, or the 2005, mayor, being too far down the line, I think this is going to continue for a long time. That we need to be able to be flexible and address new sources as they come up and always adjust the ordinance to fit the, the community.

Francesconi: She will still be here as mayor anyway, so just --

Katz: It's not me that i'm worried about, it's the citizens of this community i'm worried about.

Standlee: Right, but I think that, that this task force has brought the, the interest of the citizens together and has revitalized the ideas of addressing noise and people are coming forth and

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expecting we are going to continue this, that we are going to have, in two years, we are going to have another review and in another two years from that, another review, so anything, we have a process going here that's not going to be stopping at a certain point and we will walk off and leave it.

Katz: Let me be a little harsh with you.

Standlee: Okay.

Katz: Can't you accelerate that as a noise board and bring some of these issues. You can't cover all of the issues that the task force did because they did an excellent job, but if there is still one or two sticking issues that haven't been resolved, can you push a little harder on it?

Standlee: Yes, we can. It's just a matter of, of getting the technical data we need to be able to make the decisions that's been given to us. The task force has brought us a couple of, of responsibilities where we have to define what the criteria is going to be. And I think before we go out and set something, we should have the data and we're going to involve the operators for the, for instance, the garbage haulers, the manufacturers of the equipment, leaf blowers in defining those things and I don't think you can have that data come together in a short period of time. I guess I forgot to mention the fact that i'm also a fiscal engineer. I'm a representative from the -- to the noise review board, and sometimes noise control doesn't happen overnight. It's -- in some cases, years before you start the idea and then it comes to fruition. For example, the noise abatement for ground runnups at the airport. That took years to come to fruition. So, it sometimes does take a bit longer than you would think. I will turn it over to jocelyn.

Katz: Go ahead before I ask you where you live. [laughter] jocelyn, why don't you go ahead.

Jocelyn Cox, Chair, Noise Review Board: I am jocelyn cox, chair of the noise review board.

Katz: Bring the mike close to you.

Cox: You got me now? Okay. This evening we're adding mother brick to the foundation supporting our city's livability with the move towards increased noise control. This continues a great history, begun 25 years ago, when our current noise code was written, and so began the process of establishing standards of livability throughout the community. About that same time we began serious transportation planning, the best mall downtown, southeast corridor, the designation of certain streets as collectors and so on. 14 years later, our city embarked on another livability prog, the overhaul of the zoning code and that took a few years, as you remember. That effort was followed by an examination of enforcement practices, code enforcement practices, specifically, and then we became involved in the comprehensive planning for specific areas of the city. All of that is ongoing, and evolving. All of it has depended on the work of this city's amazingly enormous reservoir of volunteers. Which includes the people who have come this evening to testify and to view their thoughts. Tonight we're circling back to the beginning with noise studies, and the product, again, is thanks to a dedicated group of about eight volunteers and may I say, a superb staff in the noise office. Of all the components affecting urban livability noise may be the one that is most difficult to examine and solve. Certainly it takes considerable political will. So many sources of noise bring economic benefit or pleasure to one person, but quite the opposite to another. Allowing one while protecting the other is never an easy job, particularly when writing rules and regulations. Our noise code, despite its age, is a remarkable, barblessly workable document, despite all you heard but as the task force determined it needs remodeling and additions. Most of that, which needs doing has been identified within the recommendations being presented this evening by the task force. Along with those recommendations are some code revisions requested by the board and by the noise office. They appear as exhibit a and these are tools we really need now. There are unresolved issues as you have heard. The task force made some

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excellent positions -- suggestions on how to tackle these issues and provided what we think is a pretty sensible time frame of two or three years in which to work this out. The board agrees and will move forward with the assistance of several members of the task force who are going to hang around to help us out. At the conclusion of that time, we hope to have convinced industry and equipment manufacturers that quiet is -- meanwhile, this summer the noise reef board will continue to review title 18 with the goal of bringing revisions to you this fall. Much of that will have to do with language, but there will be some content, as well. I hope we have your support in this ongoing effort.

Katz: Thank you. Questions? Any more members of the task force on the noise review board?

Hales: Thank you.

Katz: Okay. Let's open it up to testimony, please.

Hales: We also have staff here from the sustainable development. I will get that out eventually and the police bureau, who --

Katz: Why don't we have somebody --

Hales: We have -- we have lieutenant sharp here, I guess.

Lee Barrett, Office of Sustainable Development: Mayor Katz I am lee barrett. Office of sustainable development. Our office is the office that regulates commercial garbage and recycling collection in the city of Portland. As denise and paul have said before me, i'm very happy, I think, with the approach that the task force is taking. I think trying is specifically about garbage truck noise, I am talking about now, because I think a technical approach is the approach that, that is going to work here, as denise said, the task force surveyed a number of other cities and really didn't see model that seemed to work to solve the issues, and I think that the approach that the city is taking is an approach that's kind of innovative and that's why other cities in the country cadillac to Portland for solutions to problems. We have gone out and done some noise measurements of the garbage truck collecting, and we have identified specific actions during that collection process that really generate the greatest amount of noise. We have measured the noise made when you are rolling the container to the front-end loader, the noise made when the material is being lifted, being dumped into the container, when the container is being dropped onto the ground and so on. And so we have got some good baseline noise measurements. Education, alone, isn't the only answer, but it can solve a great deal of problems. For example, the typical amount of noise made by a front end loader garbage truck is somewhere in the hundred plus decibel range. And by the simple fact of having the driver operate at a lower rpm and lifting the container at a slower speed, overall something like 10 or 15 seconds slower than, than -- as fast as possible, we can cut that noise, at least as you perceive it, by a factor of four. The decibels go down to the 75 to 80 decibel range, and as far as the human ear is concerned, when you go about 10 decibels, that doubles the noise, so we're cutting the noise to 25% of what it normally would be. Simply by having the, the operators collect in a different manner. What we are doing, and mayor Katz, I do understand your concerns about the time line, we already have kept this subcommittee going that's looking at the technical approaches. We have a front end loader truck that's been outfitted with one of these new generation pumps that operates at a very low rpm, so you don't have to rev the motor. We're going to coat the forks because that's another interface that makes a great deal of noise. I would think by the end of august we will have this truck outfitted completely. It will have been field tested. Paul and I will have a chance to go out in the field and take some noise measurements, and the hope is that that would set the criteria. That would set the standard for the amount of noise that a truck can be limited to in these mixed use areas. And then once that standard has been set, it would be up to the haulers to decide if they want to collect in the middle of the night in a mixed use area, they

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would have to outfit the truck with this technology to meet this noise standard or if they chose not to make the financial commitment to do that, then they simply wouldn't be able to operate in a mixed use area during some specific periods of time.

Katz: What's the time line you are going to give them?

Barrett: Once we determine what the appropriate technology would be, I would think, a little will depend perhaps on the manufacturing company. They are the only ones I am aware of that make this pump that we're currently testing. I would think 3 to 6 months would be an appropriate period of time. I would hope that would be an appropriate period of time for the haulers to have, be able to purchase the equipment and have it installed in their vehicles. Certainly, in time for the summer season next summer.

Katz: Thank you. Okay.

Norm Sharp, Lieutenant, Portland Police Bureau (PPB): Mayor Katz, commissioners, my name is norm, police lieutenant attached through the bureau of police, northeast precinct. I wanted to acknowledge and thank the members of the task force, obviously, and I do believe sincerely having been on this task force since last november, that it is pretty workable, and that we have been working very well together. The police bureau acknowledges that obviously it's unlawful noise, and that's the direction we come from, is a problem. And that it is a community problem. We are and currently are rewriting title 14, title 18, and assisting with that in the city code, and that's something that, that's coming down the pike with this. As you are well aware, we're a 24 hour a day, 7-day operation, and I will be brief in my comments, as far as what our commitment is to the noise task force and to this change. Part of what we developed was to use our neighborhood response team officers and our new senior neighborhood officer program to be a cadre of trained individuals where we could have some type of communication come in on compliant complaints and excuse me, work with the noise officer, paul. He's currently, I believe, overwhelmed. Also, we are committed to enforcing city ordinances. Obviously are related to unlawful noise calls, that are in progress. We are aware of the problems of the calls. Aware of the calls come from. There is really no trackable data base now, and my understanding was that the noise officer receives, along with -- somewhere in the area of 5 to 7,000 noise calls a year. One of the other commitments that we have made in order to respond to this problem would be to utilize our information referral unit and develop some type of a data base to triage the noise complaints. Are we getting repeat complaints? Do we have chronic locations and those types of things that we could help. This would also relieve our emergency communications, with a place for somebody to call and this is a nine-hour a day, seven day a week operation currently housed within the police bureau. We want to work with our partners, opdr, the noise officer to respond to these complaints, and also we advocate a pilot program in one of the precincts, currently in the northeast precinct and had volunteered to take a pilot and train officers and attempt to do that to work out the problems that we may incur rather than having an issuance of a program. Some of the support we need, obviously, is working closely with the office of neighborhood environment. They really stepped up to the plate on this, and then the noise officer, and working closely with them and giving the noise officer someone in the bureau to contact where he's got that data available. Obviously, your support is needed. We're looking at the title 14 and title 18 rewrites currently. I am going through my form as to where that is. The district attorney, obviously, plays into this because of the prosecutorial issues. We're looking at, if we have a decrease in our information referral positions or of the unit hours expand, we're looking at staff considerations. We need to take a look at that. We're looking at developing or would need to develop some type of a complaint referral and tracking system. This is very recent to me, but would include computer upgrades to make a data

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base and a problem identification form that could almost even be e-mailed to the bureau on, on chronic complaints. We are looking at training and equipment, again, noise meters, there is certain noise meters. There is a varied range, I understand, anywhere from \$33 to \$3000 for a noise meter.

In each of the precincts, so there is some cost involved then. And of course the precinct pilot program. As I stated before, I think the pilot program would be very strong in that it would give us a good measure to work out, collect this data, exactly where we were at before we, we continue with that. Those are my comments. Thank you.

Katz: Do you want to say anything?

Bill Banks, PPB: Well, I just -- bill, Portland police bureau chief's office, lieutenant sharp has taken the lead on this, working graveyard and still coming in and doing the work with the task force. My role has been to act as liaison with the chief's office and some of the other bureaus that are here. And the chief's office certainly supports the concept that the police bureau needs to step up and deal with the neighborhood problems, and that we have got, with the inr, a very good position to be a contact for the community. It's well-known number. They are trained. Got the experience, and we could go a long ways towards handling the complaints in a better manner than the city currently is right now. Thank you.

Katz: Thank you. And thank you for your cooperation. The response traditionally from the bureau when they got a call was this is not a problem, and set this over and over again. It is everybody's problem. My concern is the equipment that you currently don't have, correct? And how it's going to be used and how it's going to be distributed, so that there's always somebody that has that equipment available when the calls are being made, especially late at night.

Sharp: I envision and recommended earlier in the year of a cadre of officers that would include officers, because they are there at least during the day but obviously, most of our problems happen at night, so that cadre would include, we have the, some sergeant's vehicles that contain a noise meter with a trained sergeant or trained officers that could go out to a call and would have probably a better view of enforcement and a better knowledge of ordinances and be just within, much like our cit officers. We don't have one available in a precinct right now, we can call and borrow from another precinct and they'll come out and respond to a critical incident. And that's, at least, what I envision at this point.

Katz: Okay. Thank you. Questions? Thank you. Dr. Lane, why don't you come on up. The other bureau has been mentioned.

David Lane, Director, Office of Neighborhood Involvement: I am david lane, director of the office of neighborhood involvement, and I want to thank denise for working with us and talking with us and also the police bureau. Like betsy suggested, our concern is from the neighbor's side is how neighbors get triage into the system, with the complaint so they get clear information and that their complaint gets heard and triage to the right source and the enforcement pieces so, I brought these two with me to talk about some of the issues that they have talked with the task force with and also with the police bureau.

Art Hendricks: Art hendricks, crime prevention manager, office of neighborhood involvement. Our role as the crime prevention program currently, we receive some of the calls and some of the frustrated citizens looking for what kind of action can take place, so I think in our discussions with denise klein and paul and the Portland police bureau is that we already work in partnership with the Portland police bureau through the neighborhood response teams, but also looking at, as we start identifying what kind of chronic locations, some of these noise complaints, neighbor-to-neighbor noise complaints are rolled up also in crime. Nuisance complaints so the role of the crime prevention specialist would, would primarily be to work on, on those chronic locations and

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partnership with the Portland police bureau and with neighbors and block captains on how to resolve those chronic nuisance and noise issues. Relative to, I guess the pure noise complaint where we don't see any other criminal violations, that would be really the role of the neighborhood mediation program, and I can have Linda talk about that.

*****: Good evening.

Katz: Good evening.

Linda Hunter, Program Coordinator, Portland Neighborhood Mediation Center: Mayor Katz, and commissioners. My name is Linda Hunter and I am the program coordinator for the Portland neighborhood mediation center, which is the program of the office of neighborhood involvement. It's been really encouraging to hear the term, mediation, interwoven throughout the testimony of participants here this evening because I really believe it is a process that lends itself to a sustainable, healthier communities and one of the things that I can tell you is that it will require, I think, if we were talking about achieving the goals that have been set forth by the task force and by the city of Portland, we really do need to work collaboratively because I have discovered with the cases that come into our office, a definite connection with other city bureaus, and as well as Multnomah county. We had not a lot of cases that came through related to noise last year. There were 157 collectively, representing 135 households, and we know, you know, and I know that there are a lot more issues that are out there related to noise, so I think that part of what we really need to look at here is the information and referral process, and how we did work together and letting people at least come to the table and talk about these issues because we're talking about neighborhoods. One of the top complaint that came related to noise was, loud music, and second to that, was barking dogs, and we know that that is something that would be connected with animal control, as far as a partnership goes with a referral from Multnomah county. So, I am just really pleased to see that, that the task force, and the city of Portland recognizes the value of mediation, and how effective it can be, and I want to tell you that our neighborhood mediation center staff and our volunteers, 25 volunteers have been professionally trained, are waiting to receive these calls and totally prepared to serve the community with helping to resolve issues around them.

Katz: Thank you.

Francesconi: I can't resist. I was thinking about it, you mentioned barking dogs, and I was thinking about this. So does this system applying to barking dogs where you could potentially have the police citing for barking dogs? I guess that's --

Hendricks: I'm not exactly sure about the specifics of barking dogs, what I will say is that we have gotten a number of calls where because neighbors are aggravated by barking dogs, it escalates into, I mean, we have had neighbors assault each other because they don't like the barking dogs so that's, that's the level of which the agitation the noise has driven some neighbors and that's when police get called in, that's when we get called in. I get a number of crime prevention specialists who say, this thing really started off with them being unable to resolve the issue of dogs into other things that lead to crime-type situations.

Francesconi: You know, I'm impressed with the work of the task force in this approach so, I'm so impressed that I'm going to amend this so barking and off-leash dogs. [laughter]

Katz: You knew this was coming. [laughter]

Katz: You didn't need to answer. [laughter]

Lane: Just one of the things that we're most excited about is any time that we can make communication from neighbors to the city, in this case, enforcement, clearer, that really is important and I agree with you that this is a community issue, and I think that if we can, you know,

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make the communication clearer and the lines of how they get their complaint to the city and results, we can do faster progress on that note it will be better for all our neighbors.

Hunter: And I think that it does require some media attention. We're currently working on some psas for the radio and actually doing some segments on kboo that we're planning and other cable stations to talk about our services but, you know, when it comes to these kinds of issues, again, collaboratively, the noise ordinance office, as well as the police bureau can partner with us and just promoting the process, and the police bureau has been great. They use our little referral slips when they are called sometimes on cases that people think are criminal, and naturally is an issue for mediation, and they are passing that out to citizens, and we do get calls. So, if there is anyone out there listening, if you have an issue that you want to have mediated, a neighborhood concern, our number is 823-3152.

Katz: Why don't you stick around because I know you will hear some tonight. Thank you.

*****: Thank you.

Katz: Go ahead.

David White, Representative, Oregon Refuge and Recycling Association: I am david white.

Katz: I know who you are, go ahead, that's all right.

White: I am dave white, the regional representative for the Oregon refuge and recycling association and chair of the tricounty association representing haulers, 156th avenue, beaverton, 97006.

Katz: A nice, quiet neighborhood.

*****: Oh, let me tell you. [laughter]

White: I attended almost every meeting of the at that task force and subcommittee and reported back object a regular basis to the tricounty council. What was going on in these various meetings and the tricounty council supports the approach taken in the ordinance at the risk of being redundant I won't repeat all the things david mcman mentioned about the concerns that we had on the nighttime collection ban. I think you heard those, but we, we brought those to the attention of the task force and we are thankful they listened and gave thoughtful consideration. It would have been easy to say let's ban nighttime collection and we felt that there was certainly problems that would have been ancillary to that action and gave us an opportunity to address these concerns. You certainly have our attention. I can tell you that even at the state level, I already heard from the city of bend, the haulers over in bend. They're working, I think it's areas where you have this dense -- people living next to business, where you have got the problem, and bend is approaching this, this problem the same way we are and the haulers in bend asked me to stay in touch with them and they want to share information. The Oregon refuge recycling sorry has associate members who don't collect garbage or own land fills but provide us with services and with equipment. And they have told us that they are now aware of our needs for quieter equipment and that they are going to start working to develop that and at our fall convention in september i've asked to have it placed on the agenda to talk about this in our round table discussions to really start to kind of build the interest in this and make sure people know it is a problem that's not going away. We, obviously, intend to work with this committee that's going to be established. I might mention there is really probably not going to be a quiet way to collect glass, when it dumps out of the dumpster and we're prepared to say, if we can't collect glass at night if it's noisy from bars and restaurants and taverns or et cetera, we will have to figure out a better way to do it or ban it as one element to the program. One quick comment on the question about the pilot project in northwest. I look at my -- at the report. I happen to have a copy of it here with me, and it was from, what I could tell, september 620 october 31, only two months long, and I think -- pardon?

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Katz: Go ahead.

White: The haulers approach it, we didn't attempt to pass the costs along. We figured we'd bite the bullet for the short-term and address it another way.

Katz: Thank you. Sir?

Marshall Miller 2129 NW Northrup, Portland: Good evening. My name is marshal miller, I live at 2129 northwest winthrop, I reduced my statement to writing. My wife thinks I will stay calmer if I write this down, so. [laughter]

Miller: The nature of the problem during the past two weeks, two separate car alarms went off during the morning hours on successive days. One alarm was a study honking while a second one went off every 15 minutes. I am self-employed cpa that on occasion works in my office at home. Occasionally this unexpected noise was very distracting to myself and probably my neighbors. I left, quote, a friendly neighbor note on the windshield, which is not very helpful if the owners is not present to read it. I was forced to call the police, since they have access to the vehicle owner's name, telephone number and address. They responded in a very timely manner, and located the vehicle owner, and the temporary problem was eliminated for that day. I think this is an unnecessary use of police time as I am sure that they have more important items on their agenda. Proposed solution or recommendation? One of the task forces final recommendations number 4.4, quotes research and review alternatives to address noise caused by car alarms, concluding the possibility of less sensitive alarms, friendly neighbor notes on windshields, citations, equipment, equipment registration, and education campaigns targeted to specific neighborhoods. I would like to see the task force cut to the chase. In my opinion, the best way to help alleviate this problem is a strong emphasis on citations and fines. I would recommend the issuance of a warning for the first offense, followed by a fine of not less than \$50, for the second offense, and \$50 increases after the second offense. People can be educated but the best education is one that directly hits the wallet or pocketbook. Until such time that car alarms are outlawed I believe that fines are the best deterrent. One day a study will be done showing that car alarms probably do not deter car theft and the use will be curtailed and eliminated somewhere down the future. Thank you.

Saltzman: Dave I want to ask you this now because I am not sure you will stick around. One of the issues I want to raise for the council to consider is the recommendation about investigating legal and economic issues regarding commercial franchising -- franchising of commercial haulers in order to reduce the number of trips per street per day. The reason I want to raise the idea that we may want to maybe take this out of the report is, many of us know, maybe many of us will learn, that this is a very extremely political hot potato, and may not be worth, frankly, the legal and economic issue effort because we all know that politics are such that, that even though you may want to see it happen, I think you probably know, you know, what the counter arguments are so I kind of wanted to get your thoughts about whether you think insist a viable avenue to pursue.

*******:** I think you stated it well. [laughter]

Miller: Of course we support franchising. We have fought hard legal battles recently. In the federal court over franchising, and actually lost one and won one and it's on appeal so we support the idea of it. We think there are a lot of benefits to it, but realizing, like you said the situation in this city, we're certainly willing to work other ways, other than franchising to work with it. You could spend a lot of time and money and probably not come up with a recommends of franchise.

Saltzman: Okay. Thanks.

Katz: Thank you.

Katz: Why don't you start.

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Rena Sandler: Okay. My name is rena, and I was unaware what the city is doing about noise. But, I had a personal problem come up, and I started calling all of your offices, and was invited to attend tonight. I have a suggestion to make off of what I experienced. Essentially, I live at the corner of 20th and crane street, a small streets south of prescott, and for about two months, i've been inundated by skate boarders deciding my corner is the best corner to jump onto the curb and practice. And unfortunately, the south side of my house on the first floor is my kitchen, kitchen nook and dining room and I am listening to this constant noise for two and three hours straight. And so what I am here to suggest in adding to all of the, the information that the task force has presented, which is it sounds like it's mostly addressing mechanically generated noises from equipment, that there be some kind of language included for repetitious noise that can hamper one's peace of mind within their own home. And I don't know, you know, the language that you would use to do that, but I just think that people need to be made aware of how being inconsiderate, because I have asked these kids over and over and over again, you know, please, this is my kitchen. I can't take this noise. And i've met with a lot of resistance. I did call the noise control department, and they said if it's something that can't be measured in decibels, that it's not something that's going to be addressed at all, and I just think that as people are, you know, living closer and closer on top of each other, that they need to be made aware of how they can impact one another, so I want to come down and encourage some kind of, of wording to include repetitious noise that, you know, a motorcycle goes by or even some loud music might be there for 15 minutes or a lawn mower, but something that goes on for hours and hours and hours on the weekends, is just unbearable. So like to make you aware that there are noises generated by people that need to be included in the language.

Katz: All right. This is -- this has no emergency, so if the council is interested in working on some language, we might want to flag that, have some language ready for next week.

Sandler: I also had some damage to my property because they broke my irrigation system, when they jumped up, and I didn't pursue anything, but I realize, too, that, that the skateboarders may, may cause damage to city property the more and more they are using, you know, the curb sides, they are jumping up on so that's a consideration, too. So, that's another.

Katz: Thank you.

Sandler: You were going to ask something.

Katz: There are little things that you can put, actually, it was pdot that put them at the esplanade that can be attached to the sidewalk, but we don't have, have -- we haven't discussed that issue on sidewalks in the city. We have in certain park areas where we know that they are going to be used and damage will occur.

Hales: Good suggestion, though, thank you.

Sandler: It would be really nice if the schools did, for kids that are over 10 years old, if you are out using skate boards, consider your neighbors. Why does it, the city have to generate huge sums of money to put these strips or whatever. I think it's, as we live closer to each other, we need to be more aware of boundaries and things.

Katz: Thank for you coming down.

Sandler: Sure.

Katz: Go ahead.

*******:** I am chris johnson.

Katz: Why don't you bring the mike closer to you.

Chris Johnson, 4543 SE Harney Dr., Portland: Chris johnson, live at 4543 -- lived in Portland for about 25 years now. I come to the council to ask for your help. The city is being inundated by

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boom box noise. I don't know if you know about that. But it's the noise that, that the young kids, they have the subwoofers and they turn the vocal down but they turn the base way up and literally, at all hours of the day from 6:00 in the morning to 12:00 at night. For a year and a half now, i've been dealing with this, with the city of Portland. To know -- to no avail. I have called and called. I have called the police department. I have called the mayor's office. And the mayor's office won't call me back. Literally. Elise marshal has not called me back. I have done special research, the only way that, that we're going to solve this problem in this community is to enforce the law. The code, according to the statutes currently existing are adequate, but you have got to enforce it. I have called the police department, one officer tells me well, you should consider moving. I am sorry, this is my -- this is my house, and I am going to stay here. I have another officer tell me well, I can't expect to be, to carry a sound meter, well i'm sorry, and they said well, this is not an important issue. Not relevant. Your own literature of the task force says that it isn't a serious medical problem. The ear foundation, according to them, a boom box has 140 decibels, that's equivalent to a shotgun going off. And yet, I am still there, and please, don't let this go on for another five years because if it is, I am going to move out of the city of Portland because my friends that I work with, they live in milwaukie, beaverton, tualatin, the police department all responds there. I have people come up and down the street on, on 45th, 52nd, they can be on 52nd street and I can be out mowing my yard and I can hear the, boom, boom, boom, boom. I can be in the shower, 1:00, 6:00 in the morning, my wife is taking a shower, boom, boom, boom. Call the police, they don't come. If they do come it's an hour and a half after the fact. Sure it's not relevant to somebody else's problem, but it's relevant to me. I pay a lot of money in taxes. And this is a beautiful city. I don't want to move. That's why I bought here. But I need your help.

Francesconi: So what happens when you call and ask them to turn down the boom box.

Johnson: No, the person with the boom box? No, there is a car wash right flexion to me.

Francesconi: It's cars coming by?

Johnson: Yes. There is a car wash that lives right next to me. I have 2 1/2 acres in the city of Portland. I can be 440 feet away, being out in the back because that's probably the only quiet I have and you can hear it, thump, thump, thump. And I don't get anywhere.

Katz: The cars that you are talking about, are they in the car wash or --

Johnson: Some of them in the car wash, to be fair with the owners of the car wash, and there is some going up and down the streets. On any given day you can cite ten cars. Literature, and i'll give it to the council, if you wish. From arizona to arkansas to new york. All this literature says the police department has to be involved. But, the fellow with the car alarm, how do you impact these people? By citing them. By hitting them in the pocketbook. I've gone over -- the police department won't do anything. I go over there. I have had people literally want to accost me. One guy was going to stick a knife in me. I am not the police department. I need your help.

Katz: Thank you.

*******:** Who do I give this to?

Katz: Why don't you give it to karla.

Karen Johnson, 4543 SE Harney Dr., Portland: My name is karen johnson, I live at 4543 southeast harney drive. The same place as chris. I just wanted to say the issue of the excessive noise, it drives straight to the heart of livabilty in this city, and it's out of control, but we have only got two full-time noise officers, and one administrative staffer to enforce the ordinance. And for a city the size of Portland, this is -- it's plainly insufficient. And the task force has identified the need for additional staff, and I would ask you to please, please take this recommendation seriously and make it a priority to, to increase funding for this office. The reason i'm here tonight, the same as

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my husband's, the boom car noises, stereo noises, day and night, they're driving through the city. Day and night they park in the car washes, parking lot, and they want to play their music for the entire neighborhood to hear. The thump, thump, it rattles our doors and windows, and actually an assault on the physical body. You can feel it shaking you. Calling the police, nonemergency usually results in no response. And if, at best, they'll respond after two or three hours, and the offender by then, frankly, is gone, elsewhere, terrorizing someone else. So, for this issue, I would ask that you please direct the police bureau to, in no uncertain terms, cooperate fully and work whole heartedly with the noise office and enforcing the noise ordinances. And cities, as my husband stated, which have experienced success in reducing noise from boom car stereos, that always do to aggressive and consistent enforcement by the police. And the police department's and surrounding jurisdictions, they do enforcement more consistently than Portland does. I think we deserve the same attention and consideration. So I would also ask you to please make sure they have adequate funding, police bureau, to carry out your directive.

Katz: Thank you.

K. Johnson: Thank you.

Katz: Why don't you go ahead.

Dan Anderson, 2144 NW Flanders, Representative, NW Portland Neighborhood Association:

Certainly. I am dan andersen, reside at 2144 northwest flanders. I am here as a representative of the northwest Portland neighborhood association and nwda, and I have left a written communication with your clerk here. First of all, the neighborhood association supports the recommendations of the noise review board, but I think it's a number of folks have noted this is a board that covered a lot of ground in a short period of time on a kind of time certain agenda, and there's some things that went flying off as this vehicle was headed down the road. And some of these are sort of filed under, we'll get to it later in the fiscal year. We'll get to it two fiscal years out and clearly there is some concern about the, the rate at which some of these things are being got to.

We believe the concern is well founded. Well, there's another class of things, I want to draw your attention to one in particular, that run beyond the, we'll get to it down the road. These are ones that have flown off and aren't attached to the agenda, period. And the one that's, that's the big focus for nwda, concerns recurring late-night noise associated particularly with alcohol licensees but runs a bit beyond that, also. If you look at the list of items to be considered in outyears, regardless of the timing, there is no mention of that, period. And i'm referring to the reports the council received this evening. If you look at the list of final recommends, under the neighbor-to-neighbor headings, it's completely absent. It's clearly a source of recurring concern. I mean, there have been times when you folks were up to here, think about the paragon. And there are lots of little paragons out there, that's just, you know, there you go. Pick your metaphor. I think what we really would like to do is to urge you to specifically direct the city attorney and the noise office to draft code language, which gets at this problem of recurring late-night noise. Some of it is at the site of the licensed premise. Some of it is associated with patron dispersal through residential areas so it's directly linked to the premise but occurs off-site. I think without your specific direction, that this be considered and that it be considered in a timely fashion, this is another one of those sort of progressive urban densification and livability things you will visit again and again and again, and it sort of won't go away until it receives adequate focus and direction, and I think as a number of people noted, our failure to broadly engage around and address this whole constellation of issues, you know, frankly, undermines a lot of the big picture planning vision, and a lot of the good work that you folks, citizens, and various other bureaus have been carrying on for some period of time, and which are justifiably noted for. One last one, sort of on the, the garbage truck notice to me, the

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big perm metaphor of a place that is dense, urban, vital, intense mixed use, significantly more so than the dennis portions of this city collects only during the daytime and franchises, boston. Thank you.

Katz: I've got it down on the list. We're going to save you last. That's one of my neighbors. [laughter]

Francesconi: Going to ask a question, what kind of neighbor she really is. [laughter]

Francesconi: We want all the stories, take your time, too.

Nancy Bruns-Hall, 2833 NE Weidler, Portland: Nancy, 2833, northwest weidler, imagine being awakened on christmas morning by a vacuum sweeper truck cleaning a parking lot, that was the catalyst that began my crusade to seek relief from these highly irritating machines, as a neighborhood of the hollywood fred meyer store I am acquainted with noise however the sound of these machines is one of the more aggravating. Item number 6.1 in the recommendations directs the noise review board to establish daytime decibel limits for leaf blowers and sweeper trucks. It is my understanding that these machines currently can't meet decibel levels for commercial to residential zones. It is because of this I fear that the established decibel limit may allow these machines to operate above the set zone limits which would deprive long suffering neighbors. Please do not exempt these machines from meeting the set zone limits. 6.4 and 6.5 in the recommendations refer to the nighttime use of leaf blower sweeper trucks. The use of these machines at night on commercial property will be legal, apparently if they meet the decibel limit even if bordering residential properties are impacted by the noise. The assumption appears to be if these machines can operate at low enough decibels, they will not disturb residential neighbors at night. However, this assumption is false because the high intensity sound these machines produce is penetrating a nature and readily heard at low decibels, consider an idling truck can wake us at night I doubt the sound of a leaf blower and sweeping truck would go unnoticed. The use of these machines at night should be banned. Item number 6.3 directs the noise review board to research the possibility of limiting the frequency and duration of use of leaf blowers and sweeper trucks. It is absolutely vital these limits be established. Currently there are no restrictions on how many hours or days a week a parking lot can be cleaned. Unlike street sweeping done by the city which in most cases is infrequent and a short duration, parking lot cleaning involves using a leaf blower and sweeper truck simultaneously for extended periods of time in one general area. In our situation, across from the hollywood west fred meyer store we are subjected to the noise from these obnoxious machines for hours and hours every week. The need to limit our exposure to these machines is not only due to the noise, but also because of the dust they blast into the air. There are many reports about the health risks associated with a particular, tick lat matter in the air, especially particles of less than 2.5 microns. The epa confirms two sources of the particles come from fuel combustion and diesel trucks. Since this store attracts large numbers of cars and trucks it is a collector for these particles. These trucks are suspending the dangerous particles in the air and nearby residents are overexposed on a long-term continuous bays. The sweeping industry, itself, acknowledges that. The trucks exhaust a high level of particulates into the area on a continual basis, even with the water-based subpoena presentation systems. There are ways to clean a lot without reliance on these machines. In conclusion, to force unconsenting neighborhoods to listen to the sweeper trucks on a long-term basis without any means of limiting exposure is untenable. Restricting leaf blower and sweeper truck frequency and duration is fundamentally necessary. Thank you.

Katz: Thank you. Come up. You only have three minutes.

*******:** I need more than that.

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Katz: I know, but you aren't going to get t grab the mike and introduce yourself.

*******:** I don't need the mike. [laughter]

Mary Mayo, 718 NW 21st Ave., Portland: My name is mary mayo and I live at 718 northwest westover? Did I say that? No, I moved from there, northwest -- yes, see, 21st avenue.

Katz: I made you nervous, sorry.

Mayo: I live near her. Oh. Around in that area. Anyway. I don't have a leaf blower and I don't have a garbage truck, but all I want to do is have a good night's sleep. Is that too much to ask? I mean, that's all I want.

Katz: Why don't you explain to the council the problem.

Mayo: The problem is I live next door, or they live next door to me. It's called coffee-time. They are open, they were open from 24 hours a day, which I didn't know was possible to have. But I guess it is. Now they cut their hours down. They only stay open until 3:00 in the morning, and then they are open again at 6:00. So they have cut down a little bit. And I am going to tell you something, they sit outside, now this is -- you want to go to the thing that's directly responsible here, the, exploring the possibility of prohibiting outdoor seating. At commercial sites, such as coffee houses, bars, you don't have to worry about bars because the olcc takes care of those people.

You don't have any trouble with those. You don't. After 10:00 p.m. When noise from patrons is audible in neighboring residents. That's not so hard to do, is it? They don't serve food. It's just a coffee place. And I am go to tell you something else -- going to tell you something else, I am tired of the fire trucks, ambulances, et cetera, et cetera, that park out there, that's three times now it's happened because somebody is in, in the john, shooting up with drugs. I mean, come on. I don't think I have to live next door to this. I know it's a commercial/residential area. I know that well. I don't have any trouble with any of the rest of the neighbors in the block. Of course they don't live there, either. But, really, and truly, i've been pretty darn good about the thing, but I am just fed up.

I am really -- I pay taxes. I live there. And I don't think that I have to move. People say well, why don't you just move. I don't want to move. I like it there. It's a good neighborhood, you know. So I don't know, you know, I don't know what -- oh, and here, I had the loveliest tenant downstairs. Her name was julie. And I want to just read you one little part of her letter that she wrote. I am giving this notice, she was there about three or four months. Lovely girl. Giving this notice due to health-stress reasons. As you understand from our many conversations about the inconsiderations of the coffee-time business next door. She moved out. She couldn't stand it. And she loved it. She wanted to be there. I don't think I should be, you know, condemned like that, by not being able to have somebody in, in, to rent to. I just -- I just don't understand the whole picture.

Katz: Thank you. Questions?

Hales: No, very clear.

Rachel Wray, Director of Advocacy, American Tinnitus: ", I am rachael, I am the director of advocacy, for the american tinnitus association, headquartered here in Portland, I live at northeast 31st here in Portland. Much of the testimony is focused on public education as a means for noise complaints and enforcement. I am here instead to talk about education as a means for prevention. Exposure to loud sounds has many side affects including hearing loss, stress, high blood pressure, sleep loss, lost productivity, and a general reduction in the quality of life. Perhaps worst of all, noise exposure can also cause tinnitus, which is defined as ringing, buzzing, or other noises in the ear, ears and head. Tinnitus affects over 50 million americans, 12 of whom have experienced the condition to a distressing degree. Excessive noise can cause tinnitus and excessive noise can make existing tinnitus worse, and therefore, opportunities for tinnitus rise exponentially making the

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american tinnitus association's commission that much more challenging. Proposed changes to title 18 offer many avenues for reducing noise in public space within Portland city limits. Of these, some of the best ways to combat wide-spread levels of tinnitus, noise-induced hearing loss and pollution is through community education and public dialogue. Increasing awareness is paramount to people to understand that, that noise can be dangerous, not just a nuisance. And the city's emphasis on awareness encourages understanding, which is mandatory of the public to understand that their health can be compromised by a stereo, a leaf blower, or traffic. Perhaps not immediately, but as tinnitus patients can attest eventually. Municipal action that is improve this awareness and facilitate this understanding are the best prevention in a quiet community, the most beneficial outcome. Thank you.

Everett Hall: Yes, I am everett hall, and nancy and I were the originaters to get this whole step, process started. Nancy spoke here a few minutes ago. The key issue here is account the live across the street of the fred meyer store. When the store moved in they promised to, to protect us to the extent possible from noise, heat, and glare, and they have done none of that. They promised to put in trash cans so it wouldn't be necessary to clean the lot as often as they deem necessary. We talked to the city engineer and they said, well, they thought that parking lot sweeping, the fred meyer was doing, they thought that was excessive. They promised to help us with the traffic control, they haven't done that. And these huge dust clouds that come up out of the sweeper trucks that come up, fred meyer refuses to acknowledge that they are, their responsibility on this. They claim it's the freeway next door. I have a video, it is horrifying on this dust. They subject us to this noise, one and a half hours a day four days a week, 312 hours a year, and the accountability for fred meyer is nonexistent. They refuse to accept responsibility time and again. They will promise us anything, to put in a small hedge to protect us from the glare and that was months ago and they still haven't done it. They promised to use trash cans a year and a half ago and haven't done it. It's just totally irresponsibility for a major corporation like that, and what are we, the little guys, supposed to do about it? We can't do anything about it at all. It's interesting to note tonight who is not here. I didn't see the sweeper truck company that was the primary instigator for this here. I don't see him here tonight. There is a new company that's come into town here lately, name is home depot. They have trucks that pull in there at night and it gets cold at night so the trucks have a tendency to leave the motors idling all night long which irritates the neighbors. This wasn't addressed at all in the regulations. They should really be. In addition to that, pollution. Home depot wants to start unloading their trucks at night time, which is to connect the dock to the truck, there is a dock plate there, on each axle of the fork lift that goes across it, it is boom, boom in and boom, boom out. And it's totally untenable for the neighbors to have to you put up with this type of noise. In addition to that, every time they move one of their pieces of equipment, there's a backup alarm that runs when the equipment is going forward or reverse. They run those things outside the buildings and the pa system running outside the building, it's just totally blares over any conversation. We went to the home depot store the other night and it completely ruined the whole shopping experience, so we just left in disgust. If we are going to have this intensification plan that's been popularized here lately, then we have to have an adequate response, and initially, to make the effort by the police department, would take some effort to do that, but once the word got out that you can get 150 fine for playing your stereo too loud in the car or whatever it is, that would really make an impact, and this would really get things under control quick. In europe, some communities don't even allow lawn mowing on sunday. People are desperate and the I think you have seen some of them tonight. These little rpm pumps on the electric trucks, I don't see why they can't use an electric motor to run the, the hydraulic motor that runs the equipment, and then the truck can just

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sit there and idle. If you take a look at some of the past testimony, nancy has given here, it's really revealing on how well she's done. And I am going to encourage you to, to establish a citizen awareness program and I want to say thank you to the noise control task force and I really went quick.

Katz: Thank you. Were you the gentleman that wrote me a letter with the citizens on some of the problems with --

*****: That would be nancy. She does the letter-writing and she's very articulate, well worth reading the stuff. She really hits the knockout punch. Thank you. [laughter]

Laurie Knightly: My name is laurie knightly and I live across from laurelhurst park on southeast 39th avenue. And I would like you to know when my family bought that house we did not know what collector street means. I assumed that that was to make traffic move easily. I did not realize until I began to get involved in the laurelhood neighborhood association that it means throw everything out on those streets so that the side streets will have absolute quiet. No car is to go down their street, unless they live there. Their children are supposed to be able to play basketball in the streets. Old people should be able to take five minutes getting across. Everything has to be dumped out on these collector streets. Now, I don't mind fire engines. I don't mind the big trucks. I don't mind the kids playing basketball across the street. But I do mind is abatable noise, and as the couple behind me said, you cannot believe the sound of the boom boxes. It vibrates through the building and I would say about every 12th car, teenagers or whoever it is, seem to be in competition with one another. Now, I got my driver's license here, it said if you could hear a car radio 50 feet away, didn't say anything about decibels, it said if you could hear it for 50 feet, you were in violation. And all you'd have to do was have a police officer sit at those lights. I ask our neighborhood association, does a motorcycle when it pulse up to a light, is there a technological reason it has to go, zoom, zoom, zoom. And they told me that if there is a guy in a family car --

Katz: It's a hormonal reason.

Knightly: Yeah, that's what he said, if there's a guy in a family car beside you with a couple of kids and you are free and whatnot, I also was told that a harley davidson is made purposely with no muffler so you can hear that roar. There are a lot of cars that go down through there that do not have adequate mufflers and I don't know was the testing is for that. I see trails of smoke and all kinds of sounds. Abatable noise, and I think you should go overboard for those of us who are on collector streets. Collector streets are where people live, as well. They are not a primarily commerce. They are people with homes and families. Nobody said in our mortgage you must not have children or anybody who can't hot foot it across the highway. We're people who live there like everyone else. And I have seen many cities in this country die because people couldn't live any more near commerce. We need to live near commerce. So, you can make all the noise -- I hope some of those garbage trucks go down those side streets at laurelhurst and wake the people up at 4:30. I would be delighted. What do they have, it once a week or something? How awful for them. [laughter]

John Foster, Manager, Shindaiwa: Mayor Katz, commissioners, thank for you allowing me to speak. My name is john foster, I am a product manager. The company is a manufacturer of commercial, outdoor power equipment, including leaf blowers. I am a member of the power equipment manufacturers association, one of the trade associations for a hand-held outdoor power commitment industry. We support and applaud the work the noise task force has invested in identifying sources of noise that moved from a nuisance to a major nuisance. The members have been addressing the blower sound levels for well over ten years. And it remains a priority for us. Industry efforts have resulted in the development of a standard for the measurement of leaf

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blowers, excuse me, leaf blower sound levels and this is also resulted in a sound level labeling program that we encourage all industry to participate in. The labeling program allows the purchasers of, of leaf blowers, the opportunity to compare sound levels between models, and between manufacturers. We have also sponsored development of a responsible leaf blower use program including a video which we have handed over to your noise task force for their review. The leaf blower is commonly associated with lawn maintenance and this is where it would be the most effective which we support wholly but as population density increases so does the increase in trash and debris. The leaf blowers have proven to be a cost effective tool for cities, municipalities and businesses to combat this issue. We encourage the city to continue the effort to find reasonable solutions to reduce noise levels and we also look forward to our continued involvement in this process. Thank you.

Katz: Questions? Go ahead.

Saltzman: One of the recommendations on leaf blowers is to work -- it's number 6.6. Work with industry and educational institutions to develop a required educational program for leaf blower operators that certifies them as knowledgeable. Is that a realistic type of thing? I mean, I assume that there is probably a high turnover and leaf blowers, its industry or institutional -- institutions are, are they going to develop a course?

Foster: My response may be biased but I do believe that it is doable. We have gone to great pangs to develop the tools that will help whoever is interested in performing an educational program do that job.

Katz: Further questions?

Francesconi: I wanted to make a comment. It was good of you to come tonight to testify, because I think you might have thought you may not have a very -- people may, may question leaf blowers and their utility, and noise that they bring. So, you could have been outside the process, but instead you choose to work with us inside the process and that's good. Thank you. That's very good.

Katz: Thank you. Further? Further testimony?

Moore: That's all we have signed up.

Katz: Anybody else want to testify? Did you change your mind?

*******:** Well, yes, I did.

Katz: Okay. Come on up.

Groner: With the noise control task force and I just wanted to respond to your question of david white about the franchising. And as I understood it the task force, the charge they were given was to identify sources of noise and to find solutions to mitigate, and we were not asked to only identify strategies that were politically palatable and that's why the recommendation is in there. But before you cut it, I just would like to say that there are alternatives to full franchising, and that unless it's adopted, we'll never know because the research will never be done. I mean, there are dense neighborhoods like northwest where maybe some kind of, of limited franchising might be a partial solution, and until the studies are done, the investigation of the legal and economic issues are done, we won't know whether the fear that is out there, that it would be a horrible thing is necessarily bound.

Katz: Thank you. Anybody else who didn't sign up that would like to testify? Then can we have some staff up? There were two other suggestions that were -- is staff here? Come on up. Two other suggestions that were made, and we don't have the language today, and I need to get a sense from the council with whether they want you to pursue it and come back. The issue of repetitive noise. A, b, recurring late-night noise, either at the site of the establishment, or close to an establishment. And to some extent, the legislature took a little bit of that cloud away from us with regard to the

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liquor license, but with regard to the noise, we can, we can respond a little bit more strongly. Through our code on this issue.

Kleim: I would like paul to address the first issue on --

Katz: And I don't know, the boom box covered by the -- covered by state law, but, and covered by our code, as well, are they not?

Kleim: Enforcement issue. So, maybe I will have paul cover the repetitive noise and I can talk about the alcohol.

Katz: Paul, go ahead.

VanOrden: I think part of the issue with repetitive noise, we do have adequate tools to work with that currently. The only issue might be that, that depending on how loud the actual decibel level is, if we were using measurements there may be occasions where the noise from skate boarding on the curbs may not be in violation of the established standards, but I think from what was described tonight from the testimony from the neighbor who had the problem, there's a good chance that situation would be in violation of the established standards we have. The only issue might be how often it's happening, and the availability of resources to get out there and deal with that kind of scenario.

Katz: It seems to me there's a difference between a skateboard rolling down the street, and that could be annoying but there is a, a big difference between it being used in one particular area over and over and over again. So, you need to come back and let us know whether you have the ability to deal with an issue like that. The particular issue you just heard.

*****: Right.

Kleim: And we can do that. On the establishments I spent some time talking with the city attorney's office on this issue. And it's a difficult one. The issue is an important one. The police do have some authority in terms of disorderly conduct, but there is a concern about once the patrons leave the establishment and are off-site, what responsibility does the establishment actually have for the patrons. So, I think it would be fine for you to put it within our work program for us to work with the city attorney's office on looking at what sort of code language and working with the police bureau on enforcement.

Katz: Is that, on both of them is that all right with the council?

*****: Yes, please.

Katz: So you have instructions to really look at those.

*****: We'll do that.

Saltzman: Isn't there also a free speech issue because it's the spoken word?

Kleim: You are right, exactly. Our noise code does not regulate unamplified human speech. However, there are some issues where the police bureau can deal with, you know, just disorderly conduct issues. You're right.

Katz: Okay.

Kleim: You had a question about itch mention? And the length of that. Would you like me to address some of those, that issue?

Katz: Yeah, please.

*****: Okay. If --

Katz: I mean, you heard the anxiety and the frustration and the anger of citizens and you just, I mean, you know about that. You heard it here tonight, and this is just a small sampling. And they can't wait until 2005.

Kleim: And I agree, and they won't need to. I think that some of the biggest changes that will have the most impact, there's two things. One, is giving the resources to help us with enforcement,

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and i'm so pleased that the police bureau has, has been so generous. And so I think we will, in the next, during the next fiscal year, be working with them on implementation, be training, we will work with the officers to do training, so that they are more and more aware of noise issues and the noise codes so with enforcement, I think that will bring that awareness higher. The second thing is giving us a better citation tool, which is part of the ordinance, before you, so that we can actually, when we have a code violation, have a noise violation, we can actually write them a citation on the spot. And we don't have that capability right now, that's, that has any teeth to it. So I think those two things will make a big difference. The other things, are there are some changes in the code being proposed, and you will see us two more times next fiscal year with more code changes. And then the fiscal year subsequent to that you will see us again with code changes. The things that are in the, years three and four are really more follow-up and monitoring issues, not really the implementation of the recommendations, per se. So, we'll be looking then at doing the community-wide noise forum and also doing a forum on how to, how to mitigate noise through building, you know, building and landscaping, sorts of issues. And then we also will be, at that point, looking at how effective were the regulations on leaf blowers, what does the new technology that, you know, has come along, what can we do there, and then looking at the garbage issue. So those, those, those, the year three and four are really follow-up years, not, not implementing these guidelines but I think, kerry stanley said it well, that this is just the beginning. You know. We want to put on the work plan of the noise office, and of the noise review board a continually looking at the issues, and I am pleased that now we have more staff than we had before and I feel that we can do that and focus on that during the winter months.

Katz: I just want to let the people know here that the council did approve additional staff, probably isn't quite all that we need, but at least it's an improvement to deal with our enforcement issues. And with the senior neighborhood office and with the ability beginning the ability to track where those noise complaints are coming from, we can better prioritize some of the enforcement actions. That would be my thought in the precincts. Okay. So, frank hudson, I don't want to delay this any longer so conceptually we have agreed on amendments, right?

Frank Hudson, City Attorney's Office: Right.

Katz: So if they come back from concept to words, do we, can we vote on it next week?

Hudson: Yeah.

Katz: Okay.

Saltzman: I wanted to raise the issue for discussion going back to the commercial franchising recommendations, 7.4 it directs, again the city attorney to investigate the legal issues on commercial franchising, and office of development to investigate the economic issues regarding franchising. I can pretty much tell you what the answers will be. The legal answers will be, maybe yes, maybe no. The current court rulings seems to say yes, you can do commercial franchising but it's caught up in the court. The economic analysis will say, the haulers love it, businesses hates it, school district hates it. So, I guess I raise the question, is this, you know, is this even a signal we want sent, that we are looking at this? And given the enormous politic around this issue, there is a lot of other good stuff here but I just question whether this is something we want to spend time and effort on because I think it's an issue we are never going to want to deal with.

Francesconi: I don't think we want to go there because we're not -- we're going to waste the citizen's time and not get that result. But, as a way to resolve it, what if you just had the group look at potential approaches to reducing the number of truck trips, so if there is some other options, like was testified here, about the idea of full franchising, don't waste your time on it.

Saltzman: Keep the other potential approaches.

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Katz: Just not bold enough today.

Hales: Yeah, right. Foolish or bold.

Francesconi: That's why you are the mayor, you are the bold leader. [laughter]

Hales: I think we should adopt the marine corps standard, which is the difficult we do immediately, the impossible takes a little longer. This one is in the latter category, and should be waited on.

Katz: I don't want to delete it, if the council wants to soften the language to at least look at it, because it may be that it's going to take a lot longer on all the other technical ways of reducing that noise that we may eventually want to come to that conclusion.

Hales: Well, yeah, in terms of prior possession of work, I think we're all saying the same thing what we have heard tonight it there is an urgency in the community to do more. That this benchmark is not the end of this work, and no one has said it is, and we've got more work to do and we want to do it as quickly as possible and there are lots of opportunities to produce noise through enforcement and education and you know, and things like changing truck routes, so let's get on with as many of those that are doable, as fast as we can, and not get entangled in ones that are unlikely a success. But it's not like you have other -- a lack of other options in this report with the availability of staff in this office and in the police bureau to work on this, and other bureaus, as well. There's plenty of work to do now that will make a difference and we ought to take that on first.

Francesconi: And if you want to work on this on your own. [laughter]

Francesconi: And build up an approach and bring it to us, feel free.

Katz: Well, such a bold council, i'm not sure I want to spend any time on it. [laughter]

Katz: No, this is an inside joke, so. For those of you who don't watch us on a regular basis.

Saltzman: Bring back a revised version of 7.4, eliminates commercial franchising?

Katz: Is that what the council would like?

Francesconi: Yes.

Katz: All right.

Francesconi: And you can keep the limited option that was talked about.

Katz: All right. Why don't you go ahead and do that, but if nothing else works, on this particular score, then you need to probably look at, at that other option. All right. So, conceptually we have adopted the two pieces of information we want you to come back with next week. Thank you, everybody. And we'll take this issue on next week. 760. Thank you. Thank you, task force. [applause]

Katz: For those who will be voting on it next week, so if you want to come back and -- that would be wonderful.

Katz: Go ahead.

Item No. 760.

Gil Kelley, Director, Bureau of Planning (BOP): Gil kelley, planning director I will run through quickly, and as barry, the progress, we have made since we were here a couple of week ago on this issue. Just to remind you, this is in context of a larger project, which is the northwest area planning project that will be producing in 18 months. This was meant to be the first pass, quick fix primarily, directed at the telco issue, and the planning commission forwarded you recommendations which were presented last time. Just to remind you briefly, that was to extend the exd zoning in the area of the study area east of 405. And a small area west of 405, near the streetcar. Their recommendation was to not resume the remainder of the area west of 405 until completion of the larger area plan process. You will also recall that representatives of cnf

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corporation came forward at your hearing, saying that they would prefer to have the exd zoning now, their location, of course, is west of the 405 so they differed from the planning economics recommendation in that respect, and requested that you do that so that they have some certainty for their master planning efforts that they would like to undertake over the next 18 months. You also heard concerns about that from representatives of the northwest district association, and from the neighboring st. Patrick's church. You then asked me if there were some options to consider beyond what the council's original proposal was, which was to allow exd throughout the area and the planning commission's proposal, which I described a moment ago, so we have had three meetings in the intervening period. We met with representatives of the neighborhood, of cnf corporation and of the church. And eventually with one other owner of property in proximity. We had a good first meeting in understanding sort of the common interest and the individual interests of the group members and then kind of brainstormed options over the next two meetings. And the last meeting was, was actually as recently as last night. Barry will describe the options we went through in a moment, but let me just give you a brief synopsis of what we learned from that because there are some common points of interest here. I think that we can, we, we can try to work around in any case. The first is that cnf would like to remain in Portland in the central city at its present location and expand there. It has found itself in the last couple of months in a very different business environment than it had been before, and you heard some of that testimony the last time. Specifically they intend to consolidate some of the operations that they now have around different parts of town into the buildings they have in northwest. Leaving them sort of surplus flex space when they get through of those consolidations of somewhere around 65,000 square feet in existing buildings there, if i'm not mistaken. That capacity would not be enough to accommodate the acquisition of new business units, which may be on the horizon for them. We tried to understand more about their time lines and their ultimate buildout and their ultimate buildout, at least projecting out for the next 10 to 20 years, would be something on the order of 500,000 square feet of new development. Mostly inoffice, potentially with some ancillary retail, which could serve both workers on-site and the neighborhood. The first half of that, up to 250,000 square feet they would like the opportunity, at least to be poised, to be ready to build in the next two to five years, so that's kind of the horizon. We also found out that they have a number of ancillary smaller parcels around their cluster of bigger parcels in the northwest that they may be in a position to dispose of to sell and turn over for other uses in the district. But, probably their primary need they state is that they really need to engage internally in master planning. They need to engage consultants to help them with their master planning and signal to willingness to have that process be open and invite participation on the part of the neighbors and the city. On the part of the st. Patrick's church what we heard was that it's a long-standing institution with a deep history in the neighborhood and despite any appearances, it has a very active congregation and even an expanding congregation and they want to stay there and reinvest in the church facility. They have concerns about building going on around them in terms of the structural integrity of the structure, due to vibration and other effects of construction, and they certainly would like ultimate protection of a sense of space around the church and not being overwhelmed by neighboring new development. On the part of the neighborhood, and i'm speaking of the nwa representatives in particular, the 500,000 square foot expansion per se was not an issue. They also acknowledged that cnf is part of the neighborhood and that a job development at the site is desirable. They did, however, assert the need for a very careful planning on the site that would involve the neighborhood, and that they expected certain outcomes out of that process, that it be a very urban treatment of the property, not a suburb, that the new plan be able to handle the traffic that would be

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generated, which is now of some concern in the neighborhood already. That the streets, which are paper streets, be punched through again in all feasible cases, that the architecture be very high quality. These are the most significant buildings at that end of the neighborhood, and sort of present themselves as the gateway as it were, to the neighborhood, and the architecture ought to be outstanding. The 21st avenue ought to have a pedestrian feel and continuation of some retail activity there, and so forth. And there's a few more issues i'm sure i'm skipping over at the moment but you get the notion of the concerns there. And they also wanted to be actively involved in the master planning. So I think what we drew from this session was that there are at least four common points of interest here that we tried to frame these options around that barry will explain to you. One is that cnf should stay in the neighborhood. That's point one. Point two is that the totality of development conceived of is not an issue, per se. That everyone should be involved, that first of all, cnf should be involved in the area of planning areas process. They're a major player in the process as it goes forward and similarly, the neighborhood should be involved in cnf's master planning process. Everyone saw the need for the master plan as kind of the key element to focus on here. So barry will go through in just a moment about what the options were that we looked at. I should say up front that the neighborhood and the church representative liked a couple of the, of the initial options, cnf initially liked one, but, but had reservations in the end about it. We then brainstormed again late in the program yesterday and came up with another option that we think probably has some merit for bringing people together on this, but i'll let barry explain that. I think what we were struggling with here very simply is the balance of signaling enough certainty to cnf, that when, their headquarters will feel enough confidence to allocate the, the expense for consultants that they will need to do the master planning so it's a level of confidence they need to feel, and on the other side, it's a level of confidence from the neighborhood and the church and others that we won't be shortchanging the planning process as we go forward because there are a lot of issues to go out and this isn't just any property, this is a major, major, single largest development in the area plan process. Cnf's primary fear is that they will, in the end, not get the zoning if they are asked to wait for the 18 months. The church's greatest fear is that they will not get the protections they feel they need if a zoning designation were to change right now, northwest district associations, I think, primary two fears are that if it were rezoned now, that cnf could in a dynamic environment therein, sell all or some of the property to another party who would then take, could take full advantage of the cnf parcels without regard to the sort of agreements that we have been hearing about in process and so forth. And specifically, I think their fear is that full buildout of the cnf parcels under the exd could soak up a huge amount of the remaining traffic capacity, and that that's an issue that really needs to be grappled with in the 18-month area planning process. The concern is, and whether it's factually supported or not we don't know until we get further into the traffic study is that there won't be any development potential left for anybody else without extraordinary traffic improvement measures required first. And for staff, we're concerned that we may be losing an opportunity here for a set of real win-wins, if we don't craft some kind of process here that everybody is at the table on in a constructive way. So, you'll hear shortly after barry from cnf, about their request to have the exd zoning and they have offered some conditions that would, that would obtain there, would adhere to that zoning in their view. If you are not disposed to grant that, we would ask we be allowed to craft a different kind of solution that we think could conceivably work and come back to you in about three weeks' time with that, and, we'll reflect probably the latest option in some form that barry is going to, to present to you.

Katz: Okay. So let's cut to the chase on this. During this period of time, you worked up some options. You are a fourth one, timely came up. The council needs to hear from cnf, if they are not

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willing to accept any of those clear right now, then we'll -- you will take, bring back everybody back to the table to work on the one that you think has enough commonality for everybody to sign on and get a win-win situation?

Kelley: That would be our attempt, but I think in any case we'd want to come back to the council in three weeks and have a decision. And we will propose something that at least staff thinks represents something everybody could live with. I'm not promising that everybody will have agreed to it by then.

Katz: Okay. Barry? Quickly.

Barry Manning, BOP: I will go through this quickly. I'm going to review some of the council's decisions you came to last time. There were a couple of things that I want to clarify. Last time the council agreed to adopt the recommends with the following changes to limit retail sales and services east of 405 to 40,000 square feet peruse rather than the 10,000 proposed by the planning commission.

Hales: We have some high-tech graphics underway here. Maybe they don't show up on yours.

Katz: It's all right on mine just now. Just got -- okay.

Hales: I thought those were calendar pages flying by. [laughter]

Hales: See how long it takes to change something.

Katz: Go ahead.

Manning: The council decided to apply exd zoning under 405 rather than ig1 zoning. I will review the two maps here. This is what you saw from the planning commission recommendation leaving ig1 under the frye and the council had concluded it would be better to leave all that area or make all that area dx. The other issue we didn't address and probably need to tonight is the council was going to consider a new substitute language for the noise issue that was related to the mechanical equipment. I had a couple of substitute code sections last time and I have those again tonight. Shall we pass those out?

Katz: Yes, please.

Katz: Would you like for us at the end of the presentation to adopt those or wait until you bring everything else back?

Kelley: We would like, if they are okay, we would prefer to have them all of them as a package.

Manning: And then as he indicated to develop some additional options for you to consider in the area of 405 and pettygrove.

*******:** The retail section.

Manning: Yeah, that was the first one there. And I just review what those were. We were left with three basic options. One was the planning commission recommendation which was to retain the ig1 zone. The other option that was discussed at the last council hearing was a broader rezone of exd, what we originally considered as an approach to this issue, with some regulation, and I will show you maps of those two and the other alternatives that gill referred to that we worked over the last three weeks or so. Once again to refresh your memory, this is the planning commission recommendation. The green shaded area is the area that would be rezoned to exd. The red outlined area is the planned district area and of course, the cnf, and I apologize, the, the labeling in the legend is incorrect, it should be cnf property is in the gray, shaded area so that would be the planning commission recommendation and the other proposal discussed was the rezoned exd proposal, which is a much broader -- I apologize, the area south of pettygrove should not have the green shading but you can see the theory. North would be rezoned to exd with some planned district regulations in a much broader planned district area. The other options we considered over the last three weeks in our meetings, and actually, they were most recent. They were considered

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over the last week. Retain the ig1 zone as the planning commission recommended but make offices in small retail conforming in the ig1 zone, and adopt a resolution stating future intent. The idea here was one of the issues that cnf articulated was they may have surplus office space in one or both of their existing buildings and there may be, in the short-term, a desire on their part to rent part of that out to the tenants while they are not occupying that space. And there was some questions about their ability to do that under the conditions that those buildings were developed. So this option would have made those offices essentially conforming, allow them to rent out that office space. They also have a small restaurant that would have been made conforming so that it could serve the public and be more of a neighborhood serving unit. The resolution stating future intent was designed to assure cnf in the neighborhood and st. Pat ricks, all the parties to this case that, that we would be engaging in a planning process that would, where the outcomes would insure that cnf had the ability to develop the 500,000 square feet of office space in the northwest district that they saw along with the parking garage, but conversely assured the neighborhood that that would be done in a manner that respected their desire for high quality urban design, the transit-oriented development along 21st. Transit support and pedestrian oriented uses and things of that nature. That option was amenable to both the neighborhood association and st. Patrick's and was initially considered by cnf, and as gill indicated, found it to be more problematic. The second option was retaining ig1 but allowing for 50% expansion of existing office uses in the area. That option was not supported by any of the parties that we had talked to. They felt it was a little too broad. It would have allowed cnf the ability to develop an additional 250,000, approximately, square feet of office space under the current zoning which would have met, we felt, their short-term need to develop another office building within the, the time frame of the planning project. The third option was apply some limited ex designations with the plan district. This option would have changed the zoning on several of the developed properties to ex and changed the planned designation on another property to ex, while retaining the ig1 zoning. The thought behind that was it would have set the stage for a quazi-judicial zone change to ex on that property where we would have been able to review adequacy of services in the area and do the transportation analysis to make sure that the transportation system could accommodate the office use. That option was amenable in varying degrees to different parties. And the final option, I will not go into a lot of detail on this because this isn't the option that we find to have the most merit. The final option we are considering is some kind of a master plan option looking at the area shaded in green and in subdistrict b, might include some zone -- would probably include zone changing, tied to a master for that areas, those are cf properties in that area but they also extended the properties abutting the freeway. The master planned concept basically would allow new office uses or additions to the existing offices, allowed up to say 500,000 square feet, but the details still need to be work you had out. Where there is an approved master plan. Retail service uses might be allowed up to a maximum say of 10,000 square feet peruse with the master plan. We would ask the development mese the standards of the base zone and required design review and apply the community design standards to those. I didn't specify the base zone in this master plan concept that you have in front of you. One of the zones that was talked about was the ex zone, clearly, might work for cnf. Another option for zoning might be the cx zone in that area so there are a couple of options under this that we might consider. Along that master plan concept, it would require quazi-judicial review process to allow development beyond what's on the ground today in terms of office facilities which would be a procedure. The applicants would be encouraged to work with the surrounding community, other property owners and organizations in the city bureaus 20 form the master plan. The master plan, itself, would include components required of the conditional use master plans that

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we are familiar with for other types of conditional use master plan processes. And then these last five or six bullet points we would hope to turn into some kind of an approval criteria so we want to see a master plan where it featured high quality design consistent with an urban setting, ground floor uses on the transit streets, that primarily means northwest 21st, in this case. Development patterns that enhance productivity so we are talking about through streets there. Solutions to transportation and parking issues, that might include transportation demand management program or something of that nature. And then efficient use of land. With that, as Gill mentioned, we were hoping that this type of a concept might have some merit and are looking for a couple more weeks, three more weeks to come back to you with more specifics on it.

Kelley: I think the point about this fourth option is that in our view, and, you know, cnf will have to test this out at their headquarters, we feel this gives cnf the certainty about the 500,000 square feet. It would do that at this juncture rather than defer it for 18 months, whether it subjects them to the requirement to do the master planning that they want to and say they need to do, in a way that involves the city and the neighborhood explicitly and does that, frankly, in sync with the area of planned development in the same time horizon.

Hales: I'm sorry, I'm a little lost so sum up your recommendation? Your recommendation is?

Kelley: We would -- you need to make a decision tonight about if you are going to go ahead with one or the other options. If you don't, we would suggest that we take this last option that Barry described and detail that out and come back to you in three weeks' time. For adoption. So it's sort of what we call the master plan process, which has at its core a --

Katz: It would satisfy both the needs of cnf and I think, would satisfy the needs of the, the northwest district association.

Kelley: That's our hunch. Obviously, you know, they are going to tell us. This is a very late breaking option here, so.

Hales: Can you name a place in Portland where that approach has resulted in big development?

Kelley: Well, I don't know where this has been applied before in Portland.

Hales: Conditional use master planning all over the place and it hasn't done anything except mediocrity, but we have done development in ex, well, mostly cx districts and gotten good development. So, frankly, I don't mean this pejoratively but this is a planner's argument.

Kelley: I'm not sure --

Hales: The best way to do planning, not necessarily the argument about the way to get the neighborhood that the neighborhood says it wants because frankly I don't know of any place that has used this process and gotten what we want. It looks great on paper. Makes a great plan.

Kelley: Well, this point is meant to be very developmentally oriented. I think everyone understands that and probably the secret to the success is in the criteria and in the parties that are at the table, and the commitment to do it. I'm not sure that we have -- we possess the development agreement tool in this particular situation. If you can point me a way to get there that would be another option that we could consider. And I'm certainly not comparing it to anything else we have done in Portland. I would want to see this one have a very high quality result. I don't know that there is a fatal flaw that says you couldn't end up with a good quality.

Hales: It's great theory, Gil.

*****: Well.

Katz: Let's give them a chance. All right. Cnf, come on up.

Chuck Dragon, Vice President of Administration, CNF Inc., 1717 NW 21st, Portland: Good evening. My name is Chuck, I am the vice president of administration for cnf inc. Here in northwest on 17th, and 1717 northwest 21st and I am here to represent our position on this issue.

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First I want to just go on record and thanking gill and his staff, barry manning all the work and efforts they have put forth over the last three weeks in bringing the groups together trying to get the issues as gill explained on the table, which we did, I think, somewhat effectively in the first meeting and we met the last two weeks and we came to the table with several what we thought was possibilities of resolving some of those issues. For example, with the, the st. Patrick's church we offered to recognize in their main concern of being dwarfed by buildings and losing their identity in the neighborhood, we felt that we would be willing to put a 50 foot by 200 foot green belt behind the church on our property, either by used as a green belt or a pedestrian walk-through between xavier and rally, and also if we elected to build on the remaining piece of that property we would restrict the height of the building to 48 feet which we, would be approximately three stories and allow the church to, particularly the steeple portion, to have some visual contact with the community. And ed sullivan, who represented at that particular meeting, I think the second one, felt that that was something they could work with and actually commented that he wouldn't be a block in the way as long as we expressed those kind of willingness to work with him, and we are, our intention is to move forward. We offer some other issues trying to address some of the concerns about retail on the first floor and the glass and various other issues, in fact, I have a copy if you are interested in them. There is about ten issues we threw on the table, trying to resolve some of the concerns that the neighborhood had. Unfortunately, from what whatever reason, the nwa couldn't accept the results that we had proposed so I am here tonight again, unfortunately, asking council to grant us the exd zoning for the first phase.

Katz: And what if we said no?

*****: That's your answer.

*****: Would you come back to the table and work out something that could be agreeable to both of the parties?

*****: Well, let me state, mayor, if I may, our preference would be to get this resolved tonight by getting that granted by the council. At the end of the day, obviously, if that's not doable, the option that gill mentioned, we haven't had an opportunity, we didn't receive this until 5:00 or 5:15 to even sit down and have some discussion with gill's staff to get an understanding of this. We may have to seek some professional input because we're not zoners and planners and our director of, of corporate properties, bob weaver, which did participate in the meetings, unfortunately, is somewhere between the midwest and the west coast, and he's not aware of this issue even. So, as a last resolve, i'm, you know, this issue has some possibilities, again, because unfortunately, we haven't had a chance to really investigate it, we'd have to look at it.

Katz: Okay. Questions? All right.

Saltzman: I understood gill correctly, you needed the certainty that you can develop the full 500,000 square feet but you also need the certainty that within the next two to five years you can begin building up 250,000 or half of that, did I understand that correctly?

*****: The issue, and let me get back to the bare bones what our position has been from day one. Is that because of the uncertainty of the zoning and the timing of that being completed, we weren't - - we were put somewhat in limbo because we couldn't do strategic planning. We wouldn't be able to make the investment necessary to make that happen because we don't know whether or not the plan would be used or usable either in part or in whole, so that's been our position from day one. During some of our conversations at the meetings over the last several weeks some people brought the issue up, in your short-term with 250,000 square feet, in addition to that, you know, that will require a parking facility because we will consume and gill didn't mention that but we have had these discussions, we'll consume existing parking space by building the building. The problem, the

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issue has been on the service that seems like a reasonable request and it would probably, in the short-term, as far as structure, meet our need but the issue is, is you are looking at probably 35 to 45 million dollars of capital investment, with the uncertainty of how the remaining portion of our property could be zoned and used, our corporation would not want to make those kind of investments in the northwest neighborhood with that uncertainty still on the table. It just wouldn't be a good business decision, and I couldn't convince them to do otherwise. So, that, that issue is, yes, the size of the building, timing of it seems reasonable. But again, with the remaining portion of our property hanging out there for review and the uncertain nature of it, we wouldn't want to make that expenditure, I don't think any business would.

Katz: Thank you. Let's bring nwda and I don't know the representatives of the church -- all right. Nwda, john, why don't you come up, or anybody from nwda that's been working on this.

John Bradley: I am john bradley. I reside at 2350 northwest johnson. I'm chair of the nwda planning committee. I don't have any prepared remarks tonight because this has been continuously unfolding, as the day has progressed. I'm not exactly sure where we are. A couple of things that I would like to state is that we have been in negotiations. There was a slight spin that chuck gave to this that somehow we have been recalcitrant and it's us that's blocking this. I don't think that's true.

We were more than willing to go with option one, which was a resolution on the council's part. We were also willing to go with option 3, which was a limited exd designation and a comp plan change, but, but retention of the, of the ig1 zoning until some planning is done. Commissioner Hales seems to think that, that, I don't want to put words in his mouth, but seems to think that I like this process just for the process's sake, and we have been fighting to, you know, hold the integrity of the planning process because that's what we've got here, and I think in the long run, that integrity does give the best results. We certainly understand mr. Dragon's point of view, and that he wants some surity but a lot of other businesses who may come before you in the future will want the same sort of surity. We are more than willing to commit to continue to negotiate. There are a lot more people who, you know, have come forward to the table. Ted savinar has come forward and expressed his concerns. The church has expressed some of their concerns. You know, if gill would like three more weeks to try and craft something that's acceptable to both the nwda and chuck dragon, my committee is willing to work for those additional weeks and attend the additional meetings. In lieu of that, if that doesn't strike anyone on the commission as, on the council as good, we urge you adopt option one, which seems to hold to the integrity while giving some assurances to cnf that they will get their buildings. Thank you.

Katz: Sir? Why don't you scoot over to the mike.

John Zarnicky, Representing, St Partick's Church, 2742 NW Xavier: Good evening. I'm john zarnicky, 2742 northwest xavier, here on behalf of st. Patrick's church this evening. I don't have any prepared remarks either. The concern of the church, as rightly stated has been protection of the physical structure. You may know that the church was built in 1889 and as gill stated, continues to be a vibrant institution in the community, but not only from a religious standpoint but also from a secular standpoint, becoming, being very strongly involved in all aspects of the community. The -- we, we look for the same sort of certainty, perhaps, that cnf looks for, for the protection of the church and the in the long run. We are concerned that, that the offering the 48 feet by 200-foot buffer and agreeing to stay under 45 feet doesn't provide the sort of certainty that mr. Dragon believes it may. We are in favor, oh, we support the process that's been going on so far. We're strongly in favor of the, of the continuation of the planning process aspects of, of option 1 would probably work for us, more strongly, we support the fourth option that mr. Kelly has outlined this evening. Thank you.

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Katz: All right. Let's open it up to public testimony on the options that, that we have been talking about.

Bradley: If I might say one more thing.

Katz: Identify yourself.

Bradley: John Bradley again. Frank, president of the NWDA couldn't be here tonight but he asked me to express one of his primary concerns, which has already been mentioned, but it's infrastructure. We have to be very careful as we go through the process that the traffic situation down in that area doesn't become critical and overloaded. Right now, without the studies undertaken to know what the traffic-carrying capacity is down there, you know, we have no idea whether we will be throwing away the rest of the properties in that area.

Katz: Thank you. Anybody else want to testify? We have a signup sheet?

Katz: Okay, you two, I'll call you back. [laughter] are you the only one? Anybody else? Anybody else in the audience wanting to testify? Okay.

*******:** Just me.

Katz: Just you.

Jacklyn Stoeckler, NWDA Planning Committee: I am Jacklyn Stoeckler with the NWDA planning committee, also been involved in fast-track planning that Barry has been involved also with Mr. Bischoff on the long-term planning for the northwest neighborhood as well as the Pearl District plan project for the PDC, so the whole area is kind of -- what started as a reaction to economic and technological change on the ground has ended up in some way both an entrenchment and breakthrough. A retrenchment is represented in option one. Which reflects a previous agreement we had with CNF when they built the first office building. Option 2, a sampling of possibilities without change. Option 3, perhaps, a partial addressing of the concerns drawn out in the public process conducted by the Bureau of Planning. Option four, as we heard today, none of us knew about until present. However, what is now puzzling to me is why this fast-track process in which we have been engaged has become predictably slowed down by worn out strategies and coercive statements. And false beliefs of maintaining control. In tandem with this process the Pearl District development plan has shed a reflective light on the northwest transition zone. A bold and complete commitment to connectivity between the two neighborhoods is necessary and stoning should not only comment but also lead, drawing a trace in the landscape. The newly evolving public spaces that could occur are not constantly considered and similarly the language of industrial ig1 outdated and situated in 20th century language cannot allow for what is now industrial use termed as corporate headquarters, or industrial use termed as a telco. What is missing is the complete and resolute commitment to procurement also of an OS designation in the transition zone which is not necessarily reflected in the Parks 2020 plan. Truth is, it is difficult to see any real diversity. I would advocate that, that the early traces made by the plan for the district be followed through on and further, that we, the public, and you, the council, not be easily drawn into a debate where I think only pole rides situations may be the best outcome. Thank you.

Katz: Okay Gale, why don't you come on up, and Barry, do you want to come on up, too. What's the council's pleasure? We have, not all of us, but I think the council was reluctant to adopt the planning commission's recommendation for this particular geographic area. There was a reluctance on the council to basically rezone this area without the, the participation, and inclusion of the planning process that the northwest district association was going to be involved in, in the normal NWDA plan. We asked the -- we asked planning to work with the parties to come back with some options. The reason that the last option has been on the table for a very short period of time because I have continually had conversations with Gill, is keep working at it until you find

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something that would satisfy both parties and protect the neighborhood, at the same time, giving some certainty in terms of their further development, which, I think, is the win-win approach. So, that's the reason the last plan, the last item has been placed on the table so late. So, where's the council?

Francesconi: What do you recommend, mayor, what do you want to do?

Katz: I personally would recommend something else, but I'm trying to get a win-win situation, and I think I'd like to give an opportunity for Gill and Barry to continue working with the parties involved to come up with something that's workable.

Francesconi: Well, then let's do that. See, I just think -- we want to keep you here. And eventually we're going to need to change the zoning to do that. But we do have to follow some kind of process, and I think we're bending over to try to send all those signals to you. We just need a little flexibility, and so the idea of working and trying to, to -- and if you don't like option number four, then pick between option number one or three. But tell us what option you want, and then we can bring it back next time and make a decision. I think the master plan approach seems to be the best one.

Hales: I don't have a copy of what you had up on the screen. I'm not just being petulant. Are you talking about retaining I-1 zoning and using a conditional use master plan to govern development? What is this master plan thing. Your product is a zoning ordinance. So, what, tell me what you are going to do.

Kelley: Well, first of all, the context for this is what, what do we do in the next 18 months while the plan is being developed so this may or may not be the permanent condition for the site. We anticipate, for example, at the end of, of, of the planning process that, that a, that the rezone and planned district would be fully in place. So we're really talking about is the interim strategy. The master plan option could work in a couple different ways. It could be immediately rezoned to ex, for example, but then require for any actual building would be subject to a master plan requirement, and we're trying to craft the details of how that would work under code.

Hales: What is a master plan requirement?

Kelley: Well, we looked throughout the code and there is some things that we can borrow from. We probably would craft something specially for this.

Hales: Gil, is it site-specific zoning with regulations that affect each parcel? Again, you know, translate this into the real world of, of land and regulation. What are we talking about here? A master plan, sounds like something we can all agree to, a master plan, after all, it must be a good thing. But what does it mean? What is it?

Kelley: Basically, it would grant approval for up to 500,000 square feet of office development but would have to meet certain criteria, and those criteria are really the work that needs to get done.

Hales: Development agreement under state law? Or are you talking about a conditional use master plan under our code? I mean, I have got people at OPDR who presumably will have to process --

Kelley: Part of the initial discussion on this and this is one of the reasons we want to keep having a discussion but it's basically a conditional use master plan although it may differ, it may differ from the one we currently have under the code a little bit so we're, we're looking at that. Some of the objectives might be achieved, for example, by immediate rezoning, so there's a different base zone set from which you build and then stretching the plan district as we talked about before. And allowing within the planned district conditionally approved uses that would have in effect, a master planning requirement, as one of those requirements.

Hales: You are losing me again. Again, at the risk of sounding petulant, this is the same planning bureau, some of the same people that recommended getting rid of the master plan process for

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institutions because it wasn't working or producing good development, wasn't producing good buildings on good streets, and so we replaced that at the planning bureau's recommendation with a good idea, an institutional residential zone that's been applied systematically to the institutions. It has specific regulatory requirements for hospitals and colleges and the other stuff that's been zoned that way. So, you know, just as a footnote here we have the planning bureau recommending a strategy that they discredited as defunct in other places. I don't get it.

Kelley: I don't have that history and i'm not trying to replicate anything bad. What i'm trying to do is craft a solution that's an 18-month solution that will get us through this here.

Hales: Get through it and getting development are two different things.

Kelley: I don't see anything that would, that would be wrong with this approach in terms of, of it necessarily resulting in bad development. That's the connection I don't see.

Hales: I am saying it wouldn't necessarily result in good development. Getting by and getting to a decision --

Kelley: Let me ask you, going to ex, would necessarily result in good development.

Hales: Not necessarily. No. I agree, ex by itself, remember, this is currently zoned industrial with no design review. That's the base zone.

Kelley: Right. Even exd -- this would still employ, the master plan would still employ the "d" portion.

Hales: So what would master planning do besides design?

Kelley: What it would do is that when you come in with the first building you have to show us the other buildings and the parking on the lot, and which you are going to use and not use, which streets you are going to connect and not connect. Where you are going to put the active ground floor retail. What the architectural program is.

Hales: In advance of the first building?

Kelley: Yep.

Hales: And you expect cnf --

Kelley: Yes, cnf really has, in their minds, building, building out in two big chunks, as we understand it. Roughly speaking, two buildings of 250,000 square feet, plus a parking structure. Now they can look at options about how to break that up and proceed in a phased development but what they want to do is get into this master planning mode, have a signal from the city that says, you will get your 500,000 feet but do some master planning to get there. And I think that that, without having to spend the next few months figuring out what all the conditions should be for their master plan, this is saying let's make the master plan a condition for the development that he will be doing 18 months or two or five years from now.

Saltzman: I'm having a hard time understanding, if we are in the cut-to-the-chase mode, which it seems like we are, why not go with option one, that seems to do everything you are talking about and I am having a hard time understanding what the difference is between option one and four.

Kelley: That's the resolution and that's what we had proposed going into last evening's session. I think what happened there, dan, was it didn't work sufficiently for cnf in terms of the level of certainty they needed. In other words doing it by a council resolution rather than doing it through an ordinance rezone didn't give them in, their opinion, the level of certainty they need.

Saltzman: So the master, what you would bring back to us in three weeks then would be the ordinance?

Kelley: Yes.

Saltzman: To do a master plan?

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Kelley: It would be a rezone with a structure of the plan district, and one of the conditions of actually exercising your rights under that is that you would have to do a master plan. Meaning, certain criteria, through a quazi-judicial process. So that gives them not complete certainty but it gives them certainty about, about the zone and the, the, the ultimate number.

Saltzman: So a rezone to exd, subject to all conditional use approval.

Kelley: Or as barry mentioned it may be that some other zone could work, as well. But our thinking initially has been exd.

Katz: Barry, did you want to jump in?

Manning: I was just going to, to, to clarify it would be a planned district, actually be, conceptualizing it as a subdistrict within a planned district that would have the criteria planned out and we are in the process of determining what that would, that the master plan would need to meet and it will speak to the type of development that the community has kind of collected and said they would like to see in that area in terms of the way it, it addresses the street, the design issues, the conductivity issues so it would have a set of criteria that the master plan would meet, if a master plan was developed and met the criteria, presumably it would be approved.

Saltzman: The ordinance would not change the zoning?

Manning: Would change the zoning.

Saltzman: To either cx or the other, one of the two?

Katz: Okay.

Francesconi: What was wrong with option three? Remind me.

*******:** Why don't you explain.

*******:** I will pass these out to you, as well.

Kelley: Just again responding to commissioner Hales this won't be perhaps a satisfactory response, certainly the cleanest thing to do is either go with all exd, or the planning commission's recommendation. None of the parties feel completely comfortable with either one of those, or at least some parties aren't comfortable, so this is really an attempt to figure out what can we do.

Katz: I think there's enough support on the council to send you back and come back in three weeks, and I think i've heard a consensus that either you try to do a master plan or go to option one.

Francesconi: Not consensus but a majority.

Hales: I don't mind taking three more weeks to get to clarity.

Kelley: Okay. Well, I would hope we are all, we will all achieve more clarity in three weeks.

Hales: We are a long way from that in my opinion tonight.

Katz: And a long way from any decision tonight so I think we ought to give -- I think we ought to give the parties another three weeks to see if they can get some clarity to this master plan concept, or if not, go back to option 1.

Hales: Why go back to option one as the only choice after that? I'm sorry. You know. Is that as good as it gets?

Francesconi: What was wrong with three? What was option three?

Manning: I can show you on the power point exactly what option three was here.

Francesconi: Don't show me. Tell me. Tell me who is opposed to it.

Manning: Well, who is opposed to it? It was a limited rezoning to ex, that would allow approximately two acres, two plus acres to be rezoned to exd, or to, to, comparable to exd and if the applicant, cnf presumably is the owner, wanted to rezone that property so they could develop it, they would need to come in for quazi-judicial --

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Kelley: Let me cut to the chase, I think they weren't comfortable with that because while it gave permission for roughly 250,000 square feet plus parking, which is what they could fit on the restricted parcels it didn't allow them surity about the last 250,000 feet and in order to make the first development they would want to know they could make the second investment.

Francesconi: We're trying to help here, folks.

Katz: All right.

Francesconi: That was directed --

Katz: I'm sorry. Listen, we want -- we can't just zone for one employer. I mean, I like the approach you take.

Katz: Okay. There are three, three supporting votes to give you three weeks to come back with language on the master plan that gives cnf some certainty, but also allows for the, for the neighborhood association to be part of the planning process. Okay. Fine. Thank you. We stand adjourned.

At 8:56 p.m., Council recessed.

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

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

Katz: Present. All right. We'll take item 761. It's the second reading.

Item No. 761.

Katz: Did they ask you to come back to say anything?

Kenney Asher, Portland Development Commission: Which they.

Katz: The rest of the council because, unfortunately, I was on vacation.

Asher: I don't think so. We had a very good hearing last week.

Katz: Then we'll take a vote. Roll call.

Francesconi: I don't want to repeat myself, just, you have done terrific work. Pdc has done terrific work. This is a good thing, especially for a regional center that needs this kind of investment. In the long run, the added revenue that it will generate will offset some of the short-term issues that are legitimate. On the gateway receiving center, it's good we could do this. As I said before, and this is the last time, coming up with general fund capital money, which penalizes us at a time that we also lose revenue from the general fund, by making the tax income district doesn't make sense as a policy but for this time, given the importance of the project, how hard the citizens work, worked on it, the integrity of the process, i'm, i'm going along with this. Aye.

Hales: A good plan. Now let's go make it happen. Aye.

Saltzman: Look forward to working with you over the next 120 days. And good work. Aye.

Sten: Good job, aye.

Katz: I didn't get a chance to say what everybody said last week, but I do want to thank you, and I want to thank the residence and the committee at gateway. This was not an easy task for them. But, they did a fine job. Their work is cut out for them, and I just want to let them know my commitment to them that even though the council has the responsibility for voting on these ordinances and on the budget, I wanted to thank them and remind them that, that, at least for one member of this council, I will listen to their recommendations and listen to their recommendations closely. Yes, we did have to come up with the additional resources for a variety of reasons out of the cip, well, still continue looking to see if there are other options, but right now, today, as of today, I don't see it. My one request to the council is please, if we are going to continue this tithing to Multnomah county that we may not make any predetermination as to what it is that we're going to be spending money on, that we have a conversation about what joint programs the city and the county need to be working on, whether it's mental health issues that impact the police bureau, or other issues that make a sense in light of our responsibility, as well as their responsibility. And then we can have a discussion about some options that make sense for both the county and the city. So, that's my one pledge to all of you because there may very well be additional urban renewal districts and of course, not only does that take money out of our general fund, but in addition, we have to hand over general fund money to another jurisdiction, and that is touchy. It's difficult work, and it needs to make sense, and in this particular case, it was a facility that makes sense, and the gateway, the decision made by the county, were participating. Now, enough said. Thank you, everybody, for good work. Aye. All right.

Item No. 768-1.

Katz: We now -- I need approval by the council to move the four-fifths item to this particular time slot, and that's 768-1. Your motion,

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Hales: so moved.

Katz: do I hear a second?

Francesconi: Oh, sorry, so move.

Katz: Any objections? Hearing none. All right. Then on the motion to move item 726 that was removed from the wednesday agenda to this time slot.

Hales: So move.

Katz: Okay. Second.

Saltzman: second.

Katz: Trust me on this. Hearing no objection, so ordered. All right. So we're going to take 768-1. That's the public hearing. Then we are going to take 726, and then we take 763. It's not 2:30.

*******:** He's not here, so.

Katz: Okay. Yeah. You mean, your early? Okay. Public -- well, let's at least do the public hearing. All right. Why don't you read 768-1.

Item No. 768-1.

Katz: This is our second hearing. Is there anybody that wants to testify? I didn't think so. All right. Let's go on with 726.

Item No. 726.

Katz: Okay.

Mark Murray, Bureau of Financial Planning: I am mark murray, financial planning. This is the culmination of all of those fine hearings. Required under ors 221, to hold two hearings and then this action states to the state of Oregon that the -- we want to, as a city, receive the state chair revenue funds and those are primarily the cigarette and liquor taxes. Any questions of me?

Katz: Any questions? Anybody want to testify? Does anybody not want us to accept those funds? [laughter]

Katz: Okay. Roll call.

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

Katz: Mayor votes aye. It isn't 2:30, and I don't like acting on items when we have a item certain acting on them a little earlier, even though i'm not sure. Is anybody here to testify on 762? I didn't think so, but there may be somebody, so why don't we take the council isn't going to mind it, why don't we take a brief recess until 2:30. We will be right back, just sit tight.

At 2:10 p.m., Council recessed.

At 2:33 p.m., Council reconvened.

Item No. 762.

Katz: Normally I do a whole budget speech but i'm not going to do it this afternoon. Refraining from doing it, all of you interested, we have it in a printed form. Since we county have much money, there wasn't very much action. Most of it were cuts anyway. So go ahead.

Murray: Mark murray, financial plan be, I will keep my words short, as well, and only point out some of the technical adjustments that have happened between or that we are proposing, council support between council approved budget and this adopt budget. Very quickly, in the programmatic change area, they were quite simple. One was moving a parking manager position from the facility's fund to the office of management and finance. The clarification on the second one. Mr. Saltzman's office is not reclassifying a position from part-time to full-time. The third, programmatic change, involves information technology, and is part of the asr recommendations and the framework plans. There was a position for a strategic information manager mentioned in there. The position did not get established. Information technology would like to get that accomplished

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in the adopted budget at no additional cost. The fourth action, funds the program manager for west side tunnel project, same kind of approach is, as the position, the position just needs to be established and that will be at no additional cost. Fifth action deals with the possible implementation of the street maintenance fee and making sure that the money that is needed for, for parks to take care of the, the street area landscaping gets moved from transportation over to parks and funds the position there. Three additional ones which were not on the original memo, we sent to you the police bureau has asked us to reduce their budget by 55,000 and put that amount in contingency to protect the funds in anticipation of the possibility of, of receiving a grant for the school's police, as part of the requirements for receiving that grant, there is a match. The match cannot be already in the bureau's budget, so they have asked the council would set, in essence, put money in contingency just in case. Planning bureau, an additional carryover there.

Francesconi: On that last item. This came up when the mayor was on vacation. I wanted to say I appreciate the police doing that, and mayor, whatever involvement you had for doing that. Thanks.

Murray: The city-wide strategic planning effort, they have requested carryover, \$100,000 there. They thought some of, at least some of those funds would be encumbered this year, is not spent, that has not happened. Those will be treated like every other carryover for next year. That is the funds will be put in contingency in anticipation that there's enough beginning balance. The bureaus will request those carryover amounts in the fall and then the last one is also very minor. The office of neighborhood involvement has split out their administrative cost into a separate program so we're just recognizing that in terms of the technical adjustments. You see on page 2, the other carryover requests that are pretty straightforward, fairly normal projects that may not be completed this year that will carry over into next year, and again, all of those funds will be put in contingency. The bureaus will have to come back in front of council and ask for those funds in the fall bump.

Katz: Great. You don't spend your money, you get punished.

Murray: The other side of that is if you spend all the money there won't be beginning balance and we could be in a mess in the fall. [laughter]

Katz: Okay. I know. It's a dilemma that's been with us forever.

Murray: Indeed, it is. Just one other quick note, a contingency which is normally budgeted at \$1.4 million a year. We are beginning the year down at 1.1 million at this point. That's really all I have to share with council at this point on the technical dollars.

Katz: Before you get -- are you moving to the budget notes? Before you get to the budget notes, the public knows by now that we will take over the school police. I just want everybody to know that we, today, don't have the money for the school police, so the school -- the Portland police bureau's budget will absorb that cost, which is over \$2 million. Who knows exactly what the amount is. But, we, we are working with the legislature on some technical language on the school police, and we hope that we might get some federal funds for some of the school police officers that will assist us. More information to come later. Okay.

Murray: Okay. Then the third attachment in your package for this budgeted option is the budget notes which normally include direction from council on specific actions to be taken from any number of bureaus during the course of the budget cycle. We would just like to check with council and make sure that the language has presented on those at this time is correct and accurate.

Francesconi: We had just a slight change. It looks like, in a fire budget note, and I have a copy of it. I don't know if the council does, and it's -- council can read it. What we have done is eliminated this private-public partnership idea, which may bear some fruit but not for a while.

Katz: Okay. I'm aware of that. All right. I need a motion to accept this amendment.

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Francesconi: so moved.

Katz: Any objections? Hearing none, so order. All right. All right, everybody. Any questions of mark? I want to thank everybody. This is the formal adoption of the budget for July 1, 2001, to 2002. I hope we can live within it. I hope there aren't going to be too many contingencies and I want to thank everybody for their work, especially our fiscal staff. So mark, thank you, and thank your staff for all the work that they have done on it. All right. We'll open it up -- vic rhodes, did you want to come up and say anything on this?

Hales: We have got two people to testify but maybe we ought to let them go and save your presentation for later.

Katz: Okay. Part of the budget was the work that we did in trying to determine the need for the transportation fee, the purpose of the transportation fee, and the amount of it. And I just need to tell everybody that we spent a lot of time, a lot of staff time in analyzing the transportation budget, in going back in time and redoing the budget based on the way we do everybody's budgets. We looked at it from all views and all perspectives. We listened to commissioner Hales and vic rhodes. I know the needs of the transportation agency. We haven't had increases in the gas tax. Any money that will be increased this legislative session is going to state not the needs of this community, and I know that commissioner Hales and I and all of you, council, get e-mails and letters about the condition of our roads and streets. It isn't anything any of us like to do, but I made a decision in consultation with the rest of the council that this was necessary, and if we didn't do it, there would have to be major budget cuts in transportation even more than we had done over, over many years. Instead of the \$2 a month for residencies, we dropped it to \$1.75, and then added back a dime for public transportation purposes because there are people who don't drive and who use public transit, and it's my hope that over a period of time, we'll be able to use these resources to repair the transit mall that is in terrible condition. And so in the budget, is the transportation budget has in it the 1.85 a month fee for residents, and that's built in the transportation budget. Later on today, we will talk about the transportation fee and actually deal with that issue separately, but because there are a few here who want to address it, this would be the time to do it. So if there is anybody who wants to address it.

Item No. 768.

Moore: For 768?

Katz: Yes, yes.

*******:** I will grab the sheet. Is there anybody else here that we know, for that? Okay.

Katz: Anybody else that needs to go back to work that doesn't want to stay and hear discussion on the west end? Okay. Who wants to start?

Tad Everhart, 539 SE 59th Court, Portland: My name is tad everhart, I live at southeast 59th court. I support raising the taxes to improve our streets. However, I don't think that a gas tax has been carefully, or sufficiently carefully analyzed. I think a gas tax would be far more equitable than a tax on property, and I think that, that the tax should be as equitable as possible. I think that your polls show that voters support improving our streets and I hope that the polls would show that they would support a gas tax, as well. In addition, not only is, basically, the property tax that's represented by this street improvement fee not as equitable as a gas tax but I think that we could call it environmentally regressive. I think that we, when we tax, we influence the way people act. With the green policy initiatives and other actions, we're trying to get people to basically reduce their use of cars and to use bikes, public transit, walking, and this has absolutely no impact on that behavior. I would just give you an example of a person that lives in the suburbs, drives into work every day and uses the roads to do that but will not pay this tax, except indirectly, through their

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employer paying it. I think the fact that the, the fee has been reduced so greatly on the high traffic volume generating businesses, that it's really not equitable if you compare businesses to residences. My calculation, is if I pay \$1.85 a month and i'm at mc, mcdonalds on grand avenue is paying less, their paying 36 times more than I do, and I know they are generating more traffic than that. We want people who live -- we want people to live in Portland, but we also want them to use other means of transportation if at all possible. And I think that a gas tax would accomplish those purposes far better than this tax. Thank you.

Katz: Don't go away. We want to respond to that.

Chris Smith, Member, NWDA, 2343 NW Pettygrove St., Portland: Chris smith, 2343 northwest pettygrove street. I am the chair of the transportation committee and speaking in those capacities today. Nwda has gone in favor of the street fee and we communicated the letter to your offices some time ago. I think we also would prefer a tax were one that gave more positive behavior but realize there are problems in setting up a new tax collection system and perhaps this is the about its way to get the revenue that's so badly needed. We understand the state simply is not stepping up to the transportation needs of the whole state and the urgency to do something locally here in our community. In looking at this on a neighborhood level, certainly the backlog of unmaintained streets is a critical issue. Clearly fiscally unwise, we let a street become so bad we have to rebuild it rather than maintain it. You are crossing big bucks in the long term, but I think for the neighborhood, perhaps even more important was the fact that we no longer have resources for things like neighborhood traffic calming programs that will -- the fiscal constraints were really becoming policy constraints in what we could do with the transportation system and that was unacceptable to we are whole heartedly in favor of this fee.

Katz: Thank you, chris?

Kevin Downing: Good afternoon. I am kevin downing. I chair the neighborhood association, and actually worked on the transportation committee there, as well. But, today i'm speaking on my own behalf on this matter, and actually, urging you to support and adopt the transportation system's fee and really what I want you to think of is, is, of it as respecting an investment. And of course, the first thing that comes to mind is the investment in the road system but actually I think even beyond that is the investment of citizens' times, like, time like myself and being able to come to meetings like this, or city budget hearings, but more than that, involved in many hours of transportation planning and analysis work looking to address the issues associated with maintaining a vital and connective -- connected transportation network through all, a la modes but also, frankly, to look at mitigating the impacts from an overstretched transportation system that, that this fee represents an opportunity to address that and actually respect that investment of the time of individuals. Put into that process but also, frankly, to support the investment that individuals have made into their own homes which is frankly the largest single investment that people have made and that in many cases, the transportation system, the use, the overuse of the transportation system without mitigation impacts investments of those homes that without this fee, that opportunity to mitigate those impacts and to also mitigate and support the investment of people living within the city of Portland as well as having businesses within the city, is an important part of what this fee is about. That, for instance, we are working on a project right now to address traffic issues within sellwood, not only addresses the impact on the residential facilities but also supports and enhances a transportation system that will build the economic vitality of the business district there. So I urge you to support this fee.

Katz: Thank you.

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Hales: I want to say I appreciate all three of you coming in to testify about this. It is important to remember that even if we make this change and adopt this fee, it will still have 5/6s of our city transportation budget coming from the gas tax so whatever signal the gas tax sends to people, although I am not sure in Oregon, it is sending any signal at all, at 24 cents it doesn't seem to be moderating car use statewide, but whatever signal it sends will still be sent. I think our fundamental problem, as the latter two folks talked about is just so terrible that we are letting our streets rot, that we need to do something. This, we can do. It's a modest investment, and a huge asset that's, that's crumbling, so I think -- I really appreciate t we'll talk more about vick's work on this later but his good work and all of you as citizen have spent a lot of time figuring out how to solve these problems, so thank you.

Katz: Let me add to your comments, sir. I agree with you. That's why I had difficulty and spent a lot of time with the staff analyzing the financial situation because I agree with you, the gas tax ought to be what, what needs to be raised to pay for these services, but that's not happening, it hasn't happened. One legislative session after the other, and the public has refused to accept it in this region, as well, and we do have a huge investment that we need to maintain. Okay. Thank you, and i'm glad that we were able to get you in for, before 5:00 or 6:00.

Item No. 762.

Katz: All right. Anybody else wants to talk about the budget? Okay. Everybody then let's have roll call on 762.

Francesconi: I support the budget. I will just make a couple comments as to why. First, i'd like to thank the mayor and the bureau managers who made some significant cuts to make this happen. We did cut \$4 million in administrative services from the city budget. I'm not sure that message has really gotten out there to the public. In addition, we have also made some cuts in the fire bureau of another \$800,000. And in parks of \$600,000, and i'd like to thank chief wilson, charles jordan from parks. I guess just a cautionary note to the council, to the public, of the \$600,000 on the parks cuts, \$200,000 -- 400,000 was cut, and 200,000 was increased fees. I think, and there is still some issues to be resolved on those fees. The message here is we're to the point we can't raise fees any more in the future on our, on our own citizens because it's acting as a disincentive to encourage people to participate in our programs. Especially if you are poor. And regarding the fire budget, the amount of money has been flat in fire for the last five years, even with inflation, so the point here is, we also are not going to be able to cut the fire bureau budget any more in the future, in my view. It's going to be very difficult to do that. Let's put it that way. Which brings me to the final point, that I do think we're doing a lot of good things as a council, but we're sometimes not really clear on what, in my view, what our role is from the city, as opposed to others, so we're going to have to look at our role and because, because with some earlier actions, we ended up benefiting some people, but then, perhaps, hurting our own children through the park's bureau so it's an issue that maybe we need to talk about more in the future. Having said all of that, mayor, add difficult job this time. And you did a very good job. Aye.

Hales: Well, we think a number of things --

Francesconi: Oh, one other thing I want to say. I'm sorry. And the issue of Portland public schools, and I also want to thank parks and the council because we also, in addition to the, the mayor talked about earlier, she'll talk more, about the efforts with Portland, the school police, we are cutting the grass of the schools with using our parks employees on their fields, with the idea that parks and schools are joined together and we use their sports fields for our parks' programs and we can't use the field if we don't cut the grass. In addition, that we need a joint effort to make our

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schools attractive, if we want to keep kids and families in the city. So I want to thank everybody for that, as well. Aye.

Hales: I agree with those comments. I think, we think a number of things in Portland, that are abnormal are normal. We think it's normal that middle class people, put their kids in public schools and ride the bus to work, some of them ride their bike, too. We think it's normal that people don't honk at intersections, and we think it's normal that the city budget process is kind of a yawn, that there's no big fights and there's not picketing and there's not, you know, enormous talk about dropping the budget and that's partly because in Portland we like consensus and have a habit of getting there, but it's mainly do in the last eight budgets to your good efforts, vera, in crafting a budget that tries to meet, in good times, all the competing ideas for new things and improvements and in tough times, like this budget, balancing the cuts and the hardship among popular programs, like fire and parks and police, that are now having to be squeezed. So thanks, mayor, for another easy to vote for budget. Aye.

Saltzman: I want to thank the mayor, also, for making this easy and especially since it's an off-year budget. I am sure the next, beginning of the two-year cycle will be just as easy. I am pleased to support this budget, aye.

Katz: Thank you.

Sten: Well, it's easy to vote for this because I think everybody worked hard, particularly the city bureaus, and now the office of management and financiers, quite a bit of cut from administration and things that people don't see, but it's not easy to do. We've talked a lot about the budget so I won't go on at great length but I think this is one of the first years in which the decisions we have made as a community at the ballot box through the initiatives have really begun to tighten up, and I think we're going to have to all really, you know, i'm disappointed we couldn't find more money for housing but it's just not there. And I think we're going to, as we get into the next discussions today, have to really find some -- see if we have the political will to take on some of the issues and ways other than property tax because obviously the property tax says our cap now, I don't see that changing, and so I think that we did a very good job and I want to thank the mayor and all the staff who did this on making things work, but I don't really think ultimately that this budget reflects the citizen's priorities. Because, I think we have a, a mismatch of, of initiatives that together have, have made the citizen's priorities unclear. And so, I hope -- I always sound this way, but will work hard to make this work, but I think it ought to be a call to the people for some thinking as we go into the next election cycle about what are our priorities and are there other alternative strategies to take them on. Aye.

Katz: Well, again, thank you, everybody. Just remind the public, we cut 10% of administrative services over two years, and in addition to that, almost 2% across the board of general fund. I don't think that our public safety agencies can take any more preductions. You heard from commissioner Francesconi who has the fire bureau and I can tell you that the police bureau, especially in light of their absorbing the school police, cannot take any more cuts. We cut nine officers off last year as our population grows, this is an intolerable situation. In addition to that, the public is right to ask for more training, whether it's in the mental health system for our police bureau, whether it's crisis, intervention, and crisis management, last night we heard testimony about the police bureau having to take on the duties of enforcing noise infractions, and as we grow and as the crime rate keeps dropping, although that's still an issue and a problem that we need to continually work on, there are other demands and requests of the public from our police bureau, and at some point, the resources just will not be there, and so if we are going to take on additional programs, it isn't going to come from our public safety budgets any more. It just can't. It's not fair

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to this community. So, commissioner Sten is right, we're going to have to be a little more creative, begin looking at other sources of revenue, if we can, or just not do things that we normally have been doing. Thank you, everybody, for your help. Aye. All right. 763.

Item No. 763.

Murray: Mark murray, financial planning. We'll have jordan, the coordinator give a brief summary of what is included.

Katz: Briefly.

Jordan Epstein, BFP: Brief as before. Nine funds, \$29 million, for the funds, sewer funds, covering some -- there was some debt issues, and transfer from the rate stabilization fund to the operating fund. The funds were budgeting some debt payments. Housing investment fund was going to be transferring money to pdc taking money out of its line of credit. Transferring money to the pdc for housing investment and the parks construction fund was going to be recognizing sdc revenues and finishing the square and doing some projects.

Katz: Okay. Questions? I just wanted to let everybody know, we discussed all of this. Anybody want to testify on the supplemental budget? All right. Roll call.

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

Katz: Mayor votes aye. All right. Let's read 76 4, 765, 766.

Items No. 764, 765, 766 and 767.

Katz: Go ahead.

Katz: You might as well read 767.

Katz: Okay. Let me make some very brief opening remarks. We expect to hear a lot of testimony today. This issue that has been before an app committee and later a citizen's committee and later the planning bureau and the planning commission has gotten to be highly charged over what you will hear is probably one issue. While I think there's been general agreement about the vision for this neighborhood, there hasn't been total agreement as to the zoning of a section of the west end, and you will hear a lot of testimony today on that particular score. I want to thank the work of the planning commission. Of course I always thank the work of the planning, but I want to thank especially the work of the planning commission because they, they took this issue on and probably went beyond the normal hearing process to listen to a variety of testimony. It was not a unanimous decision at the planning commission. They struggled over the same issue as to the zoning north of salmon street in this particular corridor. And the work that they prepared is, was trying to address the vision for this part of, part of the city. Now, I have my own personal feelings about it, but I want to remain open as to the, the, maybe recommendations that we have not heard about from the community, and I ask the council to please remain open as to where we go next on this score, and what we are going to do is we will hear the testimony on all these items and then we'll have a council discussion and then I will want to bring gill kelly back and graham back to discuss what the next steps are going to be. All right. So, let's start with gill and graham. Then i'm going to ask rick michaelson, who is the chair of the planning commission to come talk to us. Then i'm going to ask commissioner Saltzman to endure -- introduce the metropolitan human rights commission that they had a role in this, and I want -- I don't know what she is going to say, but I want to, to have, to give her the opportunity because they played a role in this. Then, the west end steering committee, michael powell and steve siegel, then we have a former city council member with us who has really very little interest in housing. That's a joke, everybody. And she is here, but she needs to leave, I think, by 5:00, is that correct? So, i'll be watching the clock, nudge me somebody if, if it gets close to 5:00 and we haven't heard. Commissioner Sten will make sure. Then we'll open it up to testimony. I understand how, howard shapiro, who is the chair of the housing authority project is

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here but I will call on him somewhere around the front end of the testimony. You made it. You know the sign. All right. Okay. Gill and graham.

Gil Kelley, Director, BOP: Thank you, madam mayor. gil kelley, planning director. I am going to be followed shortly by graham clark, who's going to explain the history of this project and the planning commission's proposal and then rick michaelson, chair of the commission, will be articulating some of those points of particular concern to the commission as a whole. What I would like to do, actually, is to make a few introductory remarks from the perspective of someone who came into this project in the midst of the frenzy, actually several years into the start of this, and just sort of give you my personal view about some of the issues before you, and particularly, i'm going to focus on the alternative proposal to the planning commissions that's been advanced, which has at its core the notion of redesignating much of the district, particularly that portion north of salmon street to cx zoning.

Katz: Gill, for the community you might want, as you talk, what is cx? Graham, what is rx, so people know.

Kelley: Right. And in general, I will let graham go into it in his talk, but, in very general terms, cx zoning is a commercial, albeit, mixed use designation that allows office retail and housing, rx, particularly, as it's been altered under the planning commission's proposal is also a mixed use district with the housing emphasis, also allowing some amount of, of office and retail, as well. And there are fine points under that, that I think graham can address, but essentially, the rx zone promotes and guarantees at some level a housing emphasis, albeit, along with a mix of other uses, whereas the cx zone does not restrict any development on the parcel for any one of those uses. And that sort of is at the core because under the cx zone you could develop a commercial in the west end without housing. Although, there are ways to alter it to try to accomplish that same objective, but i'm, i'm going to speak again from a general and sort of personal/professional point of view here in my opening. I guess, my first request, really, of the council is a personal plea. Please don't do this to me again. When I look at the southwest community plan, land division code, north mcadam process, central east side, and the west end, I had a pretty heavy plate when I came in, and I think all of these projects are well intentioned. I think there's been a lot of hard work on all of them. I'm sure of that. And they have each surfaced some really important issues and opportunities. But, I also think that each one of them has either begun with or relied on in great measure a misinformed permission, and I think the misinformed permission in the case of the west end work, at least on its original trajectory, is the change in zoning designation, in this case, to cx from rx, is necessary and some would claim sufficient, to deliver on the west end's true potential for a very urban mixed use neighborhood, and I emphasize the word, neighborhood, which has really a healthy mix of housing types and income levels at its core. That is what would make the west end a true urban neighborhood, and I think that, that goal and vision is held by everyone, but I think the permission that cx zoning is necessary -- the premise that cx zoning is necessary to deliver on that is false. So, that sort of is my primary conclusion, and i'll explain what I mean about that in a bit more detail in just a moment. Basically, I heard from and talked to lots and lots of people over the last few months about this, as I am sure you all have. And I think basically, this morning, early, watching the sun rise and the solstice and read my Oregonian and I think randy's opinion piece, basically, got this one right, and that is that there's nothing fundamentally wrong with the original downtown plan vision. What's really needed here is to incorporate the west end with the mid-town block's energy and try to figure out at the level below the zoning code, what's the right set of actions that's going to allow and encourage and motivate the west end to reach its true potential. As I said before, I came in late in this particular course of action. Along after the

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original proposal was on its trajectory and I think that the bureau planning and the planning commission have done a good job in reacting to that initial proposal, and modifying it substantially, tweaking the rx zone, very substantial ways to respond to both the vision and to the perceived market realities at this point. I have talked to nearly everyone involved and listened hard and asked hard questions, and including those cx proponents, and I have concluded that there is just not a convincing case in my mind for making the zoning redesignation at this juncture, at least, in the absence of having a real development stature and set of agreements with owners and others in the area who will area leverage off the public investments that have been made and will continue to need to be made. To realize the full potential there. I have concluded that the cx zoning is neither necessary nor sufficient to bring about the success of the district on its own. And in some cases, the cx zoning, by itself, may pose some harm or some delay to the success of the district. And I will speak about that, too, in a minute here. Let me just offer you what my recommendation is, and that is after hearing the testimony that you do one of two things, and both include a key ingredient in my view. That you infer the planning economics, the proposal, as you might modify it based on testimony but keeping the integrity of that proposal and that you expand your earlier resolution on the mid town blocks, development strategy to explicitly include the west end, and I know the other bureaus represented in that resolution would be interested in working upon the development strategy, as well. Failing that, if you are unable to resolve the question of zoning designation south of, excuse me, north of salmon, in particular, that then you might defer final action on that until we engage in that development strategy and come back to you on, and tell you if we need any further zoning fixes other than those that were proposed by the planning commission. I think the first would be cleaner, would send a stronger message to the development strategy team, but I leave that, that judgment to you. Let me just explain what I meant about the cx not being necessary or sufficient and potentially detrimental. First of all, it's clearly not necessary because the rx is working. Graham will explain to you in a few moments that we have already seen just in the last year or so, renewed interest, particularly at the south end of the west end, in housing. Some of it's spurred by Portland development commission investment, such as the museum place and we'll show you some images of the museum place and in fact there's a model here, of a very real proposal going forward. Initially one with a, a public subsidy to help get it off the ground but one which includes a real mix of housing types of rental and ownership market rates and affordable units. A three-block development that is now giving confidence to three other unsubsidized private market developments in the vicinity. And I think that we, at the planning commission, heard from a panel of housing developers and consultants who agreed on a number of things but one of the core agreements they had is the market has finally arrived and it's knocking at the door. And I would say that in some cases, you need to wait for 20 years or 30 years from an initial idea and policy like the downtown plan or the market to arrive. It doesn't always arrive everywhere at once. But I think it is the time for the west end, and we're not asking you to just wait and trust us. The evidence is actually right in front of you now. I would also point to places elsewhere in Portland that have faced a similar dilemma, and i'm thinking particularly of san francisco and the area around venice avenue, which, again, is a neighborhood of sorts backing up against the downtown core in san francisco, and from its hay-day in the '20s, it sort of went into a slide and remained as kind of a netherland, commercial, residential, is much of anything happening other than the auto showrooms there, and finally about ten years ago or so, the city boldly rezoned it for residential, mixed use residential, and made some investments, much as we're talking about here. It has taken off for housing, and is now considered a neighborhood. And is still building out in that regard. Again, for a mix of housing types and income levels. And I think the future of the west end is a

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very urban neighborhood backing up against Portland downtown, is the proper commission the one called for in the downtown plan and the one that now is, is right there facing us in the marketplace and we need to help incessant that market to land on the ground. I think the other important message we heard from the housing panel, although they were not unified on the question of zoning is that zoning is probably less important in our view than actually being able to get a hold of parcels to develop on and that, again, is where I think a public private conversation can be very, very helpful and actually getting some things to happen there. Second, let me address the point that even if you were to rezone it to cx, albeit, unnecessary in my view, that it would somehow be sufficient. It wouldn't be sufficient. Proof of that is that already one quarter of the west end is zoned cx, and nothing happened on those parcels for the most part in the last 20 years, either, so you make, you can make the same argument for cx zoning. It's not a recipe for success of any kind, much of the land in the same ownership of the other parcels in the west end are. And there's also plenty of land in downtown Portland, unutilized for cx use, for office uses, primarily. And we have a map that basically shows over here, graham if, you wouldn't mind pointing to it. There's a lot of capacity already zoned, I was thinking of the ground field, yeah. Which basically kind of shows the pattern downtown, and most of what you are examining, mayor, throughout the downtown and the white spots, the gray spots are the buildings, is largely zoned commercial, and there is a lot of capacity left. It's not as if we need more office capacity at the downtown, and in fact, the notion here is really to create a very strong arc of neighborhood extending from the pearl district right through to the south park blocks, surrounding the back side of downtown. And so the intensity of residential there backing up against the commercial district and the office district is very important objective. And I think the pearl actually does bring up an interesting point because that's often cited as a reason why, well, what's the harm of cx? We have ex actually even more liberal zone in the pearl district and it's working there. And I think on the surface that has some appeal. What I would say is that that case is very distinct from the west end in several regards. The most important in my view, is that zoning in the case of the pearl did not drive that development. What really caused the remarkable phenomenon that occurred in the pearl district was really getting a development plan together first, and to get a set of agreements between the city and really, a very few about six major property owners there who were, who were quite motivated to develop for one thing, and who entered an agreement or set up the agreements that basically said, we, the public sector, will deliver the streetcar, deliver parks, we'll remove the lovejoy ramp and in return, you will deliver "x" thousand number of housing units. That was the basic deal. It had very little to do with a set of zoning regulations. The regulations allowed that framework but that was the framework that really, that really drove it, and in fact, and I wasn't here, I think that actually proceeded the zoning change, or was simultaneous with, with the zoning change did not perceive that. And that, I can be corrected on that fact but that, essentially, is the set of conditions that drove the development in the pearl district, and is why you see it as having so much housing. Today they also struck a point in the market where housing was very, very hot in that five-year period when most of it was built out. Those conditions don't exist in the west end, for one thing you have got many, many more landowners, owning small parcels. We don't have a set of agreements or expectations to deliver housing with individual property owners. We don't have necessarily housing requirements, if you remove the rx designation. There is a proposal to accompany the cx that would, that would require housing but has a very easy outclause in a sense of a rather cheap buy-out of \$2500 per unit of the housing requirement. Realistically, if that includes taking away units, you essentially replace with about 2500, a 30 to 50,000 gap needed to cover the difference between new construction and what those current income levels could afford to pay for that unit.

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So I think that's a problematic aspect of the proposal. That's in front of you. So for those reasons I think using the pearl district as a comparable just is not, now that doesn't mean there's no hope for having a similar situation there, or having really good agreements with property owners in the west end, and that's really my principle point. We ought to get into that development strategy, discussion, and see if we need any further tweaks in the zoning ordinance. Let me just add one other point, which is my assertion that there may actually be some harm in designating the cx in the absence of having any of these other tools at the ready. First is that, and this is an assertion and you may hear counter arguments, but I think most of the typically, not always, when you change the zoning from something like an rx to a cx, you will see over time a gradual, sometimes more than gradual rise in property values, simply from the flexibility and the new zoning holds. That's not a necessary condition, but it's, it's a probable condition. And that has two implications, for housing, which is what we say we all want is the emphasis. One is that it may make some landowners want to hold theirs because in the end, the market, the price for the land with an office building will be higher than it would be for a housing project. And similarly, the second implication is that it makes housing that much harder to do because it makes it more expensive because of the land cost. And the land cost represents a small amount of the total cost of doing a housing project, but in doing housing, as you all know, every, every bit of that cost savings accounts, even when you are doing market race housing. The third point is that under the cx zoning there is no guarantee that you wouldn't be displacing existing housing, and in fact, there is already evidence in the with its end, in the cx zone portion that affordable housing units have been lost to conversion, so there is no, no protection. Again, without the development strategy, with the agreements explicitly to do that, that that, you would be leaving that potentially unprotected. And again, I come back to the fee, I don't think that really gives you adequate protection there, and I think it's a reasonable assertion that I have heard from, from cx proponents that you can't raise that fee too much higher or it doesn't pencil out for us, either. So, I think that's a dilemma that you are going to be faced with. And finally, the final sort of potential harm here is that you may have bad commercial projects, particularly with the relatively cheap buy-out of the housing requirement, you may end up with sort of one story commercial that will serve, obviously, neighbors in the, the brewery block's development, in the adjoining parts of the west end, but it may be most profitable for someone in the short-term to build a one-story video rental store, than it would be to do a mixed use housing project. So, I think there is some potential harm in actually loosening the zoning in advance of having a rural development so I come back to my final point, which I think the importance of the development strategy is really paramount here. We have very good energy going on the mid town blocks, vision. The mid town blocks in the west end in my view are inextricably linked. You will be hearing, I think, testimony today from someone who visited me earlier this week, jordan schnitzer, who actually has an interesting idea about doing a project with some partners over several blocks in the south end who, I think, prefer to say enter the conversation figuring out what the project might be, what the public prior to partnership my, and then finding out whether any zoning fixes are needed rather than assuming that there is one to start with. It's that kind of conversation, I think we want to have. I'd also ask you to just encourage those who are proposing cx to work with us, and i, I think the world of greg and michael powell and those who he have proposed the cx strategy and I think that they are extremely creative and talented people and we need them in the mix here. I talked with both of them and others, and would see them as critical partners in the upcoming development strategy effort. I think it's really important to have them at the table and as eventual partners in any of this. We had a conversation yesterday with a number of people, and just got to sort of imagining in the north end of the west end, which is sort

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of the problematic territory, just imagine one of those wonderful church buildings that's there and then across the street finding a half block that is open, and that exists in two or three cases, where you might take that half block, which would be 100-by-200 foot lot, half block to deal with, and reserving the first 20 feet of that against the back building, for a series of small retail coffee shop, flower shop, that sort of thing, facing on the urban park and urban plaza on that remainder of the 80-foot depth, facing the church. You basically have there the kernel of the neighborhood and then imagining having the development partnership that would help incessant a high-rise mixed use housing project next to it and those situations avail themselves in that territory. You suddenly then have the phenomenon, much like you are seeing in the southern part of the west end, where the neighborhood will really take off and take off very quickly, in my view. So, I think regardless of your decision on the zoning, I would encourage you to, to endorse whole heartedly the expansion of the scope of that mid town block's development strategy work to include the west end, and ask us to work on that.

Katz: All right. I am going to hold off on any questions right now. You will have an opportunity to debate with gill, you're not shy about it but we're not going to do it at this moment. Graham, or rick.

Rick Michaelson, Planning Commission: Good afternoon. I'm rick michaelson and i'm here to bring you the planning commission's recommendation and try to fill you in on the background of how we got where we are. I was quoted in the paper as saying this was some of the best work the planning commission has done in the past few years and I believe that and I want to let you know why. This is another one of our steps in moving the Portland zoning code into the 21st century and passed the traditional zoning, and making choices on individual properties. This is an attempt and another step to use zoning to indicate the desire for the area, to regulate uses for entire area rather than an individual site, and not concentrate on just regulating one property owner. It's another step in moving towards regulating the quality of development, more carefully and the uses within the building more flexible. The purpose of the regulations we are bringing to you today is to implement the goals of the west end, both existing policy in the proposed west end study, in a way that will meet those goals but gives maximum flexibility to the market to create the individual projects. I am also very proud of our work because I think it's some of the best and most creative work the planning commission has. We put a lot of time and energy into this. We thought about it a lot. We argued vigorously. We developed new ideas and the proposal we are bringing to you, rather than a win or the planning bureau's proposal in a lose or the cx proponents are advice versus, is a creative attempt to move beyond both sides and bring this to a win-win conclusion. I want to run through the steps we went through because I think they are helpful. We looked at the vision presented by the steering commission and endorse it. Said yes, we need this to be a neighborhood, a neighborhood with a mix of uses, a mix of supportive uses, and an active streetscape, an active uses in all the buildings. Yes, it is an existing neighborhood, what we are looking for is an infill strategy to build on what's there and not a redevelopment strategy that will, will lead to complete change. And finally the planning commission concluded that this area has great potential to be a high density residential neighborhood unlike anything else in Portland, like the dense areas of san francisco that there aren't any other opportunities for in the Portland area and this is the place to do it. We determined the character of this area should feel like a residential neighborhood with a mixture of uses in it, and office spaces, a substantial amount of that, supportive of that but with a feel and character of a neighborhood where people live and work, not just a working area. After coming relatively easily to those conclusions, we then attempted to deal with the zoning issue north of salmon, where we were presented with two alternatives. One from the west end committee

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recommending cx with a housing requirement overlaid on top of the other from the planning staff that recommended rx but with a lot more flexibility than today's code. We spent a lot of time talking about context, how did this area fit into this downtown as a whole, what was the relationship of this to the mid town block study and what was needed in this area and we argue and had fought and had a variety of opinions. There were those on the planning commission who felt strongly we should not be regulating uses in this area. We should be regulating -- moving completely toward an urban design type code that will talk about what the buildings should look like rather than what was in them. There were others who felt strongly that the housing goals of this district needed to be preserved and the best way to do that was maintain the rx zoning. There were others who felt that if we really had a strategy in place that guaranteed the preservation of low-cost housing and the replacement in the area, we can be more flexible with the zoning, but until we had that, we needed to keep the status quo in terms of zoning for the stability of the community. And there were those on the commission who felt strongly the best way to implement the steering committee vision was to move forward as quickly as possible with the rezone to cx. The streetcar in place now was the time to make those zoning changes. When we came to make a vote on what to do with the cx, north in the beginning of the process, an adoption was made to rezone cx and that motion failed at the planning commission for a variety of different reasons. Then we decided to change course and move to examine the zoning in the area south of salmon. We looked at that quite closely, and where everybody confirmed that it should be rx. The staff proposals for it, and determined that we need to liberalize that zoning significantly beyond what staff was proposing. They were going to make it easier to do simultaneously mixed use projects side-by-side. We felt it was important to develop enough flexibility so that you could do mixes in the area where commercial project and residential followed. Staff recommendation initially was to postpone changes in giving more flexibility to how we deal with off-street parking. We felt that, that the continued difficulties in consolidated office park -- off-street parking would forever postpone development in the area and those changes were needed now so we introduce the concept of a special set aside parking spaces in the west end to allow that consolidation. We also significantly increased the fars in the area to make it more likely that more development would take place and we would get the kind of intensity that we would like. With those changes in place, we then moved back to look at the area north of salmon. Once again, looked at the two choices. Cx with the housing requirement, or rx with liberalization of the regulations. We looked at what we have done south of salmon, decided that that approach was the right approach, signals that this is a housing neighborhood, but with flexibility in it. Gill felt what we had done, that more flexibility was needed north of salmon than south of salmon so we added in some additional provisions. We increased the amount of commercial space that could go into a property to 50% instead of 20%. We also further encouraged the use of the housing credit system north of salmon to make it easier to do 100% commercial projects there where appropriate. And once again, we also increased the fars and the allowable amount of development on each site to make a better financial return and encourage better development and perhaps, discourage the type of one-story buildings that might take place with the cx zone. We also continue to feel the majority of the commission that it was important to keep this as a residential zone. It's better to signal what the intent of the area is through the zoning and allow more flexibility than it would be to call the area commercial but then put a housing requirement on top of it. I want to talk a little bit about the differences between the steering committee's recommendations in front of you and ours. I think there are three significant differences over the recommendations that came from, from the steering committee. One, we increased the fars over the original proposal, allowed more development there. Two, we instituted

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a flexible housing credit, trading system instead of the buy-out provision. And three, we called the zone residential instead of commercial. Those are really the only differences. All of the uses that the community said should be allowed in that area are allowed under the planning commission's proposal and the proposal is consistent with a policy in terms of calling it the housing area and we allow people to do 100% commercial development. Finally, this is a package that the planning commission has presented. It's flexible, balanced and complete. You can't just pick pieces out of it. If you do decide that the, that what we did with the zoning north of salmon street is wrong, I urge you to go back and look at all of it. What is the right far, what is the right mechanism for the housing overlay, what is the right price for the buy-out, do the housing credits make any sense if you are already liberal in allowing mostly commercial without t all those, and the policies will need to be adjust and had changed, too, because cx zoning in an area that the policy calls for housing, immediately, immediately, leads to some inconsistent understanding on what's going on there. If it's going to be commercial, going to be cx, we ought to go back and look at those policies and make sure that they support the zoning we do. Finally, I want to be clear about what our role was on the final recommendation. The planning commission voted 6-2 in favor of this recommendation. Two planning commission members continue to oppose it. Ruth scott and steve, steve would worked with the task force to develop the proposal and bring it to us, both of whom continue to feel that the zoning or the rx zoning that we're proposing with the tools in it is not flexible enough to meet the, the full goals of the steering committee. And that if they were going to endorse our zoning, we needed to put additional tools into it otherwise they remain in favor of the cx. I look forward to hearing the testimony. We got wonderful testimony on this issue, very thoughtful and caring. People trying their best to find mechanism to say move forward and implement the visions, and while it sounds like there's a lot of difference and broad area between the two sides, it's really about tools. Really about how, how fast to make this vision happen. It's not about what should happen in the area. Thank you.

Graham Clark, BOP: I am graham clark with the bureau of planning. I worked with michael harrison of harrison consulting and go back way sack with the bureau of planning on this process and have been on it for a little more than a year. Today I have been tasked withholding your attention through the details of the west end recommendation. The recommendation is complex. Many of the issues are intertwined as rick just said, I will briefly cover the main elements of the proposal but we can really only scratch the surface with a little time. First i'd like to reemphasize a couple of -- and gill's is pointed in a different way. The planning commission deliberated in three separate sessions and you can discern several, five really informal principles that underlie the recommendation. The first is the policies of the downtown plan, the central city plan and the downtown community association residential plan, those policies are on target. The district is best suited to a primarily residential development future. Second, the west end today is an area of tremendous assets. It's a place where people live, where they do business, where they visit for recreation. It's important to people. Sense -- sensitive infill is a strategy for an area with these characteristics. Third, the desire is to build an urban neighborhood. We felt strongly that the public must signal that intent through the zoning designation to build a neighborhood, the appropriate zone is residential. The zoning it an indicator of public intent, a multidecade view of an area's future. Shorter term development obstacles are more appropriately identified and addressed through a development strategy. That last sentence was something that actually is more recent in the planning commission's discussion. Fourth, among the city's most vexing issues has been the preservation and replacement of affordable housing. Pressing but still unsolved need is best solved through steps that do not further undermine the stability of this fragile resource. Yes, a

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part of the solution is for the city to purchase and in some cases replace at-risk units but there's another need here. Those who live in these units must be part of a diverse, healthy neighborhood. Residential zoning will assure that the other residential buildings are built to broaden the area's demographic mix. And then fifth, the west end's market race housing future as arrived. The cornerstone condominiums were open a few months ago. The mosaic condominiums have broken ground and will be finished in several months. The roosevelt condominium conversion has happened and while it has impacts for the affordable housing resource in the neighborhood, it happened and that is going to be a market rate residential condominium development. The museum place, which you have, which I have a model in front of me describing. Will break ground in november. The vincent tower, a 23-story tower on 11th and clay. The developer of that project, you will probably hear from him today, is looking for build, for a little more floor area ratio to allow him to build for a sale project. To knit it all together as the Portland streetcar that opens in a month. It will increase the amount that is already occurring. Just outside the west end is the brewery blocks. They weren't even a sparkle in anybody's eye when the west end steering committee formed to talk about the west end's future. They will have a dramatic impact in the north part of the west end that many people are calling the burnside triangle. Very briefly a couple of other points. About a quarter of the west end has been zoned for commercial projects for 30 years. That quarter is the northeast portion. The west end has been zoned for commercial projects is the northeastern portion of the west end that shows up in pink on that map. The other, approximately three quarters of the district is that zone that you have heard and will hear more about. Yet less development happened on these properties than in the rest of the three quarters of the west end zoned for residential development. But let's just say there was a justification for cx on the blocks that are in play here, the 15 blocks north of salmon and west of 11th. What is 15 acres of new commercial downtown zoning do for the city's objectives and other portions of the central city? Including north macadam, including the lloyd district and rose quarter, and how would this rezoning impact the help of the downtown retail core? Several unresolved issues. Finally on that topic, metro's functional plan --

Francesconi: I hope we get the answers at some point. [laughter]

Clark: We'll get them to you. Finally metro's 2040 functional plan inventory efforts describe high intensity office zoning is the most over allocated and underused zoning in the region. On the other hand, it shows that multifamily zoning is dramatically under allocated within the region. So that's my little preamble. I'm ready for a power point presentation. I hope you are. This is going to be pretty brief and it will scratch the surface of the recommendation. First we'll have a little background about the district, a little description of the planning process, the policy recommendations of the planning commission and also then the regulatory recommendations of the planning commission. First the west end, it's about 50 acres exclusive of right-of-way, if you look at the map there at the very northern edge of what shows as the west end study area, burnside has some blue dashed lines across it. The original study area extended north to couch, the agreement was that the west end is best described as a south of burnside phenomenon. The river district begins at burnside. Existing development in land use in the west end, almost 20% of the area is in surface parking lots. This is a big issue when it comes to redeveloping the area. I'll talk about it more in a second here. Institutions, apartment buildings, commercial and residential hotels and office and retail buildings make up the rest of the district. And most of the district is currently underbuilt, relative to the floor-area ratio development potential in the district, from one to three, far. And finally about 35, well, yeah, about 35 buildings and one tree. Are historic landmarks. [laughter]

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Clark: The current zoning in the west end I just described in three quarters, approximately, the district sits the central residential zone, in the northern, northeastern corner, quarter of the district, 13 acres are in the central commercial zone, and finally, there's a small amount of employment zoning. So, when you look at that in the context of the central city, almost a third of the central city's residential zoning is in the west end. About 2% of the commercial zoning is in the west end and less than half a percent of the employment zoning of the west end. The residential zoning implements the downtown plan, put in place in 1979. There was a lot of discussion about where that zoning line was going to be. There was so much discussion that the city council at the time was uncomfortable implementing the rx zone on the day it voted on the boundary. It allowed a 3-year window for people who owned land and were looking to develop, to develop under the commercial rules before the residential zoning went into effect. So, the concept plan at the left describes the emphasis of each of the envisioned mixed use areas. Doesn't mean it was all to be, as it's written out there, means that was to be the emphasis of those areas. So, just very briefly, the west end has a terrific mode split, as far as how people get back and forth to work and to other trips. It's because of its proximity to downtown. Less than a third of the people in the west end drive a car to get back and forth to work. In relation to the city's 80%. And that really is directly in line with comprehensive plan policy to 15, to locate residential development near downtown. It's an air quality and transportation strategy. Just over 3100 west end residences. 1365 of those have been built since the adoption of the downtown plan. Every one of those has been in the west end. The west end represents about 42% of the rents housing of the downtown --

Katz: Every one of them have been in the rx zone.

Clark: Did I say that wrong? The rx zone. All the 40 units in the west end are rental, the mosaic project, we'll double those, and about 50% of those housing units are open market units. As far as jobs go, seven years ago, the office of transportation study found short of 10,000 jobs in the area, about 10% of the overall downtown employment base. So the west end planning process in the fall of 1997, a group of property owners got together, decided that they should talk about the west end, it's future, and why they felt it wasn't living up to its potential. The association for Portland progress helped to staff and organize the committee and the committee, over about two years, came up, actually, a little less than two years, developed its west end vision plan which the council considered in october of 1999. The council accepted the west end vision plan, and adopted two resolutions directing the planning bureau to evaluate the west end vision plan within the policy constraints that were already adopted, and also to broaden the citizen participation process through the west end advisory committee. Now the applicable policies that I mentioned there, downtown plan, comprehensive plan, central city plan, central city transportation management plan, the downtown community association residential plan. So, for about a year, the bureau of planning worked with the west end advisory committee and then developed a proposal it took to the planning commission, october 24th. A fairly lengthy public hearing ensued and then three separate work sessions with the planning commission as it worked toward the recommendation. That recommendation was at the end of march. So the central city plan, we propose the planning commission proposes a new west end policy be embedded within the central city plan. This would make the west end the ninth district within the central city plan and the concept diagram on the left shows the central city plan and how it extends. So the policy, I will read it fairly quickly, build on the west end's cultural and institutional assets, the park blocks, proximity to the Portland state university. And the downtown retail court to foster the development as a vibrant downtown neighborhood. The parking strategy that the planning commission developed. The planning commission recognizes that the parking, surface parking situation in the west end with about a fifth

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of the surface area tied up in surface parking lots is, perhaps, the main redevelopment obstacle for the district. It looked very closely at creating incentives for underground parking. It looked closely at consolidating surface parking spaces into structures, and as part of the parking strategy it also advocates for moving, or sorry, for opening the max light rail stations, between 12th and 13th avenues. The job strategy, 5,000 additional jobs. Attract development around the max stations, attract development along the 14 blocks of cx zoning along the streetcar alignment and increase the flexibility of the rx zone, both for the percentage of nonresidential development, so up to 50% nonresidential development may be built in the rx zone of the planning commission recommendation north of salmon. It also looked to allow the construction of fully commercial buildings through the housing credits program, housing credits program is predicated on an increasing number of residential units within the district. As the residences continue to be built and grow into a pool. That pool can be used to substitute for the housing portion that otherwise would be required of the mixed use development. Commercial development can be built under the planning commission recommendation. The housing strategy, provide incentives to construct 5,000 new housing units by several efforts. Increase the development potential of sites and residentially zoned areas so that's sar and also some bonuses. Offered bonus provisions available to residential projects and enhance southwest 12th avenue as a green corridor. That offers something for residential development to orient around. And finally, add street trees and other landscaping treatments throughout the district. As far as livability goes, west end urban design plan is proposed for adoption by resolution. Talks about 10th avenue as a great street, kind of a retail high street, a street where residents and visitors know that they can get many of the goods they need day-to-day. To foster the special character of the area between alder and burnside street, this has become known as the burnside triangle. Who knows if alder is the boundary, it might be Washington. That's something you will hear testimony about, and there will be some better crafting of exactly where the boundaries of the burnside triangle are. Improve the east-west streets and again add trees and open space to the district. Several zoning code and map amendments. You will notice the map and notice the west end is carved out of the central city plan district, that's the ninth subdistrict, within a central city plan. Will increase the flexibility for nonresidential development within the rx zone, increase residential development potential through the building envelope increases. Create new bonuses that encourage projects which support public objectives as each of the bonuses is tied to a public objective and adjust the comprehensive plan and zoning maps. The planning commission had this model before them on their day of decision, and also had some more testimony about other residential projects in the pipeline. Both the museum and mosaic development proposal are at about 7.7 far. The planning commission said this looks like it is the market reality of what people are wishing to build. Let's increase the development potential in the rx zone 8-1 to reflect what we are seeing in the market. It also looked to increase the total floor ratio bonuses achievable so the maximum far envelope is 12-1. As far as parking goes, the proposal for parking is to allow the consolidation of up to 750 spaces, that's about the size of morrison park west, slightly smaller than morrison park west. Allow the flexible type of parking that is located usually on surface parking lots, to be consolidated into structures and retain that flexible status under the central city transportation management plan provisions. A lot of complexity in there but generally what it looks to do is to remove a disincentive to the redevelopment of surface parking lots to allow the west end to develop as a residential and mixed use area. Underground parking bonus. Nearly all of the parking, if all the parking that a project is looking for is developed underground there is a bonus of 2-1 offered. As far as jobs and services go. The planning commission looked to, as I said, increase nonresidential use to say 50% north of

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salmon, the housing credits program and then also just kind of specifically here, a removal of a conditional use criteria on that, that the office of planning and development review has found is quite difficult to enforce. Residential development, create the bonus for large housing unions, the bonus for middle income housing units, these are the public amenities I spoke of earlier. Bonus for small parcel infill directly in response to the very fine grained ownership pattern in the west end, the difficulty of developing small parcels. Create a bonus for contributions to an affordable housing fund and allow the transfer of unused floor area from existing housing. The transfer is out there for sro housing and historic landmarks. Finally this is the last of the regulatory proposals. Maximum building heights. The proposal is to reduce the maximum building height in the northern half of the district north of salmon. To 250 feet, today it's 350 feet. This is in, in recognition of the scale and character of that area of the west end. You will also notice the southern portion of the west end is 250 feet, as well, so it brings the west end into sort of a single maximum building height. There are view corridors across the west end and you will see them west to east, there are two of them. The efforts with the view corridors are to preserve the views of mt. Hood from the vista bridge and from lewis & clark circle. So, comprehensive plan and zoning maps. Rick described the conversation about zoning in the area north of salmon, and south of salmon. The planning commission determined as I said earlier, residential zoning is the right way to go. The flexibility may be achieved through their efforts. There are three separate proposals, really four, I suppose, for zone changes. They are all quite limited in size. Two parcels just south of burnside next to the crystal ballroom. This is to unify the zoning on burnside and into a single kind of zoning entity. In an effort to diminish the impact that burnside has on the uses of either side to stitch the fabric together. On the northeast corner of salmon and 10th, they just bought the fountain place apartments, and as an effort to unify the zoning across the 405 freeway from salmon down to about clay. So, the result of the zoning map efforts of the planning commission recommends, is the parcel, the pattern you see there. Generally retain that rx zoning. Residential zoning will preserve what's unique about the west end and will encourage I am fill development that meets the policy objectives, I spoke of earlier. So finally here, this is a perspective view of the museum place development. This is the safeway that the developers hope to break ground on this fall in november. There will be townhomes on the top in the foreground and then a more, more mixed type of apartment toward the back. And a further distant -- i'm sorry, a closer up view -- closer up view. That concludes the west end recommendation. I want to say a couple of things here. First you received a whole lot of written testimony. Perhaps the most detail of the written testimony you received is from the west end steering committee. It's in a green-bound document. West end steering committee lays out a thoughtful analysis of the planning commission's west end recommendation but key elements underline the delicate balance the commission has achieved. There is some specific clarifying wordings, that would if the specific amendment was adopted improve the recommendations of the planning commission and west end recommendation. So, several of those are, for instance, an action that looks to development, develop and coordinate programs to prevent deterioration. A better clarified action that looks to, to work on west burnside in the downtown core. There's already an action that talks about west burnside but this clarifies the intent. And there's a clarification about the parking relocation language. So those, those sorts of specific clarifications, we think, are good ideas. There are a few very problematic ones, in our view. First the policy amendments represent a dramatic shift from two jobs, from housing, as far as emphasis goes in the west end. The zone map change in the overlay, it undermines what's working in the district today. The affordable housing and local, independent retail are further imperiled by a zone change in this direction. The overplay proposing a buy-out of the housing requirement that's

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wholly inadequate and the result of that is \$2500 per housing unit, that a developer could choose to buy out of, a requirement that they could choose to buy out of. Over the 15 blocks in question that would be about enough for 40 to 50 units, to purchase or 80 to 100 to provide the gap financing. That's out of an area that, that today we expect to see a thousand residential units in the next 20 or 30 years. There's a provision about height bonuses or requested amendment about height bonuses, an extension south across a couple of blocks. It would imperil the view corridor from the vista bridge, and it would imperil the city's compliance with the state goal 5 scenic resources expectations. Okay, so finally, i'm going to close. Thank you for your patience. The planning commission's recommendation reflects a thoughtful deliberate analysis of the issues raised by the western steering committee, in the west end vision plan and later. But, it broadens perspective as good citizen involvement does. And good outcomes require that broadened perspective. It's a very thoughtful response to the issues raised by the process participants and deserving of your consideration. So, you have got a big old packet from me last week. The packet includes an ordinance, the ordinance would adopt the policy zoning map and comprehensive plan -- i'm sorry the policy, zoning code, and comp plan and zoning map amendments recommended by the planning commission. Two ordinances, one for the adoption of the action charts and urban design map. Other is for an analysis of financing tools, and that second ordinance I would like to point out we are looking for an amendment to that one. We should have included the office of management and finance in that ordinance. Karla has the replacement ordinance that she will distribute. So, there are two changes. They both have to do with omf. And they both have to do with omf joining the bureau of planning and the Portland development commission in analyzing financing tools for the west end. Three exhibits, first is the planning commission's recommendation and appendices. Second is the findings for all those policies I told you about. And the third is a workshop summary and the planning commission's two requested documents from january and february. So, that closes my presentation. Gil was going to decide if he wanted to say something.

Kelley: I just, really briefly, my comments were critical in the beginning. I am sure that came across. I do want to impart to you that I think the future of the west end is great. I think it can be the next great urban neighborhood in Portland and it's right in front of us. I would only ask you, as you hear the requests and concerns in the testimony that you ask yourself, would this be best addressed through zoning or best addressed through a development strategy. I think that's a key question for you listening to the testimony. Thank you, we'll be available for questions after this.

Katz: People have been waiting. I want to go ahead. They are going to be here and we'll bring everything back.

Sten: I would like to ask one question. There's a new format, I know you are going to change the format.

Katz: But this has been a long presentation, and I don't want to start getting into a debate among the council members until we hear the testimony, the public's testimony.

Sten: It's a question, for these guys.

Katz: Ask a question.

Sten: Well, gill, because I think this is going to come up over and over and it's not a leading question, just, my analysis that neither cx or rx zoning will do much of anything to preserve housing, and I just want to ask you if you really believe that there's a huge difference because on one hand you testify, I think we need a housing preservation strategy, maybe rx will slow down the development but then also testified that rx was working, and the proof of it was the roosevelt hotel which is the poster child for the loss of affordable housing downtown, so I just want to kind of get -

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- I think we are going to have probably 50 people testifying on which zone and I want to get your, your honest sense, you know, is there a housing preservation strategy imbedded either of these?

Kelley: I think there's a housing preservation intent and I think the development strategy needs to get at that. I would agree with you, though, that the -- there's a greater incentive to convert housing under cx than rx, and I don't know the circumstances by which the roosevelt hotel closed, but, but I think there's a greater incentive to convert properties under cx zone, mostly what you have seen is housing going to, to, to commercial, some went to another form of housing like that one, which could happen in the rx, but I think --

Sten: Roosevelt is rx.

Kelley: I think the liberalization allows housing to be converted to other uses besides housing.

Sten: Do you agree with the sense, again, I think it's a great argument on all sides on, on the, the, on the --

Katz: Gill, I am going to stop it. We'll come back to this. We have to hear the public. You asked a question.

Sten: Is it out of order to ask a follow-up question?

Katz: I have asked -- commissioner Saltzman wanted to ask a question, I asked him to hold the question back so that we can have further discussion. You will get your opportunity to ask these questions.

Sten: I will ask a follow-up or rule me out of order.

Katz: I will ask you to leave. He can ask the question. Go ahead. [laughter]

Katz: I'd like to have commissioner Saltzman invite somebody else to testify before we start asking questions. Commissioner Sten, please wait, commissioner Saltzman?

Sten: I think if, if tons of people are here to testify on affordable housing, trying to understand the planning director's opinion on affordable housing before we take the testimony is all I was trying to do so that we can actually have a discussion of what he thinks, which I still don't understand from the one hour presentation.

Katz: Thank you.

Saltzman: This presentation, I think, at some point, during the discussion about the west end and then development, happening in the brewery blocks, there was a recognition, I think, by my office, commissioner Francesconi's office, perhaps the entire city council that the, the gay-lesbian, bisexual community or, depending on your age, the queer community, has the presence in the burnside triangle, and really had not been sort of brought into this whole discussion of which could have, and development could have tremendous impacts on the, the, this, this district, known for its cultural reputation, entertain element and also unique businesses that cater to sexual minorities. So we have the human rights center convene a couple of sessions, including a public meeting, and do some survey work of the gay, lesbian, bisexual community, and amalia is here to present the results of that survey and I will be, at some point, suggesting some "a" items that I think incorporate some of the findings of that survey.

Clark: You just received a copy of the burnside triangle project report that we did, and I will just briefly go over what we did and then talk about the results. I believe the meetings for discussion on this issue began in march of this year, between the offices of commissioner Francesconi, commissioner Saltzman, the office of neighborhood involvement, staff, from your office, mayor Katz, to talk about the burnside triangle area, also known as the stark street area, which is within the west end, and the possible impact of the west end plan on that area, and a broader question of whether or not the gay-lesbian bisexual community in Portland wanted an officially recognized kind of district, or a geographic identity, and if so, with that, include the burnside triangle. So, we

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were asked by the group to take the lead on behalf of the city to, to facilitate some discussion about this issue with the community, and over the course of several more meetings, we developed an outreach plan. We set a date and an agenda for a community meeting distributed some flyers and held a meeting on may 1st at the fez ballroom downtown. Commissioners Saltzman and Francesconi were present at the meeting, as well as staff from mayor Katz's office. We had the bureau of planning there to offer a planning primer and we also had the, the gay-lesbian archives of the pacific northwest to offer a historical context for the area. But, about 70 people participated in that first meeting, and the participants were divided up into small groups and asked to brainstorm answers to the, the three questions. One, what are the pros and cons of having an identified district. Second one, ideally, if there are more pros and cons, what would the district look like, and third, what should happen as a follow-up to the meeting, what might some next steps be. In the packet, i've included the results of that meeting as an attachment, but basically, there was consensus of the group that, in fact, having an officially recognized district in Portland would be a very important thing. We got some more volunteers from that initial meeting, and we focused on doing two follow-up steps to the meeting. First one would be to have a second meeting, in a location outside of the burnside triangle to get broader input, and also to create a survey based on the questions and responses from the first meeting again to get more broad input on the issue. The survey is also attached to the report. We put the survey out at the booth at gay pride this past weekend. At that event we collected 334 completed surveys, and i'm going to talk a little bit about the survey results. The second community meeting is currently planned for a week from today in the evening at the sanctuary of the metropolitan community church in northeast Portland. The survey that we did contained two multiple choice questions and two open-ended questions, and at the bottom of the survey, we also gave people an opportunity to say whether they wanted to continue being involved and also to list contact information so we could use their help as we continue with these dialogues. In your packet, that's about as high-tech as I get. There's a colorful graphic that tells you what the breakdown of some of the answers were we got from the survey. Of the 334 surveys we collected, 333 responded, supported and openly identified the district in Portland, and one respondent did not support the idea. Of those in support, 68% stated they would like to see the burnside triangle area be more than just a night life area. 67% would like to have a community center. 63% want better lighting, trees and sidewalk improvements, 57% would like to see more diversified businesses in the area and more urban public art and murals, 56% wanted an updated appearance and infrastructure. 53% suggested having, perhaps, streets closed off in the evenings, adding diversity flag and is appropriate signage and 52% were interested in seeing the area remain affordable and mixed commercial residential. Other suggestions emphasize the need for safety, business diversity and consideration for patrons who ride bikes. The open-ended questions asked people for additional comments and also next steps of course those were the two open-ended. We got 69 additional comments given and the top five themes among those were, again, mixed balance business, residential makeup, improve the area without, quote, sanitizing it. Maintaining the character of the area, perhaps, restoring some of the buildings that currently exist there. Consider creating a larger area, within the west end or by linking that area to other friendly areas in the Portland area, like southeast or northeast. Make it inclusive and family friendly and then finally, creating a safe space for the community safety was very important. There were 77 suggestions for next steps given and of those the top five themes were involve more patrons, residents and businesses in the discussion around the west end development, work with the city, ie, council or the bureau of planning, organize a campaign to gather patron contributions and it was suggested, perhaps, having paving bricks with donor names around the burnside triangle area, create

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incentives to attract small businesses and create finally create a nonprofit to oversee the area such as a community development corporation. And in terms of volunteering of the 334 respondents, 126 of them listed contact information and said they wanted to continue involved in the conversation. Finally in conclusion, the project has engaged over 400 people from the community in dialogue about having an officially recognized geographic identity. According to the participants, having a district would be positive for Portland in that it would recognize what already exists in the area. It would recognize the significant contributions that the gay lesbian, bi and transcommunity have made to live in Portland. Provide a safety and nurturing environment for the members of the community. It would be a welcoming place for all and would educate the broader community about the history and the contributions of the community and start to increase understanding and mutual respect among Portlanders. I would just like to quickly say thank you to the volunteers that helped us pull this together, particularly jacob, greg, brent, and david. And also, the gay, lesbian archives of the pacific northwest, barbara and graham from the bureau of planning, matt from commissioner Saltzman's office, michael from commissioner Francesconi's office, and betsy and michael from mayor Katz's office for their support and their help in this project.

Katz: Thank you. Stick around in case there will be other testimony. All right. Let's have michael powell and steve siegel from the west end steering committee.

Hales: Mayor, could we do a process check here? I was kind of shocked by that interchange there with you and commissioner Sten. We have had a presentation from the staff. We have had this presentation about another aspect of the project. Now we're getting into the, the sort of the advocacy side of this --

Katz: No. I have asked --

Hales: My question is, there are going to be factual questions, i've got some too and I think that commissioner Sten was trying to ask some. Before we get into the full -- the full presentation. All sides of the issue, i've never seen a situation, frankly where --

Katz: After yesterday and the, the debates --

Hales: I'm sorry for yesterday because I was the one asking all the questions then. But, but I think it's our normal practice and I think it's a good practice to have a staff presentation and then ask questions of the people who made the presentation before we open it up to the public. I think that's what eric, is that what you were asking for, eric?

Katz: I'd like to hear the public testimony and then we'll go and spend a lot of time on questions.

Hales: Well you are going to have a staff presentation for an hour and then not question the staff before we hear all the public testimony?

Katz: Would you let me proceed with, with the hearing right now?

Francesconi: Here's my point of view, I don't care when we ask questions, just I think that mayor we need some clarity as to, though, when that will be and I don't care frankly when, so we can bring these people back, just so we know, that's all I care about.

Katz: Okay. Let's proceed. There will be time for questions. Go ahead.

Michael Powell, Powell's Books, Co-Chair, West End Steering Committee (WESC): Thank you, mayor. Michael powell, powell's books, and co-chair of the west end steering committee for the last four and a half years, and i'm happen to be here today and bring hopefully some conclusion to this process. We began, three of us sitting around and discussing what, what was the possibilities in the west end and was there an interest in, in seeing something happen there that seemed not to be happening. We invited property owners and other stakeholders in the community to come to the organizational meeting and test the waters. We found there was enthusiasm. People subscribe to small sum of money. Pdc matched that. App provided staff. And we went through

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school, graduate school with greg on urban planning and visioning. And developed a west end vision, which you received about six months ago, and forwarded it on. It has been an educational process and one that has taught me a great deal about, about what the needs of the city are and it's unfortunate we have disagreement with the planning commission and the bureau over the outcomes. It would seem on the surface we are very close. One wants to go 50% of the way one way and the other, 50% the other. I hope that my testimony and other testimony, you learn today that there are really some fairly underlying fundamental differences here both on vision and outcomes. We ask ourselves two questions, really, at heart. One was what could this neighborhood become, and looking around the city to try and find models and examples, and outside the city, as well. What good this neighborhood become and the second immediately, was, what could be done to, to preserve affordable housing, which was the most sensitive political issue in the neighborhood, certainly the one that we felt was the most sensitive. So let me address that issue first. We formed a housing committee and met with the housing advocates and stakeholders, many of them that we could get into, into talking with us. A good number. And we learned that the following were probably true, that there's a great deal of loss of affordable housing in this neighborhood. There's a, the numbers are various, but, but we all agree that there is still eight properties at risk, privately owned. Those properties currently under the rx zone, could be at risk. Rent increases, or through conversions, as in the roosevelt or in the historic conversion of the properties, that is if they have a -- storage status to be converted. All those things are possible under the rx zone and there is nothing in the report that would protect those properties from those trends. The other thing that disturbed us was the character of the remaining units of housing. Many of those are -- both in the city and the conscience of the citizens. And not only do we advocate to preservation but the replacement of that housing was clean, safe, and well managed properties. So, our vision is not only known that long -- that loss of affordable housing, we welcome any well managed and appropriate increase in affordable housing, in this neighborhood. We are not the enemy of affordable housing. So, we said to ourselves, what is it that we can do, being pragmatic people, what is it that we can do to encourage this process. So we put a bonus in. I know it is the consensus of our group, we prefer it to be the highest priority, to put money into a pool. We did the overlay of 2500 a unit, much, much dismissed, but absolutely the first overlay in this city, no other neighborhood or region has had the courage to suggest this. Basically a special development charge. It will not create tons and tons of money, absolutely not. But, it is a way of demonstrating our good faith on this issue, and we picked that number because we thought it was the most that a property could bear, and not be at another disincentive for development. In addition, we saw actually the big opportunity here, was the creation of a urban renewal district. The existing one is, is financially exhaustive. And only through increased development in this community could we simultaneously create the pool of money that could have a significant impact on a housing in this neighborhood of affordable housing. I know the people involved in the affordable housing community, richard, gene, susan, howard, I know them well and honor their values and their work. What I see is give them the tools to get on with their job and this is the best we could come up with. We asked everyone in this city, what is it you can do, what is it we can do, what is it the city can do when there is no money on the table for protecting this housing or replacing it with decent housing, and the answer was, what you have before you. Our second challenge was to ask ourselves, what could this neighborhood be, and we looked around the city and what we saw was excitement and diversity in pearl and the river district, we saw it in the lloyd and the planning for mcadam. We are aware of the overlays given for the 405 capping and the commonwealth, more recently for the, the consolidated property. Ex, of course, zoned, that is

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suggested, to paraphrase the language, the highest and best use of this property is a mix of residential, commercial, and the best way to achieve it is through either, ex or a cx zone. We found those arguments compelling. We heard a lot about the history of the evolution of neighborhoods, but I have lived in the pearl district odd years and I know the evolution. The first project was converting a warehouse into a business condominium. The second project was, was a housing project, later, the developer saw an opportunity to do something with the train tracks in harmony and in linkage with the city and did some terrific stuff. There are more affordable housing units created north of burnside than the rest of the city. Certainly more than, than have been envisioned for our part of the west end. There have been more market rate housing in that part of the neighborhood than the rest of the downtown area. It's obviously booming, certainly property values have grown. Property values tripled. Some people think that's a sign of success. And not something to be feared. It creates that in the urban renewal districts to achieve other public gains. I have to, you know, back up, a lot of points made today, and maybe I will address a few. The feeling that somehow we are very, very close here, I think, is, is unfortunately not as true. I heard from the planning commission that they want maximum flexibility. They want mixed use houses, the planning bureau has endorsed what seems on the surface to be a mixed use 50% of the project can be mixed use. And yet, there are only two vertical mixed use projects in the city that I am aware of, the coin tower and gregory, both under unusual circumstances, and probably not easily -- the other, if you build a commercial project, as long as you build a housing project at the same time, that this would be permitted. Actually, an old idea, not a new idea, one that has not had any legs. The reality is a world of developers tends to break down on commercial developers and housing developers and is very seldom that you can find the same skill set, in bodes. So it's another way of saying, don't do anything. The last, the last major unsubsidized project in this area north and south is 1950 some. 27 years of this zone, the rx zone, we have seen a net loss of housing, we have seen more of them in the commercial area, more, the gallery be hauled out. We know there's a lot of work to be done here. There's been a huge public investment, streetcar, safeway project, the museum, other projects, and yet none of that is leverage success for this neighborhood. And we watched and seen it happen in other neighborhoods, and we asked ourselves, what could happen here, why can't it happen here, and could it happen here, and what do we need to do it make it happen here. A vision which I found compelling, a church across the street from a flower shop, somewhere nearby a housing unit, compelling vision, endorse it 100% the only problem is the flower shops are a nonconforming use, can't do it in this district. You heard other visions about how this is, you know, either a failure of a neighborhood or a success neighborhood. 10% of the employees, strikes me as a pretty healthy number, you know. This is a mixed use neighborhood, now it was a mixed use neighborhood 27 years ago. It wants to be a mixed use neighborhood. People are voting north burnside, with their dollars and with their choices that they like mixed use. They want to be next to that and maybe at powells, or, or a restaurant and they want to live there and work there. We kept widening kennedy downtown because that opportunity was there, widening kennedy could not happen in this area. So, I urge you, I urge you to seriously consider the amendments we have put forward. I walked through that neighborhood today coming, coming to this meeting, and I thought, what this neighborhood needs is somebody willing to take a risk, and I am hoping that you are willing to show that leadership that will allow us to be able to take those risks.

Katz: Thank you. I will give you five more minutes.

*******:** They had an hour and we had, never mind.

Katz: No, it's not they.

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*****: Sorry.

Katz: Go ahead.

Kim Kimborough, Association for Portland Progress: People that live in center city, i'm sorry, kim, association of Portland progress. People that live in center city settings across the, the country and in fact across the world do so because of the rich vitality and diversity found in those neighborhoods just outside their doors. Nationally center city neighborhoods are increasingly among the most diverse areas in those cities regardless of the city we happen to take a look at. Diversity increasingly seems to be the common denominator, talking about diversity of races, income levels, diversity of uses. Center city's world-wide, thrive when these multiple factors and components are present and flourishing. Cities across the country are also increasingly removing their governmental restrictions that mandate single use districts in the heart of their center city. That is clearly the trend in city after city. These national trends towards redevelopment or mixed use, support proposed zoning change that we bring forward. Portland has long been a leader in livability and downtown revitalization by refusing to recognize this overwhelming trend and seize upon it as it recommends to encourage mixed use development. It runs the risk of leaving our downtown behind. We have had spirited debate for four years. We, we humbly ask we make a decision and move on so that we can collectively deal with issues just as important to the future of our center city like the mid town blocks and further housing development and all income levels. We believe the cx zone does just that.

Steve Siegel, Consultant, WESC: Steve siegel, consultant to the, the west end steering committee. First of all for the record, I have distributed the, the amendments, which we have previously distributed. I want to talk quickly to, to two or three, I think gil kelley started by saying here's some faulty premises at the beginning of his speech, I guess i'd like to raise some faulty premises, as well. Number one, the, this notion that, that zoning is not an issue, it's all in development agreements, I have to tell you that, I think it's been three years ago now that, that the Portland development commission hired a consultant, not i, to start negotiating development agreements with the property owners along north macadam and after three years I don't think anybody has been done, and the reason it hasn't been done is it has all been tied up in zone and go regulatory kinds of issues and to confuse and amalgamate into one mass the development agreements, with the notion of regulation, you know, I have yet to see that succeed, and that's kind of a major part of my business is working on development agreements. Number two, faulty premise, the rx zone produces mixed use. Go look. Number three, rx zone produces residential, again, michael's statement, suggested nothing, no market rate in a long time, and I can't remember the number exactly but I think it's something like 94% of all market rate residential units in the downtown corridor and the cx zones. Another faulty premise, rx zone protects affordable housing, think you can hear from, from a lot of people here about, about depending on how you counsel, the 900 to 1400 units lost, affordable units that have been lost in the rx zone, in past decade or two, the vast majority of the units still exist, just that the rents are increasing. That's a problem. The solution to that particular problem could be development agreements, certainly acquiring the rights of the buildings to prevent those rents from increasing. Another faulty premise is that the do you not down plan is some kind of, of removal, correct object. I thought it was, it was funny, that according to the 1979 downtown plan because the 1972 downtown plan, the initial downtown plan actually had this as a mixed use area and of all things, had a bunch of parking, kind of, what would you call them, ex-ternal parking garages planned at some of the nodes over there, the theory was people would drive and park there and there will be some kind of mixed use around it because that disappeared after a while because it was a bad idea. One last faulty premise is that somehow the

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rezoning from cx to rx, that's going to affect the compliance with metro. I have spoken to them. This is virtually not even on their radar screen in terms of the size of what it does, and beyond that, if this helps produce, which is certainly our theory, produces residential units by creating the mixed use character that the residential margaret is looking for, then, in fact, this helps meet the residential goals of metro and the city, not prevent it. I will stop there.

Katz: Thank you. What I am going to do, I wanted the council to hear staff. I wanted the council to hear the west end steering committee that's put in a lot of time on this issue. I'd like the council now to hear former commissioner kafoury, and then we will ask questions of all. I assume commissioner kafoury, although I didn't talk to her will be representing the, if there is another view, or at least, whatever. Kafoury says.

Katz: A view.

Gretchen Kafoury: It's better now because you can sit down, in the old days when you came to council, the old building, you had to stand up, remember that, charlie, when we used to go and argue there? Anyway, i'm, i'm gretchen kafoury. I appreciate your consideration in letting me come. I have spent a good portion of my adult life working on this subject, and care very, very deeply about affordable housing. I hope I can offer a few suggestions --

Katz: Bring the other mike closer to you.

Kafoury: Yes. A little bit out of some of the rhetoric. The politics are troubling and I want to remind people that, from the affordable advocates end, we have been tracking long and working for four years just as everybody has on this subject, and to suggest that now we're trying to change the decision is ridiculous because the planning commission made a recommendation, we are generally comfortable with it, agreeing with the planning bureau that it doesn't go far enough to protect the affordable housing, but we've been comfortable with that, so, you know, we're not trying to raise new issues now. We just want to continue the dialogue and how we best protect this housing. The streetcar, which is wonderful to go right by my building now, was a huge infrastructure commitment that this council, with me on it, made to the west end. And that was part of it, I thought, was as a trigger for redevelopment activities and the streetcar isn't open yet so we can't talk about museum place in the streetcar and that we have done those and now we're needing something else to revitalize the area because the streetcar isn't open until we can all cheer on july 21st. It won't be. The notion, another notion that troubles me is that there is somehow a shortage of development land, where I live and work, Portland state, and the south auditorium area, you all know what that area has been like for 40 years since it was cleared under urban renewal. There are lots of other parcels for redevelopment around the area, so somehow to think that we're stifling business development and creativity by not rezoning this area doesn't ring true to me. The central city housing that we have done, the affordable major projects were done in the west end, so it's pretty obvious that we've been able to take advantage. We have lost housing there, but nobody today has mentioned we have four new wonderful projects that are in the west end that were supported and paid for by this council. As an aside, in our urban renewal area, where I am, we tried to do a senior housing project as part of the university district, and inquired after a surface parking lot on 4th and harrison, we were told it was not for sale but if it were it would be 5 to 6 million. I think, dan, you have a lot more experience in that part of town in the lovejoy project but it's a very difficult market to do affordable housing, so somehow, I do worry tremendously about the west end. I think these things take time. The planning bureau said that, and we want to do it right. On affordable housing, I mean, the last presentation was very reaffirming to me, and I know that erik has worked very hard with app to try to find strategies that are going to get us where we need to go. None of us believe that 2500 replacement per unit is going to do much. When we

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bought the oak, this council and most of you were there when we celebrated that we saved the oak from the fate of the roosevelt, we paid 55,000 a unit to preserve that housing, so if we are going to do something about affordable housing, I want to do it and i'll be there to help you, but we have got to up our sites significantly. I did mention that both seattle and fran have been working on their linkage fees just this spring, so I think we have some other places we can look for models. One worry is that we, the advocates are feeling very, very nervous about urban renewal as a tool, and how it impacts, forget the zoning for a minute, how the urban renewal impacts affordable housing. I think the work in interstate is marvelous and we're trying to find a way there. It's great to see pdc so involved with the neighborhoods, but to find a way to prevent or slow the gentrification and displacement, if we can, but certainly we don't have all the answers, and I think a rush to have a new urban renewal district in this area is a little bit scary to us. What you can do now. Keep the area zoned for housing. I like the notion that it signals it's a residential neighborhood, and will be that, and I think there have been a lot of attention -- there has been a lot of attention paid to making allowances and ways to encourage commercial zoning. You are going to have to do that but I hope you will tie it in as was suggested with the park blocks' work. Secondly, keep the commitment to increasing density in downtown. I think back to the most hours that we spend on this council are often about neighborhood zoning issues, small parcels where somebody wants to put two or three units and we end up in a terrible problem, you know that. So, why would we want to move away from an opportunity with, with yet another area that fits the mo of the river district and north macadam where we have an opportunity to do a lot more intensity so why would we move away any courage or, or set ourselves up to have that continuing debate with individual neighborhoods. Third, respect the work of our paid planning staff and the citizen planning commission. When rick michaelson says that this is some of the best work they have ever done, I don't think he's just blowing their horn. You have to respect his integrity and believe that they have worked hard on this subject. And it kind of terrifies me that we would take their recommendations and dismiss them at the end of a long process, just because people don't agree with them. Fourth, I mentioned please consider the business with the urban renewal district so miss mayor, i'm not going 100% along with your recommendations today. I didn't think you thought I would, but. [laughter]

Katz: Never thought.

Kafoury: We are concerned about that. I thought there would be an increased confidence level if you did a couple things right away, like dedicate the remaining 14 million in the south park district to housing, affordable housing, low and 0 to 30 to 50. That will be a pretty strong signal that the council is serious about it. I don't think in speaking with erik, I don't think we have ever used condemnation to protect affordable housing. But we certainly could and should think about t some of these things would go a long way to show us the urban renewal area is needed, but it's going to be a ways out. So, I don't think it's an easy fix. Finally, i'm here to say that I am willing as our, probably the 50 other advocates who will testify, to where we are willing to work on the housing policy, again, we wish it weren't being done in this caldron of the zone change because it does get everyone's blood pressure up a bit. And we would rather have it be put aside and let us work proactively. I have never in all these years heard such a strong statement from app in their commitment to the lower end housing and I appreciate that erik has worked a long time to, to develop that in them, but we are here to support this. I think we have to go away knowing that house bill 3400 is not going to be enacted this session, which is a tragedy. They didn't address transportation, you said earlier. They didn't address schools. They didn't address housing. There are a lot of things that didn't get resolved, but with that, I thank the council and it is fun to be back at the other end.

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Katz: Thank you.

Sten: Are we allowed to ask questions of the witnesses?

Katz: Yes. The reason that I wanted to wait, because I wanted the, the -- gretchen, representing the advocates, the steering committee --

Kafoury: Nobody has elected me --

Katz: I know. But, but it's a loose connection.

Kafoury: A very dangerous thing.

Katz: A loose connection. The west end steering committee and our staff, so go ahead and ask questions.

Sten: Just a quick question. The question I was going to ask gill because I consider myself an affordable housing advocate.

*******:** I do, too.

Kafoury: I think what's dangerous right now is I think that based on the e-mails i'm getting, there's a very, very strong sense in the affordable housing advocacy community, which is thankfully, way bigger than the people in this room that if the zoning doesn't change the housing will be safe, and my reading of history is that under this rx zoning we have lost about a thousand units, the testimony that I wanted to ask the planning bureau about was when you use roosevelt as an example things are happening it's the poster child for, for, for housing --

*******:** Educate gil on that.

Sten: And it's in an rx zone so all I wanted to say to people, is do you agree with this -- I don't think the housing is remotely safe under the rx and i'd like people to think about that, and what's the preservation. Do you agree with that analysis?

Kafoury: I don't think the rx protects the affordable housing. I do believe the rx signals the intent of the neighborhood, the idea that this is a housing place, that it's not, not just another piece of downtown that's commercial. That's what I think it preserves, is the neighborhood sense and I believe the affordable housing will be more protected if it's a housing neighborhood than if it's a big commercial development. It will be too easy to tear the houses down. Do I think there's enough money in any of these proposals? No. We're not going to save the housing. But remember, we did build new housing, affordable housing in this district because it's where we could afford the land.

Sten: Here's the other question I want to ask you based on your testimony. I understand the fear, and the fear, there is fear of losing housing, that we have lost housing, so it's justified fear. I also understand the fear of urban renewal, the question, though, is all of the housing that you have cited in the west end was funded 100% by urban renewal. The oak acquisition was funded by urban renewal. Museum places, urban renewal.

Kafoury: Peter paulson was funded some with the federal replacement money. So it wasn't --

Sten: If we don't do urban renewal and don't have any strategy to save the housing, what should we do?

Kafoury: Not saying don't do urban renewal, or i'm not. Others may. But i'm saying, be careful about it, and be careful you build into it, but it is not the panacea -- it's not going to save the affordable housing, either. We have used it effectively.

Sten: Can affordable housing be used without money?

Kafoury: No. Absolutely not. That's why i'm calling for a serious look at the development fees, the linkage fees, some have suggested making this our first experiment in, in, in the transfer housing, making the developers pay like they do in vancouver, b.c., i'm curious about a lot of the

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allegations on other communities. A lot of communities have much stronger relationship between development and their contributions to affordable housing.

Sten: You know, I just think --

*****: You know that.

Sten: Yeah. I think the premise that if it stays residential and we don't have a funded strategy --

Kafoury: I think that's completely false. But, we do -- you can understand, erik, that we do feel uncomfortable that this new housing strategy comes to us under the umbrella of changing it to commercial. And maybe if we had more time to understand what the replacement preservation strategy is, we would not be so nervous about changing it at this point, I mean. This was not the original intent. I was surprised to hear michael powell say that was one of their early on discussions, maybe it was. I know the planning commission talked a lot about it. And this is what they recommended and now we're saying oh, but that, we're going to set that aside and take a different tact. Makes me nervous.

Katz: Further questions?

Saltzman: On the last point, that puzzled me, a little bit when you said, you know, commissioner Sten and I introduced a resolution that would basically dedicate a lot of urban renewal, which I think is probably inevitable under any scenario. There will be one despite whatever misgivings one might have, that's going to happen. And our resolution speaks to the major focus of that being preserving affordable housing, a no net loss policy in the west end. So I guess why are you saying, I mean, here's an opportunity to strike because something is going to happen here. Something is going to cut in the next two or three weeks one way or the other. Why not seize this opportunity to strike on this issue now.

Kafoury: I'd love to strike on it.

Saltzman: You are saying let's have more time to work on developing our ideal housing, or you are going to let this opportunity --

Kafoury: I don't think urban renewal alone is going to do it, either, but your proposal, i'm assuming the no net loss policy is tied to the rejection of the planning bureau report. And we didn't know about the no net loss policy resolution until last thursday.

Sten: A point of clarification, it's an independent measure. The reason dan and I wrote the resolution is that, we didn't have a chance to introduce it. There's a lot of people testifying today is that I think at some point, and might as well be this point, I don't know where the votes are on the rx, cx. There's a vote counting maneuver but we'll see, but at some point this council has to say, which it didn't say no offense, while you and I were sitting on this council, we're going to make a public commitment to preserving and replacing all the housing in the west end and I think we need to make that commitment regardless of whether or not we change the zoning. I feel strongly about that.

Kafoury: Exactly what I said in my testimony. I said I wished the heck it wasn't done under the umbrella of this other issue that a lot of us feel pretty strongly about, too. I wish that this no net loss policy had come forward first and then maybe this zoning issue comes forward with the park blocks. I talked to jim about that. I think susan talked to charlie about it, and you.

Francesconi: Just a point --

Katz: Questions, questions. Put it in a question.

Francesconi: Commissioner kafoury, I think the planning commission recommends, and the west end proposal contains a no net loss proposal already. And I guess I need clarification.

Kafoury: It's not sufficient.

*****: Is this sufficient, the resolution we have in front of us?

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Kafoury: No, it's not clear enough about where all the money comes from and I have expressed my concerns about urban renewal. You know, give us two weeks to work with you and figure out how to strengthen it, something, so that there is some other community input on it. That's what I'm asking about the no net loss policy.

Katz: Thank you.

Kafoury: Nice to see you.

Francesconi: Nice to see you, gretchen.

Katz: Let's bring staff and if there are questions of the west end steering committee and then maybe we can get into public testimony. But I don't want debates, questions. Commissioner Sten.

*****: I'm happy to answer your questions.

Sten: It's fine. I got the answer.

*****: Okay.

Katz: Do you want to answer the question?

Kelley: Well, I did never assert that the rx zoning would absolutely protect existing housing stock. What I said was that the cx zone poses relatively a greater risk to keeping a housing stock, and I believe that to be true because there are so many other uses that could replace that. You witnessed it, the governor hotel, you cited the governor hotel, housing-to-housing. Two other examples housing to office, and I think many of the existing sros lend themselves, physically to quick conversion to office, and so I am in complete agreement with you and the last conversation that you are not going to fix this problem through zoning. You need a development strategy with money. There is a strong no net loss policy statement already as a policy, as policy language in the planning commission's proposal. My point was the development strategy, and this is where I agree with michael powell, needs to be done to find that, that money. Urban renewal district is not going to suffice, and certainly there will not be adequate tiff money coming from an urban renewal district that is only drawn around west end commercial developments will not sufficiently fund the housing. You need to consider a larger district than that. I think the other problem with watering down the zoning from the housing concentration is that you end up without having an assertive policy to create new housing projects. You end up with what you have now, which is sort of isolated affordable housing projects in the district, that may become otherwise, mostly commercial, so, then the conversion of those units is even more at risk, I feel.

Katz: Commissioner Saltzman?

Saltzman: This is pretty straightforward, trying to understand something you asked me, or said earlier. We were talking about the comparability of the pearl district and the redevelopment or infill strategy for the west end. And you are recommending that the development strategy be a way to go but I thought you said the zone changes, you weren't clear whether the zone changes were part of the development strategies or happened before. And I guess I want to, I want clarification on that.

Kelley: Yeah. I don't believe the zone change preceded the rest of the package, which was my point.

Saltzman: Was it part of it, though?

Kelley: That, I'm not clear about. Whether it happened subsequently, there was certainly a development, an idea worked out and some agreements prepared before any zoning was brought forward to the council.

Saltzman: And then you also said, sent this in an e-mail to me, as well, that the west end is very different in terms of the challenges, in terms of the pearl district development strategy model

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because you have more landowners, differing agendas, differing motivations, that would make this challenge more difficult to work. I mean, are you saying that it would be more difficult to make this development strategy work because of those factors?

Kelley: Without questioning we have more actors involved in the west end than you had in the pearl district conversation, not just -- that adds complexity right there. Some, may be motivated to engage in these discussions and others may not be so, it's going to be a bit of an uneven picture. That's not a reason not to do it. I think the reasons are still come compelling to do it, I just wanted to, to clarify that I don't think it's an easy thing to do, and it may be, what you come back with is a set of catalyst projects, and agreements rather than something that necessarily covers the whole district or some substantial part of the district. Maybe coming back with a set of catalyst agreements that will then help the rest of the district fill-in over a period of years.

Clark: And just one final point, you are urging us to sort of put the zoning issue into the development strategy, or tie the west end to the mid town block, park blocks and you know, come back to us with some development strategies for that. And everybody seems to be saying, at least I am hearing everybody say well zoning is really an insignificant factor in all of this discussion. It's insufficient, not necessary or sufficient. I think in affordable housing, it's the money that counts more than the zoning. So what I assume to be you did mention you thought cx would promote some but given the insignificant and zoning, were we to change to cx, does that allow you to still combine the west end with mid town and come back?

Kelley: Well, if you were to change the zoning we'd still recommend you go ahead with the strategy. I think it makes it more difficult for the reasons I articulated in the morning. I think it's something you might consider as a package if it's necessary when we come back but I think doing the zoning first and then hoping we get the other agreements in place, is doing it backwards, just my opinion about that.

Katz: Graham, what did you want?

Clark: I also just want to make clear that my belief is that there are some serious funding issues in the short-term in the west end to build housing, funding is a big part of the question. But, as the district gets its legs which I believe is going to happen in the very near future, the dollars become a lot less important. The zoning becomes more important. The private community is going to be paying for development in the west end, the public need is going to diminish as the vitality increases. The zoning becomes much more important over time.

*******:** Could I say something about the zoning?

Katz: Identify yourself for the record.

*******:** Could I say something --

Katz: Identify yourself for the record.

Barbara Sack, City Planner, BOP: I am barbara sack, city planner working on the west end project. I just wanted to say that the rx zoning has been successful in preserving housing in the west end, since the late '70s there's been a net gain of about 1100 units. We have lost about 200 units in the west end and that's mostly the new ritz hotel and the drake hotel were demolished so in terms of losing housing in the rx zone, the rx zone in the west end, it's been very successful in preserving housing and that was one of the reasons this area was zoned residential.

Kelley: I think the figure was quoted earlier, loss of housing, 1400 units was actually in the downtown, as a whole, not the rx.

Sten: Let me clarify that for you because I do track this stuff. The affordable housing advocates don't -- they classify it as a loss if through market forces the price gets above what somebody at 80% a meeting can afford so the loss of actual units is, is relatively low. The loss of affordability

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as witnessed by the roosevelt, which is going to mushroom under either of these proposals is much higher, so that's the dispute you hear about the numbers, is that the advocates tend to describe, you may have a building that's still housing but they will consider it a lot of affordable housing and that's, that's the phenomenon I think that's going to happen under either of these scenarios and I am pushing to discuss, as a separate issue.

Kelley: Well, I think that's a valid point. I think what I was trying to do was correct a misimpression given with, that would somehow lost 1400 units in the rx zone and that's not true.

Sten: But the housing advocates I can get the numbers, cost about 8 or 900. They are housing units but not to the same people.

Kelley: And there is still many units at risk, no question about that. And that calls for development strategy.

Katz: Further questions? Commissioner Hales.

Hales: Just a couple of quick ones. You posited another building scenario that might happen if this area was zoned cx. I think you suggested somebody might come in and build a one-story video store. Is that, is that happening anywhere else in the central city on the west side zoned cx? And if, if it isn't happening anywhere else on the west side, why would it happen here?

Kelley: I'm not aware that it's happening in the central city on the west side in the cx. It certainly has happened on the west side just, just across the freeway near, near 19th. It is also happening in the central east side in the central city, so nothing to preclude that at all. At all from happening, particularly in the north end of the, of the east side. I think what, what we're trying to show is that there's a range of possibilities under the cx that, that conflict and compete with the vision that we talked about.

Hales: So if that is a potential problem what do you think of the idea of a far minimum?

Kelley: That might get you partway there, depends on how, how high you set that far minimum, but that would certainly help remedy that situation.

Katz: Further questions?

Francesconi: I guess I have just a couple.

Katz: Commissioner Hales, is that all?

Hales: That's all.

Francesconi: I want to preface this by saying, we put you in a difficult position when you come in and we have got all these processes out there, and I think you are doing a very good job, and that, the question is how does the city get more in charge of long range planning, instead of having all these efforts come from different places. So, I agree with that. Having said that, we, we -- I still have some questions. On that -- so now on the number of units, I know there's two different definitions, but do we know, actually, how many low income housing units we've lost north of, of salmon, either from rent increases or from conversion under the rx zone? Do we actually know the number?

Sack: We could come back to you with that. One thing, one building that was lost in the cx zone north of salmon is the clyde hotel which at least at one point had 90 units so that's been lost. Things are kind of in flux. Pdc has bought the fairfield hotel, which will preserve some units. We could come back with a number, we can't give it to you right now.

Francesconi: Do we know how much the land values, do we have a range of how much they will increase if we change the zoning?

Kelley: It's a really hard to estimate that. It doesn't, probably doesn't happen overnight, probably happens over a period of years.

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Francesconi: Is there an average that we can go on over what period of time? What I am trying to get at is what effect it's going to have.

Kelley: There's been so few exchanges, or sales of property that it's hard to really pin down comparables because there is, clearly cx zoned and rx zoned presently in the west end. Those will be the most direct comparables you could drop, very few, if any, have changed hands recently. So, it's hard to make a definitive sense of that. There also is a perception that there are options or multiple options on properties out there, so it's a complicated piece of material.

Francesconi: Okay. Returning to the pearl, and you talked about dynamics being different but with the zoning that we do have in place there, is there any harm that's happened, not, not from the fact that it's, that, that, that a commercial zone, that would have been corrected if it had been an rx zone, is there something bad about the zoning that would have made it even better place if the zoning had been different?

Kelley: Well, I think what, what you had in the pearl was a liberal zone with housing requirement on top, and very aggressive housing development agreements, so again, it's not a comparable, but, I mean, you can judge the pearl for yourself. I don't think it's a bad thing at all. It's a very successful neighborhood. The west end probably has a different feel to it in my view, potentially, more neighborhood, more residential than the pearl, but there's nothing wrong with the pearl, and that's not the debate here. The debate is, I think, whether zoning created that or not, and I don't feel that it did.

Francesconi: But it's also if we change the zoning what harm is going to result, and that's why I think my question is relevant.

*******:** Yeah, and I articulate those at the beginning.

Francesconi: Okay. Turning to that issue, what's the likelihood, and I know this is really hard, but what's the likelihood given the dynamics there, that property owners will sit on it, not develop residential, and will hold out for, for, for the big payoff with, with high rise buildings, with the office and --

Katz: Want it now.

Kelley: Well, I don't know. The history is that not much happened there under either the cx or rx so, it's difficult to speculate with any precision about what that, what that might be. You may want to inquire of some of the property owners there. But, it, it -- there are cases, and I referred one in san francisco, where properties sat for a long time until there was a clarity, essentially, zoning converted to housing in that case, really fueled that --

Francesconi: By coincidence my staff actually called that person because he was one of the ace experts and what you said is what he told us. Now on the issue of, I was curious by your, your absence of, in your testimony, which was complete, that you did not talk about if it did develop this way, what's the effect on the rose quarter, central east side, macadam? Graham did bring it up, but what's the, what is the likelihood that we would be hurting these other parts of town? Is it low? Great or unknown?

Kelley: Well, there's a finite market for office space in Portland, downtown Portland, relatively little actually has been built in the last 20 years. We have got the fox tower. And that's, that's the major one that's been done. So, the truth is we're overzoned for office, which may be a good long-term policy to have that base in the central city to activate for jobs. But, I don't know that we need to augment it. What we are underzoned for is multifamily housing which there is demand for and you are witnessing that in the pearl district and west end, itself. So, to the extent that we can take advantage of, of both that need and that, and that market driven phenomenon, close to downtown,

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this is a key opportunity for that, and I think that the rx zoning signals are, signals our intent to do that.

Francesconi: This is my last question, but, and I don't know if, it's a comment that you can react to, that makes it a question. One of the problems i'm having is that you said here several times just now in response to me that the rx zoning is not working, now, I guess your argument is that yeah, but now we have waited 20 years and it's starting to work, and we haven't -- we have got to wait, let me finish, you cite projects that are south, that have been used with probably development dollars and you showed us a diagram and it's not relating from the zoning, i'm having trouble because the rx -- on the issue of, of, not on the issue of low income housing, i'm not talking about that, but on the issue of a diverse neighborhood, it seems to not be working north of, of salmon. Am I wrong about that?

Kelley: Let me clarify, again, my basic point here is that zoning does not produce housing. Lots of other force and its actions produce housing. What zoning does is give a sort of policy direction and some clarity of vision about what you want it to be and I think that's what the rx does. It has been liberalized by the planning commission to allow broader mix of uses than before, and to allow a set of greater incentives to make market, market rate housing possible. The rx is working, as I said, in the beginning, and you witnessed this project, and it's not just the subsidized projects that are now, there are now three others coming in behind it unsubsidized market rate housing projects in the west end in the rx zone. My point in comparing it with the cx zone is that nothing that's, that happened in the west end cx zone portion, it hasn't -- it hasn't produced so saying that the rx zone isn't producing, but the cx zone would, falls on its face because they are both present in the west end and neither, neither one at the north end has produced that.

Francesconi: I'm going to ask that question, don't worry, in just a minute.

Kelley: The rx, it is happening within the rx so I don't think, what that tells me is we don't need to change the zoning, there is something else we need to do.

Katz: Another question?

Kelley: If I could answer briefly. We identified that the rx zone was working, a working concept but has some significant problems in it, and the planning economics recommendation in front of you in our opinion fixes those problems, and makes the zone work better.

Francesconi: Could you elaborate on the problems in the rx zone that you think were fixed? And then my question to the next panel is going, I want their opinion because it's not clear to me, on what it is, exactly about this proposal, i'm giving a signal that doesn't work.

Michaelson: Well, i'd like to hear that answer, too, because I don't understand it. We identified two significant obstacles. One was the great difficulty in the loss of potential of converting existing surface parking lots into garages. If you take the surface parking spaces away and put them into a garage you lose your right to lease them out on a daily, hourly basis, which is the most popular kind. We got rid of that obstacle. The second obstacle is as you heard from mike powell, it's very difficult to do vertical mixed use, different developer types, different markets, different timing. It doesn't work very well. Except in rare circumstances, with your unusual developers. We got rid of that. You also heard the issues of timing, that it's impossible to time the market so it's the right time to build both your residential and commercial simultaneously. The planning bureau's staff recommendation required simultaneously -- simultaneousness, we removed that as an obstacle and we think what we have, with the housing credits, transfer, existing -- the credit bank that, in fact this project is going to create, that obstacle is gone. And a developer who wants to propose 100% commercial project, any place in the west end, not just north of salmon, any place in

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the west end, it meets city's goals can be granted credits and go ahead and do it as soon as the market allows.

Kelley: I think it is this horizontal mixed use question at the nub of the controversy, and I think the planning commission tried to resolve that, if that's a question you want to refer to us in the development strategy that's probably the place to figure it out because you get very specific. And in contrast to what michael powell asserted, that project I mentioned with the square in the retail would be possible because it will be done in the context of a housing project next to it. You do this, i'll do that. And that's the kind of stuff that needs to get worked out in these catalyst projects. I think they can be done with the planning commission's proposal if we find they can't be we'll come back and tell you.

*******:** And I think that's exactly the right answer if there's a project that's appropriate for the west end that can't be accommodated under the planning commission recommendation, our recommendation needs to be amended to do it. But we see no evidence of any project that cannot be done.

Katz: Go ahead.

Saltzman: I guess part of the dilemma, here, I think, at least I face and maybe several of my colleagues do is, is we all agree zoning does not produce housing, dollars do, okay. And we're hearing from, you know, really a stellar list of people who are out there actually doing development housing, commercial, affordable housing, pat, Oregon pacific, investment development, so a real, real, you know, a lot of people whose opinions I very much respect and who are out there doing this work, central city, producing a lot of affordable house or maintaining a lot of it, are all supporting the west end group proposal. So, I guess i'm having an awful hard time saying, if we want to, you know, if we want to be bold, we should listen to the people who are making successes happen, and.

Kelley: I would say you will hear from several people most likely the real housing developers developing that, who are doing that within the rx and the cx is not necessary so you will probably hear both things from the development community.

Katz: Okay. Any questions for the west end steering committee?

Francesconi: I do, but I can wait if you want.

Katz: All right.

Francesconi: But I don't know if they want to come back.

Katz: Are you going to hang around?

*******:** That's why we chose the longest day of the year to have this hearing.

Katz: Do you want to ask them a question now? All right, come on up.

Francesconi: Is steve siegel here?

*******:** My cohorts are, so I guess I get to feel it.

Katz: Is steve around? Before you get a chance to answer the question, we have a transportation fee ordinance and I told people to come around 5:00 and maybe a little later, we've got to get that ordinance at least heard today because next week is the 4th of july. So, there's about five people I understand that has signed up for the transportation fee ordinance and I may break it up after we get to some public testimony, we may sort of break up and hear the five people briefly and move on. All right. Question.

*******:** I will go back and forth. For michael powell, I want to make sure, you said that we may have some disagreement in the vision at first, and that caught my attention. Maybe you didn't mean to say that. But I want to get clarity on this. This is -- we want this to be a residential area. Mixed use, some commercial, but got to have a primary focus on residential, right? Or wrong?

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Powell: I think that what you will find out is you will get both, whether it's 60-40 or 70-30, one way or the other, is the pearl district a residential or commercial neighborhood? You know, the answer to that would be sort of in what your experience there has been. My impression is there's more residential than commercial, but I don't know the numbers, so, and that's an ex zone, so yes I would prefer there would be more housing than commercial, but I would prefer that, that there be an opportunity to have both.

Francesconi: But it could be 70% commercial in your view?

Powell: No. I don't think so.

Francesconi: Steve do you want to answer this?

Steve Siegel: Well, yes. First of all you have got to remember that, that the less than -- the west end area only, only 40% of it is, only 40% of the development opportunities in the area are being proposed in the rezoned area in the first place, so right there, you have got 60% residential and of the 40%, I can't tell you what percent will be residential versus commercial, but there are a variety of pretty small properties as you know, a lot of the properties are a quarter, or an eighth of a block and that kind of dimension, so what we're not expecting is any kind of major commercial development but infill commercial development.

Francesconi: Can you give any assurances, I mean, the property owners, if we change this, are not going to just hang out under property, wait for the market to turn and then build office and we don't get residential, which I think is important for a business community that we get residential.

Siegel: We've had this, this conversation with the planning staff and a lot of other people, and I think in the end, it's simple mathematics. Which is that, and as demonstrated today, in the corridor area, as well, an immediate return on a residential development is worth a whole lot more than waiting 10, 20, 30 years for a commercial development down the road, and anybody that does present value analysis will tell you that, and so if, if developers are driven by, by market, by return, investment return, very few people will hold onto a parcel, especially not a signature parcel but you are talking about relatively small parcels, for 10, 20, 30 years, to wait for a commercial development if there's a housing market there that they can take advantage right away. Their percent of return on, on commercial versus residential isn't that much different. It isn't worth waiting 20 or 30 years for.

Francesconi: What about the argument that in the cx zone, development hasn't happened, either?

Powell: I'll take that, a run at that. I don't remember how many blocks but there's a small segment in this neighborhood that is currently zoned cx, shares the same fate of the rest of the west end. We approached it as it was a neighborhood holistic problem, not just what can we do on this block, or that block but what can we do for 10th street or for 11th street to create a neighborhood that would encourage development. We then compromised back to, to north salmon, so the, it truncates what was originally envisioned and encompassed a whole neighborhood but we think there's an opportunity to create a neighborhood here which has a mix of uses by trying to develop individual blocks isn't going to work until there's a vision that unifies the neighborhood.

Francesconi: The issue of low income housing for a minute, is there anything -- do you have -- see in your section, in fact even in your document, you referred to retained residential emphasis but seeks to achieve long-term vision, viable residential market, mixed use character, addresses housing through preservation and replacement, but then on the strategy section, it's pretty light. I appreciate the principle of this linkage which you do advance for the first time, and we, if we go there, we wouldn't want to make it so high that it defeats it, but have you got any help here on, on how you actually do that? I appreciate the talk and I appreciate --

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Powell: I asked this question, what are the resources that are available. We could walk in here with a solution at least to the existing eight projects, the eight units, i'm sorry, eight -- six?

*******:** Three at risk, rather.

Powell: In any case, the units currently at risk, I think we would have been seen as heroes and could have moved forward hopefully, but the reality is after repeated asking of the question, assuming the feds don't bring down some unprecedented amount of money, and assuming the city finds that the resources are tapped, the only thing left is an urban renewal district and all the conversation in the world hasn't put yet another option on the table. Here's a city that steps up and says, yes, we have the dollars to do this. Create an urban renewal district funded with tiff money or something happens. There is no other pot of money. Now, you know, that I have ever heard of in the course of three or four years, and i've asked that question in every, every meeting i've been in, give us an idea or something to put in here. We were given very little. These are our creations and not other people's ideas.

Katz: I was going to ask a question. There is a block, a parking lot. It is very important signature block, and the question that's been asked over and over again, why isn't it being developed and the response is, there is no market for office space. There is no market, period, and the block is being held on as a parking lot. So, how long, and it was years, how long do you need?

Siegel: There is somebody here that could probably speak to that better than i, but I will tell you that that part of the problem is that there's another building just south of that, that is underutilized, and part of the problem is that if you are trying to develop a new building and you have to charge \$25 a foot or whatever it might be, in order to make that cost justifiable and you have another building with low basis in front of it that's virtually vacant you can't possibly compete. Which goes back to something, you know, where we can agree with, with gill, which is zoning is absolutely critical. We think it's necessary. It's not sufficient. The development strategy is needed for that area, and that part we can agree with.

Francesconi: Two last questions.

Katz: One.

Francesconi: No. [laughter]

Katz: All right. Go ahead.

Francesconi: One and a half?

Katz: Go ahead.

Francesconi: Two quick ones.

Katz: We have got over two hours and we haven't let the public testify.

Francesconi: I'm sorry. You see, one of the concerns that i've got at least is that we change the zoning, that drives up the price, including on tax increments so it makes it more expensive to purchase the land so is there any way that you could help us get some land in the west end? At the current price so that it makes affordable housing more doable?

Siegel: There's nothing. I can permanently afford to buy for you, but I think one of the things that we have said, and we have talked, had meetings, and, you know, part of what's happened here, which is, you know, not evident in today's hearing, which, you know, has, there's some issues here, but we have started a, a good working relationship, I think, with, with several of the key members of the affordable housing community, and I think we guess we can help because we have intellectual resources, private sector has some abilities to help, but, you know, but it's an intellectual and participatory kind of assistance.

Francesconi: I can't ask that question. Last question and this is the one I need to hear. I need to, to, I just don't understand. Please, steven or mike, explain to me now. You heard steve, rick

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michaelson again explain what the planning commission did, which was trying to give more flexibility because they want -- they know that if the private property owners don't buy into this thing, it's not going to work, which we all understand, what is it about the modified proposal that allows horizontal use that won't work from a practical standpoint.

Siegel: What the planning commission proposed was this housing transfer, so essentially, what they are saying is, if somebody develops a residential building, and it exceeds whatever the certain minimum amount, then they can sell these credits to other buildings, anywhere in the west end, not just north of salmon, by the way. And so what you are doing is trying to create a, a market for these residential credits, well the, the couple problems with that, number one, is this is already an area where the performers don't financially work so start trying to add purchasing these credits to it, and you have a performer that doesn't work even more. Number two you know, my question to you is, is that something you really want, where those people that, that believe that it is important, now it's, it's anywhere in that rx zone, can be a commercial building, I take it, because that transfer applies to the west end, not to a, to an area, so it seems to me a little inconsistent with the theory that the, they are proposing otherwise, and finally, I think number three, our theory is that, we need a mixed use area to create demand for the housing market. Their proposal works. The opposite way. It says get the housing market and then you can put in the mixed use area. We don't think that the mixed use area can come after the residential. It has to be part of it in order to create the demand for that area.

Francesconi: Thank you.

Katz: Thank you. All right. Since we don't have signup sheets on sides. Howard come on up, you have three minutes.

*******:** What a day. Thank you very much. If I appear a little rummy it was because I was on one of those nights back from new york that the airlines sincerely regret any inconvenience for.

Katz: Identify yourself for the record.

Howard Shapiro: Howard shapiro who would like to make it clear if you are a delta airlines employee, my testimony would be a great more colorful. Clearly, the affordable housing inventory in the west end district deserves, serves a critical need. We have all had much -- we have much it lose if the housing that serves our most vulnerable citizens is lost. The questions about what kinds of strategies that will preserve the most important housing are complex. We at the housing authority have taken a cursory look at the potential impact of zoning changes and an escalating real estate market and find ourselves concerned about how any of these dynamics might influence the affordable housing inventory that exists there today. Although the situation and the potential impacts have been analyzed by many I wonder if we know for sure what the cause and effect will be of any of the specific actions you are thinking about will be taken today. As a citizen who has watched this debate and the chair of the board and housing authority, an agency focused on affordable housing, i'm convinced the alternatives are well drawn and the ramifications of one course versus the other are fully understood with respect to the best interest of the city. Even though we all maybe grow weary of studies before we act, I think there's an argument that could be made that a little further study is necessary to know with more confidence how the interface of potential zoning amendments and the changing real estate market might help or hinder the preservation of affordable housing. I want to make it clear that a no net loss probable is critical to us, and the number that that no net policy includes is also critical. We can talk about the one but we have to put a number to it as far as we're concerned. The housing authority as you probably know is the largest developer and owner of affordable housing in the city. We have 6500 section 8 vouchers. We have 6200 units of public housing. And we affect the lives of 3,000 -- excuse me,

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30,000 individuals. Notwithstanding our extensive reach in the community we're acutely aware that there are a huge number of unmet housing needs for people at the low end of the housing market. In the west end, there are about 1800 affordable apartment units that have some kind of rent subsidy or nonprofit ownership that assures their affordability. Happ owns 700 of them. An additional 700 or so are privately, currently housing, low income people but do not have any restriction or affordability guarantee. These, of course, are the units that we consider most at risk. As you probably know most of these units exist in the north end of the west end district. Whatever action you take today at a minimum, we at happ believe every effort must be made to preserve these at-risk units. The principles we think that would be important for our no net loss policy include, an existing, if, existing west end units are lost, the redevelopment efforts, replacement through new development or acquisition should occur before the buildings are demolished. Based on our current experience of relocating our residents at the st. Francis hotel, we know that finding replacement housing before the new building is built is extremely difficult. Replacement housing should likewise carry same or similar rents as those being lost. Our st. Francis replacement units will have the same basic rent structure as exist today. We can't afford economic displacement. Since some of the at-risk buildings provide homes for difficult -- this is a very important point I want to stress. Since some of the at-risk buildings provide homes for difficult to manage populations, we think every effort must be made to link the housing with services and case management, especially true in the west, in the north part of the west end. The housing business wendy nielsen, in the housing business, we know we still have a long way to go to be effectively managing people with special needs with mental illness or corrections backgrounds. We have to push for comprehensive solutions. The geographic area defined as the west end is important but we think efforts should be made to preserve housing in a slightly larger geographic area, as well. For example, we think exploring opportunities for preservation or new development of housing for very low income people west of the freeway makes some sense. New tools will be needed, new partnerships with the private sector will be needed to enact creative financial mechanisms or whatever it takes. But in the end, at the end of the day the housing authority stands ready to use its tools, issuing tax exempt bonds and property tax exemption in being helpful in achieving city objectives and we have had conversations with the steering committee toward trying to mitigate that issue. We do have an ability to raise our own funds and we're willing to step up and be their partner in trying to make that happen. The no net loss issue and the 700 number we attached to it, is the critical part of my testimony. Thank you.

Katz: Thank you, howard. Let's open it up to, to public testimony and you are going to have to bear with me because we don't have folks divided in any way.

Cathey Briggs, 1020 SW Taylor St., Portland: Hi. Mayor Katz and members of the council I am cathy briggs. 1020 southwest taylor. I am here to offer my support for the planning commission's recommends on the west end as the first project manager of the west end, I have some history on this project and want to offer my perspective. Is there any wonder why I got a job in the west end after six months as project manager. Very complex interrelated issues and I think you heard they will today. There's not going to be any simple solution. What I want to say is I did attend the planning commission's hearing in march. I listened to their deliberation. I was really impressed by what they did. I listened to what, how rick explained it. They, they grappled with very tough issues. Tried to balance a lot of things. They heard no compelling evidence. No compelling evidence to change the zoning to cx. And I want to say, somebody who helped initiate this process with getting citizens involved in the effort, the citizens that we asked to participate through this process did their job, and they participated very well, and I am just here to sort of

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speaking for the process and the fact that as I looked at the west end steering committee's amendment, we had a table in the amendment that compared the planning commission recommendations with their own comments, I was actually really impressed by how far this planning for the west end had moved toward consensus. I heard Michael Powell say that, it's not, but I was really impressed because I know how far, far apart it was two years ago. Way further apart than it is today. Here's some things where I think there is consensus, I will be as brief as I can be. General agreement on the west end is primarily residential with mixed uses. Agreement there should be a no net loss housing policy, really important. Agreement that needs to be a continuum of housing for different income levels, different housing types, that, that there has been a development of some very creative and targeted bonuses to encourage the kind of housing we haven't seen in the west end. In fact, some of those were developed because there were developers saying I have got a project ready to go. I want to do this, and here are the barriers. That kind of real dynamic, real project helped staff craft some real solutions, and that's what you got in the planning commission recommendation. So I want to say that a lot of good things happen through this process. And I do think that the west end steering committee should be commended. The advisory committee, everybody who participated for two years, I know the west end steering committee longer but they worked very hard. The zoning, northwest salmon, you will hear a lot of opinions on that. What I'd like to say is I think you need to follow the planning commission recommendation, retain it as rx. I am not going to get into the discussion. I think the affordability has been addressed. Zoning is a lousy tool, if it's the only tool in the toolbox for affordability. Hopefully it's not the only tool but way better than cx because what that does is accelerate the conversion process. Encourages speculation and raises the price of housing so when you do have to replace it will cost you a lot more. One of the differences between rx and cx that nobody has mentioned, when the west end steering committee came in, they said we want more stability of housing. We want to create a neighborhood for people to stay. One of the differences between rx and cx when you do residential in cx, you can turn it into a boutique hotel or a daily, weekly rental. That's, the first proposal for the Roosevelt was to turn it into a hotel. Because it was zoned rx it wasn't a boutique hotel. It is still housing now. It is a condo. Ownership, something we did lose affordability but didn't lose it as housing. So that's one of the big differences. I wanted to say, something, I know I have got to hurry here. Anyway, somebody who started this project, I do want to commend everybody who's worked on it they have done a great job and I think you have a hard job because you will have to make a decision.

Katz: Thank you.

Lynne Lowacker, 6135 SW Mill St., Portland: I am Lynn, 6135 southwest mill street, Portland. Good afternoon to all of you. I am the immediate past chair of the Oregon symphony, been on the symphony board for 11 years and chair for three. I'm going to give you a little background about hopefully this document that you will be receiving now. And about the BODS group and Michael, who was with me and unfortunately had to leave, was the, representing the opera. He's been on the opera board for a year and moved to Portland two years ago from back east. So I'll be trying to fill in for him. First I want to say that we endorse the planning process for the west end and are delighted to see the arts have been included in the planning process. And your thoughts. We're ready to sit at the table with you in helping to design the future of that area. So who is the BODS, that's the ballet, opera, Portland center stage, "d" for drama and the symphony. The executive directors of these organizations started meeting a couple of years ago to discuss common issues. They were facing as well as to get, to know one another. And about the same time the chair started meeting and we realized we, too, had common themes running through our organizations. We

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found these meetings to be highly beneficial, and a real sense of collaboration and comradery has developed from the meetings. Now, the marketing pr groups and education departments have also been sharing ideas which I think is exciting because the arts have never come together in this fashion before. We all know that the Portland metro area is going to increase by leap and is bounds over the next 20 years, which will put tremendous demands on the infrastructure of our city, and we need to be planning for it now. With the increase in population, comes an increase in desired services and factors that make a city a vibrant place that people want to live. The arts, we all know, are a large part of what makes the city vibrant and livable and a destination, so if we are to look to the future, the bods have found the current facilities are really more suited for visiting companies and not for our resident companies. If we want to be serving our larger community, and our residents, we have to be preparing for that. And we need facilities that can accommodate a variety of interests, much like a lincoln center of the west. The bods has had consultations with pdc, the city planning department and app, each of our respective boards has seen this vision document that you now have and have endorsed it. We know that these things take time. We found that it generally takes between 7 to 15 years for these facilities to come to fruition, and you can see that by seattle's, which took 13 years. We just want you to know that the arts are committed to the downtown area. We currently support and work with many of the businesses downtown and want to continue to do so, and the bods is ready and willing to be at the table with you in developing the west coast only lincoln type center and have it be the catalyst for an exciting development of the west end. Now if I can just comment on, on what michael might have said to you. He, he comes to Portland two years ago. He's coming from alabama but he has lived in new york and along that coast through to philadelphia. He was going to say that --

Katz: I'm sorry, your time is up. Could you -- could you tie this to the issue that's before us?

Katz: All we're asking is that the arts become a part of the planning process that we would like to be at the table as the area is developed.

Katz: Fine, thank you.

Saltzman: You weren't endorsing the west end vision group?

*******:** Just saying we want to be a part of the west end vision.

Katz: Okay. Why don't we read some more names and please allow housing advocates, as well as people supporting the change from rx to cx to testify.

Greg Baldwin, Architect, Zimmer: I am greg baldwin, an architect with zimmer. We were the city's consultant on the development of goals, design guidelines, framework plan, and capital improvement plan for the rx zone. We were the consultants to app, and the development of the draft vision which they then turned over to the city in seeking a response. We have had and continue to have a variety of institutional, public, and private clients in the district. I'd like to, if I could just read my comments because I am liable to be more succinct.

Katz: That's fine but I am going to give you your time and it's on there.

Baldwin: West end, when I was a child the west end was the center of the city, where the doctors were, my mother shopped and I shopped with her, where the library was, the museum, school, father worked four blocks away. All of the parts that made the west end a cultural, commercial, residential and spiritual mixing bowl for Portland still exists. But it no longer is the center. Centers of cities are dynamic. They synthesize diverse activities and expectations of the citizens. The west end has not done so very well for years. Three years ago, when the businesses and property owners along 10th and 11th began a collective examination of how they could capitalize on their investment in the streetcar, they started with what the west end was, was not, and could be. They discovered a problem lay in their own lack of connected initiative. And so they developed a

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vision goals, actions designed to stimulate that initiative. They identified, I think, about 30, almost 3 dozen actions. Nine of them as I recall were ones for which they were fully responsible. The city would be responsible for and the remainder was shared responsibility. Incidentally I recommended at that time that they focused on a context directly relating to what they could and should do that they should be aware of a responsibility to compliment what was happening in the neighboring districts. But, in fact, they should focus on their responsibilities and not those of others. The west end, and the assessment of the deficiencies, goals, and a list of the optional actions too much I respond, which I identify, they asked the city to respond. This is an approach too much there are many precedents, downtown plan, river district, many, in many cases, the private sector has suggested a vision to the city and asked the city to respond and take it a step further. You have before you the city's product and recommended amendments. In the aggregate they describe an institutional framework that will better permit even encourage the kind of interdependent redevelopment of the district that will reestablish it as a center of diverse complimentary activity. Gill stated that a misinformed premise exists, that a zone change is necessary. Having contributed to the development of the institutional context, that framed much of this district a number of years ago and having watched its application over the last 20 years, I think that that, that that institutional context does need to be changed. In my opinion, three years ago a zone change coupled with some overlying conditions seemed to be -- is that my --

Katz: Why don't you finish your thought.

Baldwin: Seemed to be a good idea. And so I think the premise is not wrong, obviously, there are some options. I think you have before you one that will work. There is confidence that you are going to be doing something today and tomorrow that will make this a more fertile environment for the kind of development that we all would like to have happen. There are proposals that have been made, the kind of four-block proposal that I think tim is going to talk about, really offers an extraordinary opportunity to begin to fulfill, some of the objectives outlined in the original downtown plan. Thank you.

Katz: Tom?

*******:** I will let tim go first.

Katz: Okay. Tim why don't you grab the mike.

Tim Ramis, Harsch Investments: Thank you. Tim ramis on behalf of harsh investment. Harsh owns several properties in the west end but I am here today to focus on the land that is south of salmon, that is the land outside of the area of the zone change. And in particular, the four blocks that are outlined on the last page of the handout you received and they are the blocks between salmon and main and the freeway to park. These blocks have been identified by your staff as the blocks which have the largest potential for redevelopment of any other contiguous four blocks in the west end. And they have the unique feature of not being fractured by multiple ownerships.

The owners of the key parcels could all be seated around a table half the size of this one. And thanks to your initiative in starting this process, that conversation happened, and as a result of those conversations, the owners of those key properties have agreed what they really need is to work together to develop a common collected vision of what development might happen on those walks.

We believe that that vision could be comfortably placed within the vision you are developing for the west end. These blocks have a tremendous potential. They could serve to knit together the cultural heart of the downtown with goose hollow and the neighborhoods beyond. They could be used to redevelop surface parking lots into a neighborhood of housing, both affordable and market, as well as a mix of commercial. There's tremendous opportunity for synergy here for shared parking between office, church, museum and other uses, for transfer to far to create more light

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around the park and create views for residential housing and the blocks towards the interior. Opportunity for coordinated development of the streetscape to make a friendly environment and create an east, west connection in the downtown. We think all these things are possible if we work together. It has been made abundantly clear to us that the prospect of a change in zones out to salmon is not one that we should think about. We accept that. Instead, we think the place to begin the conversation is not a debate about the zoning on the parcels but instead for us to work with your staff on what the vision ought to be and how it would compliment the rest of what you are doing. Once we achieve that, we would expect to be back here to talk with more sophistication about the zoning and other development tools that would be needed. To that end, we look forward to working together over the next few months and the particular request we make of the council is to include language in the chart that you have of future actions that would highlight this exercise as an important one that should be undertaken and should be supported. We would hope you would include that language. We submitted some to the staff. We know they are working on it. We don't expect there to be a lot of controversy about exactly how we state the principle, but we ask that that be included in the chart. We have also identified in our letter several other amendments to the code which have come from the planning commission and in some cases from the steering committee, and some cases from us. We think those are important considerations. We ask you to consider them, but, of course, in the end we believe when we are back here after developing a common vision, we'll have a lot more to say and more sophisticated way about the zoning tools that we need.

Katz: Thank you.

Tom Pickels, First Unitarian Church: I am tom, representing the first unitarian church located on 12th and salmon and part toll reiterate what tim has said. But I want to give some background. We have a long history in this city as a, as an urban church. We have seen our church, congregation grow almost two-fold and struggling to meet that need. Part of what we have done is to engage in a, in a long-term very thorough and very productive planning effort in which we have come up with a vision of our own for that area. That block area. We are also, in doing that, considering how that would fit into the rest of the city and you how we can best serve and be part of that. And the, when I heard about what was, that, that tim has proposed about the development of what i'd like to call the salmon street corridor, which would be a means of bringing the west to the east, down to the city, which would be very fruit, we believe, it would, engage a lot of areas really underdeveloped as tim has said. It might even act as a lateral arm of the cultural district towards the west end. So, we do, enthusiastically support the proposal that tim has presented to you today. We feel it is a remarkable opportunity to create a citiscape unique, and a special character to enhance the greater downtown vision that we all, I think, have been talking about. We are very eager to work in collaboration with heir property owners to achieve this goal and that's one of the strong points in my view, is it is a collaborative effort. I might mention also a significant need for us, as well as the other chumps and cultural institutions is long-term reliable parking. We believe this plan address some of those issues and resolve some of that for us. We endorse this and feel it compliments our own objectives and serves the city well. I might mention the downtown churches, who you will hear from also support this proposal. Thank you.

Ramis: I would be happy to respond to any questions you may have.

Katz: Questions? Thank you. Let's go.

Irwin Mandel, 1511 SW Park Ave., Portland: 1511 southwest park avenue, a west end resident, probably a rare bird. Two points. An urban design committee just this past monday, the vancouver b.c. Developer of the mosaic building now going up in the west end, one of the following, wanted

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to convey to this meeting, he and other canadian developers are ready to come in and soak up any piece of land in that becomes available in the west end and build housing. There is no shortage of developers who are just eager to put up housing in the west end providing the land becomes available. Second point, on february 28th, 2001, I sat here and testified about the immoral and destructive practice of commissioners voting in the newspapers on critical issues before hearing any public testimony. Obviously, some of you were not listening. When I opened the june 12th Oregonian, I was inferiorated to read the headline, and here's the article concludes west end zoning change gains council and the subhead, erik Sten, charlie Hales and dan Saltzman are leaning toward a commercial designation. Today's Oregonian suggests that at least one of you may have regained your insanity and open mind. I hope that's true. Now, downtown business and parking interests and property owners were both represented on the west end advisory committee and also had representatives testifying before the committee. Frequently. Despite these opportunities, they were unable to achieve their goal of rezoning the west end for commercial use through this public process. This wealthy, small, special interest group with the back door help of commissioners may have managed to, to bodes subvert a democratic public process and determine the direction of development of a core area of this city for generations to come. Caving into back door political pressure before any public hearing is a flagrant abuse of the public trust. The planning commission's west end proposal with the exception of the call for three parking structures, or there is a better way. And I suggested it somewhere else, and expanded to include the mid town park blocks should be enacted unanimously.

Katz: Thank you. Thank you.

Lili Mandel, 1511 SW Park Ave., Portland: I am lili mandel, 1511 southwest park avenue. A west end resident caught in the midst of the west end turf war and am left shell shocked. Everyone is in this war. The west end steering committee wants only the right to create a commercial ghetto. The affordable housing interest want to create an affordable housing ghetto. The social service providers want to expand their social service ghetto. The gay community wants to create a gay ghetto. The wealthy want a golden ghetto. The middle class is fighting for middle class ghetto. The churches want to continue and even expand a parking ghetto. The parking interest want to turn the west end into a parking get ghetto. I'm sorry if I have excluded any other combatant and failed to step on their toes. The devastation is getting more widespread every day. Now you may wonder what this resident wants. I want a truly diverse population living, working and playing throughout the west end. There must be room for everyone to contribute to a healthy dynamic district. It seems to me that we are all suffering from the disease called, delusions of diversity. It's primary symptom is frequent lip service espousing diversity. The war among self-serving interest groups must end before Portland is destroyed. Ordinarily, I look up to you -- look up to you and trust you not to take sides in the west end turf war. Unfortunately, before listening to the citizens, some of you have already made your private alliances. This has wounded me deeply. And I am broken-hearted. Only you can heal my wounds by passing the planning commission's west end proposal and the advisory council of experts mid town park blocks vision. Thank you.

Francesconi: For what it's worth, I think that everybody here wants -- the hard about, hard part about this debate is everybody wants what you just said and they are operating for the right reasons, from the right point of view. It's just we have some different methods of how to get there. That's my, my --

L. Mandel: It's very sad.

Katz: Thank you. Who wants to go first? It doesn't make any difference you go first.

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Reverend Patricia Ross: Good afternoon. My name is reverend patricia ross, currently the president of the association of downtown churches. Our organization is made up of 14 judao christian and is we've been in the downtown area for a long time, it's our goal to work together ecumenically and to enhance the spirituality of the downtown area, as well as working with service providers in many different ways. Our downtown churches have been here for a long time. Many of us for well over 100 years. My church for 150. We contribute to the community in many different ways, programs for the homeless, providing food and clothing for the needy. Teaching literacy class to say new immigrants and offering many different kinds of cultural events as well as our worship in educational events that are part of our life together. We support the west end proposal, but we have two concerns. There will probably not be of any surprise. Our main concern is the low income housing. It must be preserved, and we must find ways to preserve that low income housing. We have already lost many units, and the more that we lose, the more homeless problems we have and we just need to, to bear in mind that that is a very crucial problem that needs to be worked on and solved. Our second concern is parking. Our church members come from all over the metropolitan area. They come to the city to worship, serve, and to teach classes within our churches but they stay to buy things and to go to concerts and to eat in restaurants and to support the downtown area in commercial ways as well as spiritual ways. Many of them come on public transportation and because we care about the environment and the clear area and the well being of the city we encourage that. But, many of them can't do that, and they rely on parking. And so for our very survival, the survival of our congregations and our churches in this downtown area we need you to remember to preserve parking in the development programs that are before us today.

Katz: Thank you.

Saltzman: When you said you support the west end proposal, do you mean the west end steering committee's proposal?

Ross: We do.

Katz: Go ahead.

James Harrison: Hi, I am james harrison, an artist and i'd like to try to do this video presentation quickly.

Katz: How long?

Harrison: Only a couple of minutes.

Katz: Okay.

Harrison: And boosterish on good ideas for cultural development in the city, and was looking at a very interesting idea that the city did before, that could have a new life for the west end. We're looking at 3rd avenue in Portland in the year 1914. There's a series of wonderful street arches, put in by a joint collaborative effort between northwestern electric, which I assume was the electrical utility of the day, and business interests to draw people to this district. They actually called it the great light way. And as you can see, it lit up at night, was quite beautiful, and it was in from 1914 to 1936 before it was then taken down. So i'm just beginning kind of the research phase of finding out about these, how it worked. But, suffice to say, there's an article from the journal from 1936. There's new possibilities for creating a gateway. This is at the burnside triangle. This is, I believe, on 12th, I can be off a block. Here's a similar thing over by jake's, or at the streetcar, a very good idea, it can work in a lot of places and help to create a place. It works both in the daytime or at night. So I just wanted to pitch it as an idea into the ring of narrow ideas while we're thinking about things that could happen over here. [laughter]

Katz: We've got a lincoln center and that's fine.

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*****: Thank you.

Katz: Thank you, james. Is clayton herring still here? Oh. Because I showed him, showed somebody some of those early pictures for the same reason, so --

*****: Yes, if anyone has info, I am trying to find out.

Katz: Okay.

*****: One question, can this be done with energy efficient bulbs?

*****: Absolutely. We have come a long way. They were proud of how much electricity they used back in that day. That was a big, a big deal and now we have to be energy efficient and come back to fluorescence.

Francesconi: One of the people came up with the design to cover one of the park blocks, and actually cover it, keep it open so, it's a little more, more functional than that, but it's the same kind of idea.

Katz: Okay.

Bob Shoemaker, 4837 Burnside, Portland: Good afternoon. Or perhaps good evening. I'm bob shoemaker, citizen, 4837 burnside road and i'm here to speak for myself and also for jim westwood who is address is 3121 east thompson street. We have been working together closely and talking a lot particularly about the mid town park blocks in the future of those. And of the committee of experts and its proposals for the parking blocks, mid town park blocks and west of that area. We both feel, as I think everyone does, that the west end should be dedicated primarily to housing of all levels, affordable and expensive and in between. We're both very concerned that to make a zone change to cx at this time could undermine that objective. We would encourage you to do as gill kelly suggested, that is to couple the planning, both development plan and strategic plan for the west end with the planning for the mid town blocks because they really are closely, closely related and they should be thought through together, and please, don't make a zone change now. Let that planning process proceed. You have heard so much today about, about aspects of the plan that need to be further developed. A zone change now could very well undermine and preempt so much of what has been done so far by your planning department and your planning commission and citizens groups throughout the city. Let that process run its course. Develop the plan. The strategic plan and development plan and then focus on do we need the zone change to better achieve the development plan that we, as a community, agree upon.

Katz: Let me ask you a question -- are you comfortable with the rx, tinkering of the rx south of salmon?

Shoemaker: Yes.

Katz: So your testimony was primarily --

Shoemaker: I am supportive of what I have heard today about the planning commission's action, very much so.

Katz: Thank you.

Katz: Keep going. I think people have left.

Ken Novak, Schnitzer Investment, 3200 NW Yeon, Portland: I'm ken novak, schnitzer investment, 3200 northwest yeon. I've been involved in west end issues, both as a district property owner and as chair of the downtown business improvement district. Our company is also a developer of large scale mixed use projects, office projects, and affordable housing projects, most recently, 650 units in Washington county and 210 units in downtown seattle. In my capacity as an, I should also confess, mayor, that we're also a partner in the signature block you identified. In my capacity as I have identified, i've been puzzled over many years over the seaming lack of interest and the wonderful part of downtown, which is the west end from both the public and private

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sectors. It appears after focusing on affordable housing, the public sector has really not given much care to the district for a long time. In fact, there seems to have been a strategy that if we neglect it, they will continue to protect affordable housing, and this has gone on despite the loss of units in the way the, that commissioner Sten described of somewhere between 9 and 1400 units. There hasn't been any demand for market rate rentals or condominiums. Commercial activity in the area has dwindled as vividly evidenced by the Galleria. The streetcar has spark some interest but the interest is handcuffed by the regulatory burdens of what has not been a very successful public policy. After 4 1/2 years of working together, the private sector, affected neighborhood association and is important members of the affordable housing community have put forth a comprehensive strategy for council action. Unfortunately, the planning bureau has not seized that moment. As a result, the council faces a clear choice. It can either do some minor tweaking or it can establish a policy that the west end should be given a mixed use regulatory framework that has proven so successful elsewhere in the city. Now is the time to move forward. Council directive today that it intends to adopt the strategy proposed by the west end steering committee will send a clear signal to private investors the city is ready for new development in the area, by supporting the rezoning the council signifies that it has a truly mixed use vision for the area. On the other hand a nondecision or decision to forestall action sends another signal, one that indicates investors be aware that there is no public consensus for mixed use development in the district. What this is all about is incentivizing capital to invest in large-scale projects in this area to achieve the vision that everyone wants to see. In order for that to happen, that capital needs to be incentivized, have certainty and an environment in which it is going to choose this investment over others. The type of dialogue that has been taking place, type of uncertainty and the inability to predict a return is not going to make any plan come true, and so what the message that I want to give is that you need to, if you want private capital to be invested in the area, you need to have a structure in which that private capital is incentivized to invest and can see a return.

Katz: Thank you.

Francesconi: A couple of questions. What is it about, its the same question I asked Steve Siegel but what is it about the planning commission's compromise or housing credit system that will not -- will not incentivize private capital to invest in the west end?

Novak: I think, you know, I'd say for the same reasons that Steve has identified, really. I couldn't give a better answer than Steve has. Which is it just doesn't create an environment in which we think -- it creates potential for a bunch of stand alone projects is the best way to answer you. That if you don't have it -- I have got this chicken and egg tie, I should have worn today but I think that's the major problem we see, so if you look at any particular block, something may work on that particular block but what's going to happen elsewhere in the district and how do you stimulate enough capital to be deployed so you truly have a mixed use district. I will quote somebody here. We're partners as you know with GSI and a lot of the projects so I don't want to use his line without giving him credit. You are creating an environment where somebody has to be a pioneer. And the pioneers are generally the people faced down in the dirt with an arrow in their back. And so how are you going to avoid that happening by not having enough scale going on here and I think that's, that's the, the, how do you get there question.

Francesconi: What about the concern that people will just hang onto the property and won't do mixed use, just hang onto it for office development?

Novak: Well, I'd answer it again the same way that Steve did. You know, land, best way to describe land is three square miles a day, and if you are looking at the cost, you have got a hole that you are filling basically every day, which is how much money could I make if I were to develop

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this property today against what do I have to make in the future if I am waiting and every year that gets bigger and bigger and bigger. And therefore, keeping land in relatively low utility uses and you know, I'd be interested in Julie's answer to this question, as well, but I think keeping land in relatively low utility uses on the expectation that some day it's going to be worth a lot of money, is a pretty high risk strategy. And so capital generally is incentivized to develop as soon as it can develop not to just hang onto the land forever.

Francesconi: Last question, and that is on the affordable housing side, are we driving up the land prices that makes it harder for affordable housing and do you have any other strategies to make this thing work?

Novak: I think one strategy, I think, is the city ought to get some land now, if this all were to come true. Because if the vision of the west end steering committee were to come through, if I were advising the city I would advise the city to adopt that plan and get some land now. So, that it will control that land and have the ability to profit on that value.

Francesconi: Thank you.

Julie Levvrey, Oregon Pacific Investment & Development Company, 1800 SW 1st Ave.,

Portland: Good evening. My name is Julie, Oregon Pacific Investment and Development Company. 1800 Southwest 1st Avenue. We have developed both market rate and affordable housing in the central city and in important in general. And I am here today in favor of the rezone from the perspective of a housing developer who cares about affordable housing. There's two proposals before you today, you are familiar with both of them. Both proposals see urban renewal as a critical tool. To generate money, tax increment needs, commercial, and the -- this is going to be more likely to happen in a CX zone, where a stand alone commercial building can be built where you can have mixed use, where you have the flexibility to have the project meet different needs and also to spread the risk amongst different property types and uses. The modified RX solution is currently on the books as a conditional use, and it's not being used. Vertical mixed use is recognized as more complicated and it requires an alignment of skills and different types of financing, lenders aren't as comfortable with it, so you need to be able to have the ability to have horizontal mixed use. The absence of downtown housing is not a matter of demand. People want to live downtown. We have seen that. The amenities on the west end are enormous. Greater than in other areas that have seen more housing in the last 20 years, and the notion that the arrival of the brewery box will somehow make this area more popular is really missing the point. The challenge is product. Direct subsidy is required for residential development, and this is true of mid market, as well as affordable. You have heard the story before, high land cost, and high cost of construction, it all adds up that, that it doesn't pencil to do market rate or affordable rentals without some sort of subsidy in the central city. So, the developer must believe the risk is worth it and others will follow along. For this reason, infill developers are drawn to mixed use flexible vibrant development markets. It involves nurturing and a development dynamic, getting owners to think creatively, and the RX zone said if you don't do housing you don't do anything. Flexibility is needed, and one example of that is what the city did in rezoning the Crystal Ballroom to EX. The greatest loss of downtown affordable housing has really been due to the loss of affordability, just rising rents. In the rezone as you know, there is seven apartment buildings with a total of 300 units. These buildings are all over 75 years old and near the end to their economic life. If the owners rehabilitate, they will upgrade them perhaps like the Roosevelt and the tenants will lose their housing or the ability to pay the rents where they are. Or they could be redeveloped into the high end housing under RX. And we understand the concerns about displacement. But this housing is at risk regardless of whether you rezone or not. The question is really whether you move forward to

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find new money, and which, in the end is really the only viable preservation strategy. The rx current or modified will not result in any new market development, will not create tax increment, and will not generate the new resources for tackling affordable housing. With the promise of real development, the west end steering committee's proposal creates a strategy that will stimulate development and that will result in tax increment and new affordable housing units. I wanted to say these funds can provide the critical resources that are also needed to implement a no net loss policy of affordable housing in the central city.

Katz: Thank you.

Gregg Kantor, Chairman, APP: Good evening. My name is Gregg Kantor, here as chairman of the association of Portland Progress. As you know, APP has been involved in the west end since the formation of the west end steering committee. We strongly support the vision, as articulated by the steering committee of a mixed use neighborhood, that support the many historic buildings that define the area. It is important to capitalize on the substantial public investment in the area while connecting with the surrounding neighborhoods. Challenge facing us, and by that I mean all of us who are concerned about the success of the central, of central Portland, is how we achieve that vision. It seems clear to us that the current development framework has not facilitated the kind of private sector investment needed to achieve the vision. Finally, our while we find much to like in the planning commission's recommendations, we find the zoning proposal insufficient. We support the alternative proposal by the west end steering committee that calls for rezoning in the area north of Salmon Street from rx to cx. We know there is concern about the impacts such as zone change may have on privately owned affordable housing and some people believe doing nothing is the best way to preserve that housing. Such an approach does not appear very responsible from our perspective. There is nothing protecting these units from conversion or repositioning today. Many are so old and in some ways so substandard they should be taken out of service. And yet while many of the units are currently, and yet many of the units are currently at risk of losing their affordability. Finally, will the me say that in many ways, this boils down to a debate about tools. I think today already you concluded that there is a shared vision about the west end between the development community and the city. There is recognition that zoning, whether it be cx or rx is not going to protect housing, so it comes down for you to make a decision about whether the planning bureau is right, that cx won't make a difference in jump starting this district or whether the property owners and developers who own this area are right and that, in fact, and who are willing to invest the dollars and will invest the dollars in that area are right that cx will in fact jump start the business. Jump start the district. The folks who own the property in that area are some of the finest developers in this country. They have built amazing projects in the city and actually elsewhere, and I would argue that, that in this case, we ought to side with those who are going to put up the investment. And finally I want to say that changing the zoning from rx to cx doesn't preclude going out and getting development agreements. In fact you will still have the leverage through public investment, through the regulatory process that will continue to exist, to make sure that the city's vision is protected as, as the development proceeds. Thank you.

Katz: Okay.

Katz: Do we have every board member from APP coming to testify? [laughter] I am going to give you two minutes instead of three.

Scott Andrews, President, Melvin Mark Properties: Mayor, commissioner, I am Scott Andrews, president of Melvin Mark Properties. Let me start by stating that I support the planning commission's west end recommendations, provided that they incorporate the rezoning of the area north of Salmon Street from rx to cx. This 16-block area has 47 different property owners. We are

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not one of them. Nearly a third of the land is owned by nonprofits. 40% of the parcels are an eighth of the block or smaller. With the high density goals that the city has, this area is a development challenge in the best of circumstances. The rx requirement that every project has to have housing in an area without a demonstrated market for housing, for nonsubsidized housing, it's no surprise to me that not a lot happened. I have heard a fear that the rezone will result in a sea of office towers, a downtown west, someone whose career has been built around downtown commercial property, i'd like to put those concerns at rest. The development of a class a office tower is a stash risk of money, time, and opportunity costs. These projects tend to follow the market not to lead t my desire to see this rezoned is not to expand the inventory of downtown commercial space. It's a desire to unshackle property in an area that's an important geographic link between the pearl and downtown. It's a desire to get the development moving while we continue to have a viable real estate market. Even with relaxed zoning, the ownership pattern makes any sudden sea change nearly impossible. The west end has enormous potential as a mixed use neighborhood. We need to capitalize on the max and on the streetcar. The rx zone has not proven effective. I urge you to accept the planning commission's recommendations with the west end steering committee's amendments. Thank you.

Ron Belz, Louis Dreyfus Property Group: I am ron, city of Portland resident and also with the lewy dreyfus property group. One of the properties owned downtown is the coin center, which is the most diverse property, I think, in downtown Portland. I am here to also support the west end vision. I truly believe that mixed use is the way of the future, like it or not. I believe the city of Portland has gone from a large, and I am speaking more from a business standpoint, from a large tenant user base from major corporations to small business, and I think we that are in the larger office business have a harder time meeting the small business needs and I think for us to compete to help other small users, actually be able to stay in Portland and have a place is in places like the west end where you can have a mixed use development. I also believe that it brings in a lot of private investment where you are going to be able to leverage out the dollars that are invested, not only to residential, but, you can take the office dollars and leverage them into residential, and I think part of that example is in a cx zone, which most of you are familiar with the development that my wife and I invested in. And I think part of the success is pendleton headquarters on one side and the new creative services building on the other side, and the newport building and I really believe to bring private investment we need to have the cx zone in that I don't own any property in the area so it's not a vested approximate interest but for the overall livabilty in downtown and the central city.

Katz: Could you jump down and pick up some other names for the next round? Karen, why don't you go ahead.

Karen Whitman, 608 SW Arboretum Circle, Portland: I am karen whitman, 608 southwest arboretum circle in Portland and you know me as the manager of the square but today i'm offering my offering my personal opinions as someone active in downtown Portland for longer than I am old. A few weeks ago I came to city hall to hear the ace report. I was struck with the testimony that described the opportunities in the mid town blocks to be the most important decision we faced as a city since the downtown plan. I am grateful to many public and private leaders who have created a serious focus and discussion on these matters, matters of the mid town blocks, and the west end. Because over the past three years, I have participated endlessly in meetings and summits, they seem to identify what's next for Portland. We never came up with the answer, nor was there the enthusiasm we seek today. The west end project, the mid town blocks, what to do with block five and don't leave o'bryant square behind. All together these projects have ignited a

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level of enthusiasm and creativity and yes, some tension that we haven't seen in more than a few years. I serve on the multicultural council and I feel proud of the developments in that area, the art museum, the upcoming museum place with a new look and expansion of housing and other needed services. There's momentum and energy in that area. We now must connect this area of activity to the downtown through the mid town blocks and across burnside to the pearl. Don't make a doughnut by leaving a hole. You will also leave a hole in the holistic opportunities if we don't envision how these areas could be connected. I support the steering committee's proposal to rezone north of salmon. Making assumptions under the current zoning development will occur automatically isn't realistic. And it brings unnecessary risk. That, that no development will happen. The existing zoning is often seen as a barrier to many developers. Please change the zone, create the tool that will contribute to this most important opportunity, one that we haven't seen since the downtown plan. First time. [laughter]

Tim Greve, Karl Greve Jewelers: My name is tim griev of karl griev jewelers and I am here as a locally owned, locally managed large independent retailer. I am past president of downtown retail councils and my views here reflect their opinions. First off let me say that I am here in support of the planning commissions west end recommendation, provided that you also accept the proposed rezone area north of salmon street. Right now if you look at downtown we have a strong vibrant core that starts to trail off pretty quickly, as you head northwest from park and morrison. It continues to disintegrate until you get to powell's in the pearl district where all of a sudden it picks up again and quickly. This is not to say that there are not some fine destination retailers within this area, but from a street vitality perspective, there is a lot of room for improvement. Retail needs people to survive and thrive, people with discretionary income. That's why the downtown core, northwest 23rd, hawthorne and these other shopping areas do well. It is filled with people. You head north and west, and there are no people. There's nothing in the planning commission's recommendation that suggests that will change. In order to attract private investments an environment must be created where the risk will balance the rewards, and the west end where property values are high and the development framework is restrictive, the risk to the private sector are perceived to far outweigh the potential rewards. The 50% commercial allowance, planners offer have been on the blocks as a conditional use and no one has used it. This particular area does not have much in terms of residential amenities. And you have an inherent residential bar district conflict along stark street. The west end can transform only if it can attract private investment to a - to achieve this you need to uncomplicate the system. The pearl is zoned ex and property owners can be creative in the use of their building. Not surprising as the development occurs the pearl has delivered on housing and delivered on retail. Only by relaxing and rezoning will we see the types of pioneering projects that will house employment and retail uses needed for spur and support residential development in the area. Thank you.

Katz: We have got the right part of the list. No suits. [laughter]

Will White, 3912 NE 36th, Portland: Good afternoon. I won't yet say good evening. This panel represents the coalition for livable future. Mary mcurty and dean walsh, executive director of reach had to leave for family obligations as the clock moved on but the three of us here will represent what we came to talk about. The members of our original panel, three of us are either property owners in the west end or currently working on development in the west end and I am sorry, I should have started by saying I am will white, 3912 northeast 36th, here in Portland, and maybe each of us should sign in on that way now.

Ralph Austin, 2724 NE 39th, Portland: Ralph austin, and I am a Portland resident, 2724 northeast 39th.

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Mike Houck, Audubon Society of Portland, 5151 NW Cornell Rd., : Mike, 5151 northwest cornell road.

Katz: All testifying as a team?

*****: That's correct. We, several of us have also been involved for two years in working groups and expert panels working on the west end problem so we bring that experience to testify today. The vision we support is indeed the vibrant mixed income, mixed use community you have heard a great deal about today with a key role of supplying housing and particularly affordable housing and a mix of incomes of housing to the downtown area. We believe that the west end is beginning to take off now in terms of new development, without any changes in zoning, the brewery had 225 million dollars investment at the north end of the district, museum place that i've been involved with, 50 million, at the south end, the streetcar lined right down the middle, I believe that that's setting the pace for substantial development over the next several years. We're also seeing with that already strong pressures on the affordable housing that's in that district, if dee were still here, she would tell you as the owner of two properties in the west end, she's already been approached by developers wanting to buy that property and develop it for other market uses. It's also important to look at the west end in the context of what's happening in all of downtown, and with what's happening in housing in the pearl and the river district we're getting a real balance at the high end that hasn't been there before, and I think preserving what we have in the west end is going to be important to give us a mixed income community overall downtown. I want to alert you that the downtown housing implementation strategy which I believe is headed your way from the Portland development commission and outlines spending patterns proposals for the next five years, sets a production goal of between 1150 and 1450 units for the downtown. Those goals include only 3% of the total production below 30% of median, and everything below 80%, which we would all agree is, is as high as you can go and still call it affordable, is only 27% of the production goal, so that will be coming to you soon. The no-net loss I want to direct my comments to is a laudable goal and we support that but that's not achievable with the money, without the money to make it happen and it can't be future money if a future tax increment district. Our research that we just completed this week shows it would take between 27 and 40 million to protect the housing that's currently affordable and at risk, and just in the zone projected for, for rezoning, between 6 1/2 and 9 1/2 million, those projects, as dee would tell you, are at risk right now and the money needs to be current money, not money that will come in five years if now. Finally, and I don't believe we can get there just with public money. I think we need a public-private partnership. I think the increases already being granted under the planning commission proposal of the increase in far, et cetera, are going to substantially increase the values of those properties. I think that the bonuses there also give increased flexibility and there needs to be some significant contribution by those owners taking advantage of that to preserve the affordable housing. The 2500 per unit number is off by about a factor of ten. That's just enough, it's barely enough to pay for the relocation cost of moving people that get displaced. That ranges from --

Katz: Let me interrupt, karla, you --

*****: Let me pass, I will go ahead and pass --

Katz: I want to, you to finish your thought but karla gave you five or six minutes.

*****: Okay. So the relocation cost is about \$4,000 per household according to northwest pilot project, susan couldn't be here today, it can be up to 10,000 if it's subject to uniform relocation act. So, I believe the zoning as it is, I think the disagreements, the other disagreements between the groups that have been working here are pretty minimal. I think that we would all sign off on the planning commission recommendations and the no-net loss policy if there were funding in place

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between public and private contributions in order to protect the housing already there. I will stop there.

Katz: Why don't we let them all testify and then we'll ask questions because I think this is -- go ahead.

*****: I want to focus my testimony --

Katz: You did identify yourself.

Ralph Austin, Director, Innovative Housing, 2724 NE 39th, Portland: Ralph Austin. And I am the director of innovative housing, a local nonprofit developer and I want to relate my -- direct experience in the west end with the successful project, and particularly as I was hearing the testimony earlier, I think our success sometimes gets lost. We just completed 4 1/2 million dollars project in the west end that was an unsubsidized constructed building.

Katz: What was the property zoned?

Austin: Rx. And it's been enthusiastically received by the market. It is an affordable project but unsubsidized, we sort of built a different widget and got clever with it. But, I can assure you out of the hundreds of people I talked to and walked through that building, the west end is a highly desirable place to live. We had 1200 inquiries about that building. Now, not everyone chose to purchase, but it indicates the interest that people have in living in that area and so to say that it doesn't pencil or doesn't work, I sometimes kind of go, but wait, what about us? Some ways, don't let our experience confuse our, you know, your experience confuse our opinion. Sometimes that's how I feel. [laughter]

Austin: So, you know, we did it, and don't let anybody tell you it can't be done and it doesn't work. So, you know, and we have some credibility on that point. And the other issue is that I have sort of been surprised hasn't been touched upon is the parking because I see the parking issue there and the value of surface parking as being really, that issue needs to be unlocked. We need to unlock that puzzle because parking whether we like to admit it or not is the economical best use for that neighborhood somehow you have to consent parking off of the surface lots. I don't have a great answer for that. I suspect it somehow is involved in the cctmp, and perhaps the city getting involved in the parking business, but somehow you have to release the pressure on the parking lots for free up the developable land. And I think that also leads to some of the false analogies, comparing to the river district and the Lloyd because I would love to build another building in that neighborhood. Give me a piece of property and I will do it in a second. I have no qualms about the market but you have to buy out that existing use, which is incredibly lucrative. So, I mean, I think that's something that really needs to be addressed more than anything on a regulatory basis.

Houck: Again, I am Mike, representing the Audubon Society of Portland and the 10,000 members that reside in the Portland metropolitan region, also here on behalf of the coalition for livable future, natural resources working group. Our mission, as you know, at Audubon Society, Portland, focuses on wildlife habitat but our responsibility and commitment as a coalition member is to also care about, be conversant about and advocate for the whole suite of issues that make Portland and the region livable, just, and sustainable community and of course, one of those issues is the very one we are discussing, that is affordable housing. I'll skip through all the other attributes that I was going to refer to in the interest of time. I'm not an expert on housing. I have learned a lot from my colleagues by virtue of being a member of the coalition and value that greatly. I am definitely not an expert on cx and rx zoning. But I have had some experience with one of the concepts that's been mentioned and well referred a moment ago and that is the concept of no net loss. My experience has been with wetlands and while the no net loss concept on wetlands is quite different in many ways, they are very eerily similar between housing and wetlands. As with wetlands, a no net loss

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policy without an enforceable regulatory framework and financial resources, well intentioned policy is problematic at best and in fact what we found in this region, epa in fact done a study on that concept in the metropolitan region and what they found was wetland mitigation and the concept of no net loss has been a miserable failure in the metropolitan region for two good reasons, the regulations have not been good enough and there has not been money behind enforcement, behind monitoring and requiring corrective action. So we would just like to throw out, I think, as was affordable housing, no net loss is a great intentioned policy but it has to come with money and has got to come with regulations. And i'll end my testimony with that and just mention that mcurry, from thousand friends of Oregon asked me to mention in her written testimony that she will submit later, her message to you is you are a leader in this region with respect to affordable housing, and it's a regional issue, and this is an example at the local level where we need to insure long-term affordability of housing. Thank you very much.

Katz: Thank you have you.

Saltzman: I think this is probably for you, will. We all agree that money is what makes affordable housing happen or be preserved. And I think there is earlier testimony by the steering committee proponents that the mixed use concepts they envision through the cx will boost tax increment much quicker than just leaving it in rx and given rx allows for conversions away from affordable housing, I am just wondering if you have thought about that in terms of the commercial boosting tax increment sooner.

White: Well, I think that mixed use development will create tax increment if there is a, a new tax increment district and it could be either market rate housing or it could be commercial development or it could be a mixed income, mixed use development that does both. What I am concerned about with the zoning change is that it's going to increase the value of all the properties that are there and increase the pressure on the existing properties and what I heard today was please change the zoning and then we'll come to you for projects and expect you also to put public investment into that. And I feel like you can't have it both ways so the increasing the value of the properties already is happening through the far increase, that's one of the key things appraisers use to value property. It will be increased through the, the, if cx were to be granted, and then any project that we want to do that the public needs to be involved in, going to be putting more money in because of something we granted and that concerns me greatly.

Katz: You mentioned successful projects already in the west end. We heard a lot of testimony that nothing is happening in the west end. And yet there are projects like yours that have been built and other projects that are in the mix. What else has been happening in the west end that, where the zone is rx?

White: Well, the museum place project is the one that I know best, and it combines very low income housing, moderate income, affordable housing, market rate rental housing, and then will be complimented with high end condominiums, and so you get that rich mix complete with the safeway market and other ground level retail and I think you have got a pretty, very strong example of development there. It's just a couple of blocks from the cornerstone condos.

Austin: I would consider myself a pioneer who doesn't have -- [laughter]

Sten: Can I ask a question? There's been, you know, a wide range, I have also heard strong testimony that maybe as you keep a cx they sit on it forever and nothing gets developed so, I mean, the range of speculation is what happens under what, what is a relatively modest difference in zoning in terms of what you can build there, as across the map from both sides, you know. So I am struggling with that, that piece. But, I guess I have yet to find anybody who can give me objective evidence about the difference in land value between cx and rx. Do you guys have any? There's a

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lot of speculation but you know I think that old town is cx -- is there anybody that can give me a rule of thumb of what the different --

White: I don't have a rule of thumb. I was given -- I have talked to some appraisers that work in the downtown area. They have definitely said that the boosting of far will be a substantial increase to the value of those properties.

Sten: That's in both proposals, right?

White: That's correct. And so that's already a given. And those that I have talked to, while nobody has been able to give me a dollar number they have said that the, the changing to the cx zoning by making a number of much wider array of development possible is going to increase the value and the desirability of those properties but nobody in the limited amount of time I have had has been able to say here's a dollar figure.

Sten: I am really not trying to make a point but trying to explore this because I think both sides have be extremely liberal in professing what's going to happen, and I have seen a lot of qualitative apples but not a single quantitative analysis but I would speculate that, you know, if I could own, you know, a half block next to the joyce or half block next to the museum place, regardless of zoning I think the museum place will drive, which we are doing and i've been very involved in and proud of, values much harder than whichever choice we make so I just am trying to get some sense into that. I guess nobody really knows for sure.

White: I think that's accurate.

Katz: Further questions? Thank you.

Katz: Can I have a show of hands of how many other people are here to testify on this issue? And how many are still hanging around to testify on the transportation fee? Are you at all interested in this topic? [laughter] you are still here. I am going to -- I am going to let a couple of more folks testify and then have you kind of sneak in on this one, all right. Because it's going to be late.

Ian Slingerland, Community Alliance of Tenants, 7327 N Kellogg, Portland: I live at 7327 north kellogg and I am here today on behalf of the community alliance of tenants. The community alliance of tenants is a grass-roots tenant controlled rights organization with nearly 1,000 members and supporters. And I am here today because we have significant concerns about the proposals before you. Without significant safe guards, zones and other policy changes in the west end that increased development potential, and encourage new high market housing and commercial development will threaten affordable housing by putting upward pressure on rents and creating alternatives for owners of existing affordable housing. Current proposals will also make it more difficult and expensive for the city to continue to preserve buildings with expiring section 8 contracts in the coming years. I was going to talk some about how great the west end is now and what an asset it is to the people that live there and how planning, planning efforts or interventions need to focus on protecting the residents that live there and make it go a better neighborhood for them. But it seems like there's consensus we need to save the affordable housing in the west end so I am going to skip that part and move on a bit. And say that, that, that if folks are displaced from the west end, or continue to be displaced from the west end, I think it's, it's fair to say that there's no way they are going to find a neighborhood with, with the assets that the west end has for them anywhere else in the city. And so, intervention in the west end should prioritize protecting the residents, and I don't think that any current plans are set to do that. I believe that the planning commission's recommendations are far better than the original west end proposal, and even better than that, the west end steering committee's proposals, and the proposals of folks from the app. Planning commission recommendations at least set a goal of no net loss. Maintain the residential zoning that I would argue would make a difference. And again would point out what happened at

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the roosevelt was the initial desire to convert that property into a boutique hotel under believing that they could do that and only when they failed to be able to do that, was that converted into condominiums, and it's only speculation to say what, what could have happened with that property had there been more clarity in the beginning, that that couldn't have been turned into a boutique hotel. I think you see what the west end that was lost down on second and burnside which isn't in the west end, but, that the only property the city thus far has failed to save under the preservation ordinance, which has been a very successful, that that property was lost because the owner of that property had many options of what he could do with that, that, and part of the reason he had so many options was that that is zoned commercial.

Katz: Your time is up.

Slingerland: Okay, just again I want to say that there seems to be agreement we need to protect the affordable housing in the west end and I think it's clear that neither the west end steering committee's proposals or planning commission's proposals get us there and if there is agreement we need to save the housing, we need to come up with the plan on how to do that before we start intervening in the market in the way that accelerates loss of affordable housing.

Katz: Thank you. Go ahead.

Kerri Smith: Hi, I am kerrie smith, and i'm a resident of Portland. Before I begin my testimony, I just would like to say that there were a lot more advocates here and many tenants who really wanted to testify, so i'm not sure how this works, but i'd like to suggest that you have a continuous or some other opportunity for them to come. It was very difficult for many of them to get here, and they were disappointed that they had to go, but many of them have disabilities, including medication times, so I will just leave it at that. So i'm here today to encourage you to commit to a no net loss policy, financially as well as verbally. I want to convey how critically we need affordable, all the affordable apartments which exist in the west end. I work housing specialist for a mental health care company and I see the need every day for more housing, affordable at zero to 30 fmi. When I work with clients to find a plausible housing plan, which is not an easy feat by any means. Low rent, low income renters in the west end who access mental health services are currently holding their breath to see what plays out in the mental health redesign with the county. And now the city council is considering a proposal which creates more instability in their lives, neighborhood and their housing. I urge you to empower and support the low income renters from the west end with a guarantee that their homes will continue to be safe and stable. The current proposals are inadequate to make that guarantee. The city should commit to appropriate funding sources, sufficient to guarantee non, no net loss of affordable housing, as a condition of any west end policy changes and I would like to permanently take the kafoury pledge to help by any means necessary. In closing i'd like to present a petition from over 100 extremely low income renters who receive services or live in the west end expressing their concern over this proposal and several letters from concerned consumer advocates. So, I will leave it at that.

Katz: Let me understand, both of you are asking us basically not to do anything until this issue is addressed. Is that correct? I don't want to put words in your mouth.

Slingerland: Right. I'd say that's correct, that we think that there shouldn't be intervention in the west end, and policy changes that will accelerate the loss of housing. Either under the planning commission's proposal or under what we feel is the west end vision committee proposal, until there is a plan, a realistic plan and commitment to save all the housing, and that plan should include both public money and regulatory tools that help preserve existing housing and put some of the burden for preserving or replacing the housing on the people that are going to benefit from changes in the west end.

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William Younger, 1515 NE Fremont, Portland: William, live at 1515 east fremont, Portland resident, very concerned about the issues here today about the west end. [inaudible] I am very frightened for the change to the common people of Portland, I am concerned about the average person who can't afford to live many places, you are saying we don't care about, well, when you change it to commercial, they are saying that, because I think there has to be a guarantee that the people will have a place to live, and that there will be places all over the city for people to live and what I am hearing, I think, is that not the backing behind it strong enough to continue that.

Katz: Thank you. Thank you.

Katz: Of those of you who plan to testify, can you stay here, just a little bit longer so we allow three or four people to come in and talk about the transportation fee? Can you? I know you have waited a long time. All right. I don't want to lose you. Because we lost a lot of people. All right.

Mark New, Principal, Real Estate Services: I am mark new, a principal of real estate services, we are a brokerage company that specializes in representing retailers, local and national and regional retailers throughout Oregon with an emphasis on downtown. I will focus on how the existing conditions of the west impact the retail environment and what the opportunity can be for retail. Let me start by saying I generally support the planning commission's west end recommendations, except that I believe the area north of the salmon should be rezoned to cx. The west end has a direct and substantial impact on the downtown retail. I look to the potential of 10th avenue, and you get very excited about what can happen there on a retail basis. Can be a shopping street that extends the retail corridor to connect the pearl district, cultural district, museum, and Portland state. Capitalize on 100% transit intersection. Can offer the kind of store inventory that is most appropriate for kind of independent retailers. If downtown comes to an abrupt end at 10 and 11 as it does now, there is no activity to the west, the retail will suffer substantially. This part of the problem with the galleria. Retail is all about location and retailers like to be in the middle of it. It is all about shopper experience and is retailers like to be in the active and vibrant areas. I was looking at three blocks from the gallery to powells and there is miles apart. Not the number of steps with the experience along the way and that's han experience that doesn't work for retailers right now. A lost opportunity. We strengthen the trade area by allowing the west end to develop into a mix of uses with ground floor store fronts and positive pedestrian experience, if we built commercial and residential density we can link the areas. Downtown, pearl district, cultural district can establish a relationship, that strengthens the downtown experience and enables it to compete more affectively with the regional malls and shopping areas we need to compete with. As it stands the status quo is pretty dead. Potential retailers are not looking south in the brewery box across burnside, rather they are looking north into the pearl district. We are unable to get development between downtown pearl, these areas will end up competing to the same dollars and it's not an effective competition. Retail is attracted to dense mixed use neighborhood, employees provide traffic during the weekdays while residents provide business in the evenings and weekends.

Katz: Finish your thought.

New: In closing, the promise of moving forward has been just that. The rx zoning in place since 1970s is not work and go we need to jump start this to get people excited about being at the west end and beyond that to make this all work and make us able to compete with the suburban areas.

Mike Schwab, Administrator, Portland Clinic: Mayor, commissioners I am mike schwaab, the administrator at the Portland clinic. Portland clinic is between taylor, yamhill, 13th and 12th. This month we are celebrating our 80th birthday of being a west end tenant. Unfortunately, or

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fortunately, I wasn't there at the time, but I have been there for 28 years. I participated in building the building we are in right now, and at that time, there was no rx zoning. So, it was a lot easier to accomplish things. We have got a few issues with regards to, and we are in favor of the west end steering committee's proposals because of the business we are in. We have a lot of pressure to move to the suburbs from our people, simply because of ease of parking issues, transit issues, and so forth. We have between 350, 400 patients that come to our place each day, and they are in various stages of ability to get there. Some of them come in care cars, some of them drive themselves, others can use transit. Our parking is an issue for staff and others. And so it's important for us to have a zone that allows us to grow and develop in a way that needs to be done. Large clinic in town failed last year, taking a lot of doctors out of northwest Portland area. We have been asked to help serve that area. We need more space. We need to do it on our current location. Our building occupies half the block. The other half is a two-story structure parking. When we, and we're own and had operated by physicians, okay. When our physicians select partner owners to that property, they are looking for good docks, not looking for landlord capabilities. It takes a lot of focus of their attention. They have no time to focus on anything else but medical care, and so we very strongly support the cx and think it will help us with our growth and development having housing tied up in our property is unacceptable, both for parking and just for overall management.

Katz: Thank you.

Robert Sylvester, Dean, School of Performing Arts, Portland State University: I am robert sylvester, dean at the school of performing arts at psu. I am on the board of Portland center stage, Oregon symphony as well as the app advisory board and chairman of the district council. We support the planning commission's west end recommendation provided that incorporates the west end steering committee's amendments. Let me also say that I am truly disappointed by the lack of regard shown by the bureau of planning and planning commission to Portland's cultural campus. The cultural district along the south park blocks is part of an adjacent to the west end. Contains an art museum that experienced an incredible renaissance and yet is only beginning. It contains one of the oldest and most respected of state historical sites. The district has the largest concentration of performing art venues in the metropolitan area, as well as the largest concentration of churches in the region. And next door is the largest university in the state with the largest school for the arts in the state. And let us not forget nearby elements lining the old church and central library. These blocks draw over 1.5 million people a year and doesn't count the university, library or churches. The synergy created by this concentration is enormous. For downtown to lose the synergy would be disastrous. It is gradual and the potential to lose one or more of the cultural district's anchors is enormous. The historical society toyed with locating in the pearl, obd moved across the river. Opera is in goose hollow and other groups are anxious to find their own space. Narrowly defined the problem is tough, such as parking. We all support alternative transportation, transit service does not provide the level of service for the evening and weekend attendance peaks. Parking is at a premium in the west end in the evenings and yet no one seems to worry. At best we are presented today with a proposal that allows half the existing parking resources to be preserved. Narrowly defined it is tough, such as land use procedures and conditional use requirements. Being a conditional use in a residential zone is pretty clear. We can be as long as we do not disrupt the residential enclave. I am here to say that a successful museum or performing arts center draws a half million people or more in a year and has spin-off effects of parking, restaurants, and commercial uses. In a positive sense we do disrupt. In the broader sense with the zone and go related regulation, you are sending the message on a land use basis, you would like the art museum,

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symphony, theater better when attendance was less. Much less disruptive in the neighborhood. You were sending the message there is no place in the cultural district for more culture. You are saying that it would be good thing if the historical society moves to land zone cx and housing is built on its current site. You are telling the performing arts group looking for a new home that they should look on the east side where the land cost, zone and go parking are more accommodating. The message is, not to look around the cultural district.

Katz: That's, that's -- thank you. Are you folks keeping track of all the comments that need to be discussed?

Katz: We'll take a break for the smith. I don't want any of the housing or the folks here to deal with the planning commission testimony to leave. We'll do that at 7:00. On my watch it is 7:51 so go ahead.

Katz: Go ahead.

*****: We were trying to present this as a panel.

*****: So the three of you are a panel.

*****: Jacob, and Brent.

*****: I will be out of here in a minute.

Katz: Go ahead. You go and then we will bring the panel.

*****: Thank you, Mayor Katz. Thank you, Councilman for being very nice staying late and listening to us. I have worked --

Katz: Identify yourself for the record.

Norm Costa: I'm sorry. Norm Costa, and I was going to just represent myself as a chair of the round table but there are other things I'll bring up in a minute. Actually, I came to talk about the triangle being designated as a gay area, and I still think that that's very possible. I think it would be great. One of the reasons why I want to do that is that there has been, has been a cultural area for years, and it's safe. We -- I worked, I have worked with the Portland police bureau in bias crimes for quite a few years, and when we get out in other areas of the town, we have bias crimes committed against the queer without question. But, in the interest of justice, we would never want to do this if we would displace any housing. I think that's really important, and also what I'd like to get into, but I wasn't going to do, is that I was -- exception to 1999, I still do two days a week, I do case management, HIV prevention. You have central city concern there with the acupuncture clinic in that area. You have the alcohol treatment in that area. Those things people don't like them but they are very necessary, and this is a city that cares. And I'd really hate to see people displace those places being priced out in the city because we do care. And so please keep that in mind that, although the cultural things are really important, also caring about our own is very important.

Thank you.

Katz: Thank you. Is there a third panelist?

*****: Jacob.

Katz: Come on up. Somebody start.

*****: Yes, pardon my nervousness, the only other time I was in front of the council was when I was an intern, is a.

Katz: Identify yourself for the record.

Jacob Brostoff, 831 SW Vista #104, Portland: Jacob, live at 831 southwest vista, apartment 104, Portland. And thank you for having me up here to speak with you this evening. I'm Jacob, transportation advocate for 1000 friends of Oregon and student in the regional planning program at Portland State. I'm speaking today as a private citizen and not for the coalition for livable future. I've spent a lot over the last two years of my life researching, writing about and advocating for the

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west end residents, businesses and patrons. I have co-authored two studies of the west end and working on a third study to complete my final research requirements if my masters degree. And I want to make it clear I spent this time on the neighborhood because I deeply care about the neighborhood. That's why I am interested. I don't own property in the neighborhood. I am a renter in a different neighborhood, and I really care about this neighborhood as such. I want to talk a little bit about the contributions I feel it makes to our city and I want to encourage you to act in a way that will build and strengthen the contributions. As you know, the west end is home much of our affordable housing, but also many of downtown's small locally owned businesses, social services, and the region's largest cluster of businesses oriented to bisexual minorities. The west end has many of the things we say we want in a central city neighborhood. Copious and free transit. Has a good deal of pedestrian traffic throughout the day, has affordable homeownership opportunities. And has 24 businesses, the super and a restaurant, as well as neighborhood shops and services. So in many ways in my mind, the west end is a successful example of a central city neighborhood. It arose organically and I think that's great. I think that everything has to be plan and had implemented by the city. When organic successes arise in a city we should celebrate them and strengthen them. For the past 30 years the city has made a commitment to having a residential neighborhood there. Before we have the residential zoning on the west end, apartments that were affordable to the low income folks were rapidly demolished to make way for the parking lots that afflict the neighborhood currently. When the zoning, before the zoning was rx, the predecessor -- predecessor, it was the privilege lent of ex. I will let the other folks speak to you, the issue of the importance of the burnside triangle, bisexual minorities but encourage you to maintain the existing zoning, recognize and promote the triangle as a district that serves the sexual minority community, preserve and support the west end, building upon some strategies that came out of the 2001 psu study, and create a viable funded and enforceable long-term affordable housing and production strategy that holds new development accountable for displacement and does not depend on certain future funding and with that i'll be quiet and answer any questions and hand you my testimony afterwards.

Katz: Jim taught you well.

Brostoff: Thanks, he did. [no audio]

David Krause, Land Use Chair, Downtown Community Association: So, I live at southwest 12th and jefferson, I am the land use chair for the downtown community association. The dca and I am speaking first on their behalf. The dca voted on the Portland planning commission's west end recommendation with the emphasis on residential, rx zoning and the west end steering committees, amendments to that proposal with the emphasis on commercial, cx. On june 19th. Almost a unanimous vote the dc supports the west end planning commission's west end recommendation with the exception of above ground parking structures. We disagree with the west end steering committee's amendment that proposes the entire -- opposes the zone between 10th and 405, rezoned to commercial. Dense truly diverse community opportunities, housing opportunities in the west end support the grossed of the commercial districts already in place. Look at page 24 of the west end recommendation, states clearly less than 12% of the net area of the central city is in housing designations and the corresponding zones. There is roughly 400% more land in the central city zone for industry than for housing. The west end is the smartest place to encourage a truly diverse high density housing stock. You have the psu campus bordering south of market, the cultural district and the park blocks, the only 24 hour entertainment district in the city, burnside triangle to the north, access to free transportation downtown, the new streetcar opening in july, downtown's only 24-hour supermarket and restaurant and the commercial districts at your doorstep.

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The dca believes the Portland streetcar will drive the market more desirable for the residential development. There is already the museum place, mosaic and other projects in the works. Dca recommends taking another look at what the city council adopted in 1996. The dca's residential plan. The dca does not support above ground parking structures or serve as parking lots. The west end recommendation will allow placing 750 service parking spaces and structures to encourage the redevelopment of surf parking lots. The provision is limited to a maximum of 250 undedicated spaces per project. This means three very large aboveground parking structures in the west end with 250 parking spaces. This is unacceptable to the vitality and connectiveness of this community. A city that can remove and express the waterfront can put parking I couldn't understand underground and on my behalf --

Katz: Because you are representing a group of people who live in the downtown, you live in the downtown, right?

Krause: Yes, I do, and I work down there.

Katz: Is it all right with the council to give him an additional two minutes? Go ahead.

Krause: From a city that works, a truly diverse dense neighborhood with the 24-hour public transportation system, imagine living and work and go playing in, what is necessary is a bold vision for the west end, the triangle to be saved as a sexual minority district, and request an advisory committee be created for this neighborhood. The removal of all service parking lots, whatever it takes, to remove these dead zones I request, as well as a citizen's advisory committee taking on parking lots in the whole city. The parking lots should be phased out of existence. Give the property owners five years to clear the asphalt. Then make it a park or a high tax should be placed on the derelict lots. We need to go beyond what we know a great city to be without forgetting and creating stimulating, substance, and beauty that will last. I will do whatever it takes to create the most livable downtown in the world. Please contact me to support the neighborhood. And the telco hotels, there is something on stark between the streetcar lines, between 10th and 11th that I am very, very concerned about.

Katz: I heard some rumors in the community. Do you have any additional information on that?

Dorig: I just know that in July, the building of panorama is being sold and telco hotel is planning on going in there and I don't know what that looks like, but there is the pittcock blocks across the street, which is beautiful, and a huge dead zone, and --

Katz: I was going to raise -- I didn't want to raise it now, take time from the testimony, but I was going to raise that issue with, with Gil, as well, because we did things in the Pearl district to prevent that from happening on the street line and we need to -- we ought to consider that here.

Saltzman: Question. I have a letter from the dca that indicates you support the west end steering committee's plan.

*****: I have never seen that.

*****: I don't even know here.

Katz: Thank you.

Item No. 768. (testimony continued at 7:07 p.m.)

Katz: Let's invite the transportation fee folks. Don't move. We think it's wonderful you are coming on one issue but you have to listen to another issue very important to this community.

Jim Abrahamson, Chair, Public Utilities Review Board: I am Jim Abrahamson, the chair of Purb, in addition to the comments we submitted on April 25th, additional concerns and issues have surfaced at 11th hour changes have been made. Let me preface by saying my comments should not be construed as a tax on businesses who have successfully negotiated reductions in their fees. This

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unfair fee should be reduced and/or eliminated for all businesses and residents. That said, the recent reductions in fees for some groups of high transportation use, customers have made an already regressive fee more regressive and unfair than before. When this fee was sold during public meetings pdot would point to a table that showed the high monthly fees paid by the downtown hilton, the safeway at jefferson and mcdonald at grand avenue as evidence of the fairness of the fee. I wonder how the audience would react if they saw the same table today with hilton's fee dropping 62%. Safeway fee dropping 54% and the mcdonald's fee dropping 83%. The bottom line is that a larger proportion of this fee is falling on single family residents, renters and small businesses. There also appears to have been a dangerous compromise on the use of the trip's methodology. This fee was supposed to be based on the demands that each resident and business placed on the transportation system, and trips is a widely accepted analytical methodology for determining the sources of transportation demand. It is my understanding that fast food restaurants have been moved into the same category as general restaurants. That means the mcdonalds with a dedicate parking lot pays the same fee as a comparative size restaurant with no dedicated park and go certainly no drive-through window. This sets an extremely bad precedent. It appears the city has made decisions regarding the usage of the trip's methodology that may be regretted as we move forward to develop commercial stormwater charges on the basis of the number of trips generated, having compromised here it may be harder to hold firm there. With no sunset date and inflation adjustment, the fee looks more like a permanent tax rather than a generator of emergency revenue needed to pay for a defined backlog of transportation projects. I hate to return to this but the process that has led us to this decision has been very poor, indeed. Lastly we ask on behalf of the city's rate pairs that the council resist the temptation to place additional fees such as this on the utility bill now that the smith has opened the door. Thank you.

Allen Pliska: I am a resident of northwest Portland. The reasons I oppose the fee are, as well as. The issue without question is of such monetary significance, it must be referred directly to the voters in my opinion. Considering the defeat of the state gas tax at the polls, a referral would be doomed to defeat and probably accurately so. Our council members then truly represented, representative of its constituents if it supports the fee? Gas tax dollars have been directed to projects of questionable value in the past. The one example literally close to home is a school crosswalk, made permanent in the use of 27,000 in gas tax dollars, converted from street maintenance. The only observable difference from the original is a, a pair of wheelchair ramps, one of which curiously lines up with a 50 some step public staircase. Once again, the bulk of the burden I am also a small business owner, the bulk of the burden is allocated to business properties. Certainly, the logistics of such a proposal says it would meet with less opposition by tax, I am sorry, fee disproportionately, the business community. But the council must consider the longer range detriment of disincentives toward business to locate or, perhaps, more importantly, to remain in Portland. In terms of raw equity, a temporary increase in the per gallon automotive fuel tax would be much more fair and avoid further incumbering, fully incumbered water department. I believe traffic calming is an intended funding objective, no small part of the proposal needs to be reassessed -- it needs to be reassessed. I have observed too many situations where calming devices inadvertently derive the opposite affect intended. For example, traffic circles intended to slow traffic on northwest 25th avenue at marshal and overton, intersections I pass every day. Intersections cause approaching vehicles to aim toward justifiably intimidated pedestrians. I have also been such an intimidated pedestrian in that case. Intimidated pedestrians, unfortunately, chanced attempting a crossing north or south in the pedestrian areas, as a car was approaching. Timing is everything. Traffic calming is implemented by Portland and more specifically, it's

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resulting in traffic diverting character has, by my observation, created far more victims than beneficiaries, contrary to the recent Oregonian article which stated that it was, was a very popular perhaps, and it may be, but have to consider that there are a lot of fallouts and the reason is because of its diversionary nature. Portland's traffic calming program reportedly was instituted through the encouragement of dan burden, a national figure on the subject. I heard dan speak at vancouver recently and among other things, he emphasized the need to provide lighting where they are used for speed bumps, he calls them humps but he's seriously discourages the use of humps as a last resort. I think he may be a little more contemporary in the recommendation of traffic -- I have no tolerance for speeders, but I am very opposed to the diversionary nature of traffic calming devices. Now, dan also in his --

Katz: Your time is up. So finish up.

Pliska: Okay. Streets, pretty material, streets, and sidewalks, people in cars, he refers to, to, he mentions in reference to hutches, however, they can create unwanted noise and shift the speeding problem to other streets in the neighborhood. Often the same residents and this is pretty material, asking for their installation are the ones asking for the removal of one year later, don emphasizes traffic calming must be approached on a neighborhood basis to avoid its traffic diversionary character.

Katz: Thank you.

Brainard Brauer: I am brainard brauer, resident of southwest Portland, and I was watching the news this morning and there was some comment that mayor Katz agreed this to be a day of reasoning. So.

Katz: Don't go there.

Brauer: But my comments in regards to, to this matter, and i'm barely learned, you know, very much about it, at this point, is that we are faced with a question of how to increase revenue to pay for our streets. And I understand the need to increase revenue, which figured only from the gas tax has clearly been declining. At the same time, it is admirable that the management staff of the street maintenance organization, from the city of Portland, have made due with relative reductions over the past years. This is specially true in light of all the additional costs, added by aspects of street calming devices, specifically, I speak to the inclusion into the street maintenance budget of the resulting landscaping involved in many of these devices and select neighborhoods. In regards to the question of adding a tax or fee as some prefer to call it, to our water and sewer bill, I fail to see the reason. Perhaps some would argue that the fee will go towards watering the landscaping involved in the street calming devices. Well, in this case, let's call it a fee for watering and maintaining landscaping and street calming devices. If the fee tax is simply for roads, again, I fail to understand the reason. The gas tax is represented to go towards roads and that makes sense. How can we do this, do on this day of reasoning, add a fee or tax to the water bill for something other than the cost of delivering and disposing of water. I suppose we could wait for another day. We already paid a largest part of our water bill for stormwater treatment for which this council may need to be more accountable to all of us. We pay this amount in the hope that one day our river will be cleaner. Please do not reinforce the slippery path of hiding fees. I emphasize hiding, that appear to have no reasonable relationship to the services provided. Perhaps some property tax dollars now going towards favorite projects, this council is, is undertaking, should be redirected, or let's put in, put the whole part in front of the voters. Please use this day of reasoning to reflect. Thank you.

Katz: Thank you.

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Katz: Are you on the fee or planning, planning, that's what I thought. You are the last one -- no, there's two.

Jim Edelson, 415 NE Mirimar, Portland: Mayor and commissioners I am jim at 415 northeast mirimar. As you may know I have been in constant contact with your staff, since this was introduced. Most recently a sent a 7-point fax to each of your offices why smith is bad tax policy. My conclusion in that fax was that smith has gone from bad to worse. I would like in my limited time to concentrate on two points. This tax policy is contrary to and will make harder to achieve both your smart growth objectives and your global warming goals. Why does it run counter to your global warming and smart growth objectives? We have to look at the formula, itself, in section 17 of the ordinance. It's composed of a rate and a unit. The rate is based on it, trip generation numbers as we heard. But as you know, since then you have nullified the most extreme trip generators and reduced their rate by over 70 -- 70%, so now we have a distorted number whereby a business that generates less traffic will pay a higher rate. And what, what do we multiply that by? I quote from the ordinance, per thousand square feet of developed use per property. What is the definition of density? Develop use per property. What you are doing is you are taking a politically determined distorted trip generation rate and multiplying it by a penalty on density. This is exactly contrary to your other objectives. On the residential side, states that smith does not consider the location of a residence or, or the number of vehicles. What that means is that whether you drive a truck, whether you go ten miles or 40 miles or whether you weigh 100 pounds or your truck weighs 40,000 pounds, your residents pay the same rate, no relationship to wear, tear, and use of the roads so in summary, I would like to say that the smith proposal was counter to your global warming. It penalizes densities. Excludes parking lots, and thereby rewards their development -- it does not reflect in any way to the transportation system wear and tear. I believe that you cannot have been presented with a more poorly designed transportation funding proposal than a smith before you, I urge you to vote no and not set a precedent for the rest of Oregon in this poorly designed rate structure.

Patti McCoy, Columbia Corridor Association: My name is patti mccoey, rep the columbia corridor association, association of approximately 29, representing 2900 businesses in Portland's columbia corridor. Our comments will address several aspects of this street maintenance and improvement fee. First the premise of the fee. Second the process being used to adopt the fee. Third, the proportionality of residential based versus nonresidential-based fees. Fourth, projects will be funded by the fee and fifth placement of projects in the budget, itself. First on the premise of the fee, the columbia corridor association recognizes that the city of Portland street system is suffering from escalating deterioration and additional transportation revenues are critical to sustaining economic growth and viability. Hence, we support the premise of the fee as a viable short-term strategy. Moving onto the process being used to adopt the fee, we understand the events that have led the city to its current position. Admittedly you are where you are with your budget and you must move forward. However, we do ask that in the future the city makes the process for adopting any new source of revenue more open and insuring it engages the public in a more formal review and comment process than what has been offered in this process. I'd like to note that we do very much appreciate the involvement that charlie and vick engaged with the business community in the presentation presentations and I don't want that to be forgotten in light of that previous comment. Next proportionality of the residential-based versus nonresidential-based revenues. It appears all trips -- let me say at one time it appeared all trips were treated the same with no offsets for passby and diverted trips. Methodology I think used in the transportation sdc, and one that should be used here, perhaps. Further in recognition of the percentage of revenues generated by

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business, and I don't know how this scopes out with the changes in the last couple days with some of the business segments treated differently but in the initial proposal, 60% business and 40% residential. The Columbia Corridor Association would fully expect the transportation projects that directly support business and economic development would receive their fair share of the fee revenue. Moving onto projects that would be funded by the fee, the association supports your intended outreach program. We further would like to suggest you engage in the community in project development and project selection criteria. The association wishes to be actively involved with the city in all facets of Smith project selection, again, criteria selection project development and ongoing list refinement. Placement of projects in the budget, itself, is the final issue we'd like to comment on. There have been some legitimate confusions expressed within the community that portions of the fee revenue were to be applied to items outside the transportation budget.

Complicated explanations, ultimately cleared up these misconceptions for us and I'd like to thank them for that for helping us to come to that understanding. When it was revealed certain transportation project services are, and I'll put this in quotes, "purchased from other city bureaus." an example used here tonight is parkway, media landscaping performed by the parks bureau. We are now satisfied the funds received under this ordinance will be then for dedicated and had exclusive use on city transportation system maintenance and improvement projects. We do, however, suggest that confusion might be avoided if in the future, if in future city budgets, no transportation expenses appear in the gem fund, nor in any other budget lines and all project expenses appear in the transportation budget, where they will then be properly matched to their corresponding revenue sources.

Katz: I understand what you are saying.

McCoy: Not only clear up our confusion but probably a lot of phone calls to Vick. As a final note and this is my last comment, we believe, and this is not so much a comment but just a technical observation, we believe that technical implementation will present some challenges for the city, and I'd like to note a few examples. One, multiple use code categories, lots outdated and the fact there is not only a direct one-on-one match to water bills and finally long-term leases that will prevent building owners from being able to distribute their fee to tenants for several years. Thank you very much.

Katz: If you are volunteering to help us on all those.

McCoy: We are, actually. I won't say we have solutions today and I know you don't, either, but we would like to be actively engaged in helping to solve some of the problems.

Katz: If there is nobody else here to testify on this, and with the council's indulgence, we can, we can listen to Vic Rhodes next week. All right.

Hales: Unless you want him to respond to --

Katz: Vick, is there anything you want to respond, or Commissioner Hales do you want to respond to anything you heard?

Hales: We might want to get a quick response from Vick for some of these issues. So, I know we have got to get back to the other hearing, maybe take a couple minutes if you could. While he's coming up, I think it's time for the council to sort of -- pie favorite 400-year-old quote, in Vic Rhodes' honor because this is the guy who crafted this wonderful or terrible thing. [laughter]

Hales: This is 400 years old, people. It must be remembered that there is nothing more difficult to plan, more doubtful of success, nor more dangerous to manage than the creation of a new system, or the initiator as the enemy, than those gained by the new one. Welcome back.

Vic Rhodes, Director, Office of Transportation: Vick Rhodes, office of transportation. Let me quickly address this, I don't want to turn this into a debate about traffic.

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Katz: We're not going to do that.

Rhodes: But we have over 400 requests for that and the number one concern you all here, is traffic intrusion and speeding. With respect to the late changes we made in the rate structures, we heard from the lodging industry, the lodging industry said that they were running somewhere around a 35% vacancy rate. We took a look at that and agreed the rooms don't generate trips and therefore we have got to, got the number of trips by a rolling average, five-year vacancy rate for the hotel-motel industry. With respect to retail the item manual cited does classify two different sizes. You have your smaller stores and then what they call superstore. We looked at our super stores in this community and they are multifunctional stores. Within those stores are pharmacies, flower shops, sometimes home improvement centers. Obviously, grocery, sometimes clothing and all those kinds of things. So we agreed with the retail community to consolidate and create just one category for all retail uses. Also greatly simplifies the issues that patti was talking about, in terms of building this thing, technically as we go forward. With respect to restaurants, we did the same consolidation. Consolidated the fast food restaurants with all other restaurants, and frankly it's a little difficult to discern what is a fast food restaurant. Chinese takeout, pizza, or is it just burger king. And then finally with respect to auto dealership, or excuse me, gasoline dealers we consolidated all auto service delivery functions into one rate category, and that includes things like your tire shop, your quick lube and your gas station. Those are the changes made, the net result is a \$3 will you know reduction --

Hales: 300,000? You said 300. You mean 300,000?

Rhodes: Annually.

Hales: You said 300.

Rhodes: I'm sorry, 300,000.

Hales: Out of --

Rhodes: 11.3. One other comment with respect to the global warming issue, we did not intend to set a price point. If we were talking about a price point with gasoline, we were talking european gas prices and I think that's lewd russ to assume in the united states of america. We are wedded to the automobile but secondly, how are we spending the dollars? We are spending the dollars on a multimode transportation system that makes transportation accessible and easier to walk, bike, and not take the car to work. So I think the multimobile aspect of this is important to recognize on the spending pattern and also point out as commissioner Hales did earlier, 5/6 of the revenue in transportation will still come from gasoline and truck taxes.

Hales: Thanks. Any other questions for vic at this point? If not, then thanks, vic, and we'll see you next week because this will come back for second reading then, if the council has any further questions, we can ask them then.

Katz: You do have a substitute, so we need a motion to, because that's what we'll come back on second reading, we need a motion to substitute the substitute.

Saltzman: so moved.

Katz: Is there a second?

Francesconi: Second.

Katz: any objection? So ordered. Thank you.

Items No. 764, 765, 766 and 767.

Katz: Let's return to the hearing on the west end then, please, karla, and call our next three people.

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Peter Frye, Schlesinger & Companies: My name is peter frye and I am here representing the schlesingers and companies, and I am going to deal with the parking issue alone. When we got involved in that issue, we did not support the, the west end steering committee's proposal or the planning bureau's proposal regarding the parking. At this point, though, we find the planning commission's recommendation regarding the surface parking lots to be acceptable with one amendment. It is our belief the preservation parking pool is sacred, and rather than getting into technical details at this point I think we'll just have to accept that religious concept at this point. The preservation parking pool is sacred. And so if the city wants to clone surface parking as undedicated commuter parking in the west end in order to have the property owners of the west end convert their surface lots to development, fine. But, call it what it is. Do not corrupt the preservation parking pool into a dedicated commuter parking. So, what we have done is we have taken the planning commission's recommendation and we have met with your staff and pretty much find it acceptable, what we are proposing, which is to modify the zoning code language, and that's been provided to you, to take the 750 parking pool that you are in this language diverting now to the preservation parking pool, into undedicated parking, and keeping it as a dedicated commuter parking as an incentive in the west end to convert parking. And we also did take the initiative to talk to state agencies which is directly impacted deq, and we have submitted a letter from deq that concludes that our proposal to create a new 750 parking pool for this purpose would not trigger a formal sip amendment. So, that's the testimony. We have our letter, and we have our language and we have the deq letter. And thank you very much.

Katz: Thank you.

Jan Wolf, President, League of Women Voters of Portland: I am jan, president of league of women voters of Portland. The downtown plan describes our city core as a retail center with the residential area at its western edge. We hope that vision will guide the decisions you make today. The league supports the planning commission recommendation to maintain residential zoning and increase commercial development opportunities in the west end. The city must zone for what it wants because the market does not always deliver the desired end. In this case, housing. As we learned in the river district, the wrong zoning places a city in a weakened position and forces us to bargain for what could have been acquired at no cost. The west end steering committee's proposal on the other hand will force residential developers to compete with commercial developers for scarce land at the peril of existing housing units as well as new ones. The proposed affordable housing fund will not be adequate to replace even the housing loss to conversion or demolition. Much less, add to the affordable housing stock. For every 34 housing units lost, only one replacement unit could be built at a cost of \$85,000. The proposed urban renewal district comes with no guaranteed funding for affordable housing. Recent experience suggests that urban renewal districts are not good vehicles for achieving affordable housing. We strongly question whether the west end qualifies as an urban renewal district. We do not see the need to divert tax revenues from our schools and other essential services to spur development. The west end is developing as we speak due to the advent of the streetcar and market demand. Many of the improvements called for are more appropriately funded through lids or similar financing vehicles. We see no need for public subsidy of market rate housing development. In fact, we call for a reexamination of the downtown property tax abatement program. If affordable housing would not otherwise develop, we would support targeting the city's share of increased tax revenues in the west end for that purpose. By using our scarce resource to say fund projects that truly need public subsidy, the city can go far in achieving its goals. Finally our city's critical shortage of affordable housing will be exacerbated by the west end steering committee's proposal, and even the planning commission's

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recommendation falls short. We recommend the addition of more guarantees for the preservation and increase in the number of affordable housing units. We must make every effort to provide housing options for all citizens.

Katz: Thank you.

Theresa Flowers, 1019 SW 10th Ave., Portland: I am theresa flowers, and 1019 southwest 10th avenue on the corner of salmon and 10th, and my building is that white one down there by the "y." this is going into my 17th year that I have lived down in that building, and I have seen many, many changes. I was disabled, well, still disabled but I mean I was in a wheelchair, as you know, from coming here before, but I just feel as if the changes that I have seen made me want to help out with the housing. I am the chairperson for the test, housing task force with elders in action, and I am also the advisory board for northwest pilot, and I am also with the dc actual. And so i've become very, very involved. And when the roosevelt displaced all these older people, seniors and disabled, it just made me sick to my stomach, and I just decided that this, somebody has to stand up for the seniors, and the disabled, and down in our area, it is so wonderful to be able to have all the facilities for us to go to. We have the library. We have the museum. We have safeway. We have all, the arlene schnitzer's, you know what I mean.

Katz: Performing arts center.

Flowers: Yes. So we have everything right there available to us, and now that I am out of my wheelchair, I mean, it's wonderful for me just to get on a bus. It's so wonderful to just walk up those steps and say, you know, look at me. But I just feel like a reborn person. But I do feel as if I would not like to see it go to cx and I really feel as if this is very, very important that we keep it and adopt the no net loss policy for the housing. I am so afraid, mayor, that, you know, if it goes cx, that they say, they say well, you know, we will take care of all the people that are low income, but i'm afraid that we're going to have to be buying tents and you will have to buy areas for dignity village over and over and over, so this really, really frightens me.

Katz: Thank you.

Steve Karolyi, Chair, Portland Chapter AIAS Urban Design Committee: My name is steve, I am the current chair of the Portland chapter of the aias urban design committee. Before I get started I will blaze through the first page here because I think you heard it before. I have important points to make in a second. 2137 northeast 14th avenue. The urban design committee is a volunteer group of architecture and urban design professionals and citizens who share an enthusiasm for quality urban design. We are also passionate about urban living. We are here to offer our professional advice in the hope of shaping a world class neighborhood in the west end. Our committee strongly supports the concept of high density mixed income residential neighborhood in Portland's west end. Such a neighborhood would contribute to the success of the entire central city. A large residential community would not only support downtown's existing retail, restaurants and service oriented businesses but make additional business more viable. A large residential presence will create a 24 hour community that enhances security for all in downtown. Finally a successful residential community will give many the option to use alternative means of transit, reducing regional congestion and pollution. The downtown plan recognized the benefits of a residential neighborhood in the central city. We think the planning commission's west end recommendations enhance that original vision by encouraging mixed use while retaining the residential emphasis in the neighborhood. We are not convinced that the proposed amendments submitted by the west end steering committee will ever achieve this vision in the west end. We also question some of the steering committee's basic assumptions about the health of the west end and the reason for its malaise. It has been promoted by the steering committee that because of

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residential zoning, the west end has language behind other districts in the city. Yet, areas within the west end do not languish. There are vibrant areas within the burnside triangle and surrounding the intersection of southwest 10th and morrison. While these areas may not meet the standard for success used by a national retailers, they house successful businesses that contribute to the diversity and excitement of our downtown. It is instructive to compare the character and uses in these vibrant --

Katz: I will ask the council indulgence, go ahead.

Karolyi: Instructive the character uses in these areas with the areas of the west end that do languish. The areas are characterized by continuous building fabric containing street level retail and restaurant uses which have always been allowed in the rx zone. The areas that languish are instituted by surface parking lots. We believe it is the existing character of the west end, large gaps in the urban fabric and the deadening effect of surface parking that has failed to attract the residential development from the district not the zone. We also have serious reservations about whether housing will ever be built in an area zoned for commercial use, comparisons to the pearl district are simply wrong. The comparison would be the commercial uses that are allowed already in the west end. The west end lacks the pearl's unique urban character and most importantly lacks an agreement to provide housing. I will summarize right now. 30 three years ago all of downtown was on the verge of languishing. Almost no one live here. The plan of the residential neighborhood in the heart of downtown was an act of vision and faith it has taken 30 years to construct an environment that people find attractive to live in with the activity on the north and the south, and the connection with the streetcar, we feel the west end's time has come. A radical change in the course now will risk turning a potentially world class neighborhood into simply another shopping district. Thank you very much.

Sten: I go back and forth on the question of, you know, is it analogous or not. How would you view old town as an analogy because it seems to me there is some simulator of a mixed flavor and is now starting to take off residentially. I don't have an answer, just curious how you view that.

Karolyi: Well, I think the successful urban neighborhoods in this city, and I am speaking of northwest 23rd, southeast hawthorne, the pearl, all share a similar characteristics in that there is urban fabric there. Buildings, existing buildings, which define the street and have enabled various uses to come in and renovate and create an interesting engaging streetscape. And the character of the west end, though, it contains some, some architectural gems, simply does not share the same, the same potential that the more successful neighborhoods.

Sten: The reason I am asking, because I found your testimony very compelling is, because I think about old town versus, you know, the south end of the west end is, is reasonably dead at various hours of the day there parts of it that are very builtout and have a lot of residential. And they have some ground for retail but it doesn't feel lively and will there is not a ton of development potential in some of those areas where we have built a lot of stuff and I would not buy the argument that's because those are low end housing unions I think it is because there isn't a ton of stuff that happens 24 hours a day and I compare that to old town and it's alive at lunch with people who work there, but it was languishing residentially and starting to come on residentially and I think this building going in will sell and you will have a lively mixed use so that's the feel that attracted me more to allowing a little more flexibility through a cx with the restrictions, so that's I didn't made the old town analogy because the parts of the west end that don't have jobs seem to be dead at certain parts of the day, so, do you have any sense of how you view that thought?

Karolyi: I really thought about the comparison to old town. But I think the pearl district is an incorrect comparison.

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Sten: I was trying to find one that I thought was analogous.

Karolyi: And I don't think you will find as many -- surface parking lots do create almost a black hole in the urban fabric and I don't think you will find as many surface parking lots in old town as you do in the west end and then combine that with the institutional uses, the churches, where, you know, there may be, they may be used during the week but they are primarily used on one or two days a week, so they are all, they also really take life out of the district, so I don't think it's a fair comparison to compare the west end with old town.

Sten: The west end where it's builtout housing meet your test?

Karolyi: The areas near psu? I think so, and those areas are more active. But there is still some pretty big gaps, too, and I think it's important that there be a mixed income district.

Hales: Let's take your point, just another minute, let's grant you are right and that the reason the west enhance slept through the biggest real estate boom since 1905, is the environment there, not the zoning. What's it going to take?

Karolyi: We do support the recommendations. However I think some strategic projects that could begin to fill those gaps in the fabric, could get the ball rolling so I think this is an excellent example, and I really believe that, that given the availability of property and if this succeeds, if the brewery blocks succeed I feel the rest of the neighborhood would succeed, also. You need to get the ball rolling. The neighborhood really has to gel.

Hales: Thanks.

Francesconi: Follow-up on that because I was going to ask the same question, so what kind of strategic projects. Commercial projects?

Karolyi: Mixed use projects.

Hales: And they would work in the rx zone?

Karolyi: Well, like I said, we support the west end, we support the planning commission's recommendations, which would allow a greater mix of uses.

Hales: Let me take it up to a level of planning principle for a second. One of the reasons I was troubled by this whole debate is that I think you should plan for what you know for rather than plan as the process of walling off what you fear and we do some of each, you know. Residential zoning is basically r-5 and 10, basically created to wall off what we fear. We don't want a mini mart next door on the residential street but if you want a great city you have to plan for what you know for. Well, doesn't cx better fit the character of the district that we hope for? I realize it creates things we fear, creates the possibility of things we fear. But doesn't it better fit the character of the district that we're hoping for there?

Karolyi: There's a risk that, with the zone change to cx that you would never find the amount of residential development that would really create what I would hope to see, and that, again, is a mixed use development or mixed use neighborhood with a residential emphasis. There is no guarantee that that will happen. I don't believe that the market will necessarily create that, you know. The market has created cities like houston and atlanta, so.

Hales: But the market also took the pearl district with cx zoning or ex zoning and built a lot of housing.

Karolyi: My two, my reply would be there is a housing agreement that actually requires the housing to be built, and that the urban fabric itself is more attractive for people to live in than what we have now in the west end.

Hales: All right. I take your point there.

Sten: On that and I will get off, but is it your belief they would have signed an agreement to do a type of use that wasn't the most economic? I mean let's face this development agreement they

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signed an agreement, I voted against that agreement because I thought they would build housing anyway and that's why I think --

Karolyi: They may have built housing anyway.

Sten: That's the economic use.

Karolyi: Yeah. Once you get an agreement that somebody will build housing on the west end.

Katz: And provide green spaces.

Sten: I just don't think -- it's a development agreement that's driving them to housing I don't think that we have that kind of --

Karolyi: I understand. It would be very difficult. You could put a sunset clause on the change of zoning if you should --

Katz: We'll --

*******:** And evaluate things say after five years.

Katz: We'll get to that.

Saltzman: Did you say your testimony that the aia considers southwest 10th and morrison the type of vibrant urban corner we should aspire to?

Karolyi: I believe, well, I believe that there are some -- there is some activity at, at the intersection of the streetcar and on 10th, between the governor hotel and the library, and, and it's low density, but my only point was that not all of the west end languishes and where there is ground floor retail is succeeds, and the rx zone allows ground floor retail.

Katz: Thank you. Anybody else? Karla? Lang wish lang wish did she call chris?

*******:** He was out of the building. Keep going. Chris, come on up.

Chris Kopca, Senior Vice President, Downtown Development Group: Good afternoon, I am chris, senior vice president of real estate for downtown development group. That's who I am representing today. Wearing different hats like everybody and I will probably talk about other hats. But, I would actually prepared some remarks, I think candidly most of my remarks have been made by other people and it would be redundant for me and for you to go back over those. I'll submit my testimony to the auditor. I thought I might ramble until my time ran out about comments made, and my observations about some of those comments. A lot of us are talking about development, time and go markets and it's interesting I just came from our design commission before coming here, and we had a one case on the commission agenda, which was assigned and candidly the last couple meetings haven't seen a lot of new projects. We have had projects because they have been, there has been some contested issues but you can feel the momentum taper off and you want to capture markets and momentum. And it would be unfortunate if we took extended months to resolve these issues only to have missed development markets. We have made tough decisions maybe right decisions or wrong decisions but the fact of the matter is by the time we get done the market is not there, whether it's the financing market, demand, supply, desire market, all those components that create development, and i'm going to submit to you that you ought to try to make the decision now. You ought to not forestall it or take more time because those windows are only so big. And we have missed, and even in good markets this area has been passed by and we need to find good markets to help create some inertia. It's -- I thought a lot about projects that required public assistance. I am going to submit to you that I don't think there's a project in the west end that's gone without public assistance in 20 years. I am going to submit to you that I think there is a little dancing going on here for the best I know that even the new projects that talk about no public assistance are using property tax abatement, that includes the mosaic, set up here and said we don't. The new project on jefferson uses property tax abatement and in some cases where pdc has a program that goes to the buyers, of these condos, it is public assistance, not going to the

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developer but you are involved in the projects and the notion of our having turned the market on the west end, we are now going to see projects that happen without public involvement, I think, as a misnomer. Look at the museum project, it's, those were sites that once had project proposals which without public assistance as they work through the numbers and through the market, they have got public assistance, so i'm going to submit to you that we haven't turned the market as far as some have suggested. I want to leave you with a different vision about the fear of commercial development. It's all speculation. People speculate commercial will dominate this area if you zone it cx. I'd ask you to think about the kennedy building in the pearl district. There's a project where a commercial building went in. It's in a residential area, most people believe they talk about as being residential and nobody says all of a sudden the housing opportunities are gone. Most people say the kennedy building is a great project. Will help support the residential character of that area and fulfill the goals and I submit that that's the same thing that will happen in the west end with some of these commercial buildings. It's not a flood to change the whole character of the area. It's some balance, some energy, please remember that, that even the steering committee's proposal does not zone everything from rx to cx. I think it zones about 40%. I may have my math wrong but, it still leaves a lot of rx zoning and thus an rx character in that area. I don't think you are going to lose the rx character, and if you add with it the other financial incentives like property tax abatement for housing, housing tax credit proposal that's in with the steering committee, possibly some key public improvements, particularly streetscape that might have a residential character to them, I don't think you need to fear about the changing from residential to commercial. I think you will see some mix.

Katz: Your time is way up.

Sten: I am trying to push on everybody, let me ask you, I think the one thing that kind of lacks in the steering committee's argument is any specificity in terms of, nobody that's come forward said here's what I will build if I had cx, what, what would somebody build, preferably in, taking out permits in the next 12 months?

Kopca: I guess i'm going to be as unspecific as everybody else, erik. It depends I think by location. I think there's some --

Sten: Pick any location.

Kopca: I think if you pick Portland state, for example, the 12th area it will be residential. If you pick, I happen to be involved, I don't have an ownership interest but I represent the ownership on the union pacific block, north of the galleria, it could be either. The dilemma we face there, and I think ken spoke to it pretty well, is and the mayor spoke to it well, it's a signature block. And what you really want is a signature building and development proposal and I was thinking back to a project, I worked on for pdc, when I worked for pdc, and happened to be on the coin center block, and it was by a gentleman named bob, who many of you know, a very respected developer in Oregon, talented person, and we got a proposal that was premature, and it was a very good proposal. Had seven cinemas and some office and retail and did a lot of good things but just too early a project for the area, and sometimes taking the best parcel with the biggest site and the most opportunity and looking at it first as what will you do with that block because now we made this change, I don't know if you want to rush off to pick the prime site. First you will look at porter blocks. You will look at quarter and half blocks and I don't think those sites are office. You don't see people build quarter block office buildings much because the window --

Katz: Why do you, if it's not going to be office, so why do you need the cx designation?

Kopca: Because I think it will bring some mix on like full block sites possibly. It will bring possibly on half blocks, not quarter blocks, I don't think. It will, you see some half blocks, if you

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think of pacific first federal and broadway, you can begin to build over the neighboring building that might have used both directions so, you know, your window line and bay depths may start to make sense. I think you will see it more as infill, and that's what I think you will get out of the cx. I don't think you will see a whole residential projects or a mass of, a massive change in character. I think it's, I think people have gotten to sort of the book ends of discussion not the real middle of the discussion in terms of what will happen.

Hales: Let me make another run at that same couple of same questions. And that is let's say in the next five years, chris, let's talk about your companies' properties, if the council were to change the zoning to cx, plus or minus some other stuff that might go with it, are you likely to propose buildings on any of the parking lots given the changes that are in front of us i'm not asking you -- it's market, but are you liking -- likely to build buildings on the parking lots?

Kopca: Those issues of zoning tie into the other issues of the parking that are part of this proposal. Where you can rebuild those surface spaces into structures. I think if that part of it happens, I think it is quite likely we will see an effort to redevelop those properties.

Hales: Second question, are any of the buildings likely to be fundamentally parking structures?

Kopca: No, I don't think so. I don't think there is enough demand for just parking. Every project has economics. Parking does, too. Some people don't think it but it does. And you have to charge well over \$100 a stall a month to get there. City enters into a program, a discussion with the downtown community association a couple years ago about opening up parking in the west garage for parking at night, and when they got to \$40 a stall, the discussion was too expensive so if you have more housing up there and the housing has to subsidize the price of its own parking to park in the building, and I don't see people, I don't see it becoming a reserve or a reservoir for a commercial district. You can build parking garages as people have in conjunction with the buildings. Melvin marks is doing it with the hilton hotel. Building parking for that project in conjunction with other commercial projects, I think you will see it happen more than way than you will free standing garages.

Hales: That gets me to my third question.

Kopca: I must be feeding you.

Hales: Also my last. Do you think the incentives that the planning commission has proposed with respect to underground parking instead of this particularly obnoxious solution that we have seen in the last couple of buildings, not the last couple, because fox tower did it right, but are we more likely with these, with these changes, are these changes good enough that we'll see more fox towers and less. [no audio]

Hales: Something for us to take into account.

Kopca: I'd like to say yes but I think the answer is probably no.

Hales: Appreciate the honest answer. I want it to be good enough that we get that.

Katz: Thank you.

Francesconi: A couple questions. Are you going to build residential?

Kopca: Where?

Francesconi: In the west end if the zoning changes?

Kopca: I expect that we will, yes.

Katz: When? [laughter]

*******:** Could you be more specific?

Kopca: I don't have an answer. Candidly, maybe some people here have thought this decision was a foregone conclusion. We certainly haven't thought it is. So we haven't taken the next steps to talk about what sites. We consider this to be a very open and honest discussion of council about

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what's going to happen and there was no sense about get out in front of our skies. I am the only one who thinks it isn't one way or the other.

Francesconi: I have it ask these questions because they are out there. Are you going to hold property and just wait until the market justifies building just office?

Kopca: No. Absolutely not. What -- that's not our intent at all. We are big supporters. My office, we are big supporters of housing, the dilemma we have been in, I think most people have known, is we would like to build market rate housing, true market rate housing as opposed to publicly assisted moderate income housing. [captioner break] [captioner break]

*****: I apologize.

Katz: No, you and I will have an opportunity to talk about it.

Saltzman: One quick question, you mentioned the momentum window, how, how long do you believe that momentum?

Kopca: I don't think we are in the depression so I don't want to leave anybody in that. I don't think it's there but, but, but it's a combination of markets, you know, a finance market, a demand market, there's a desire market for people to do things, and there's, you know, with that comes a frustration market in terms of people saying, i'm tired, going to go away for five years and come back with my land, and figure out what we do then, and candidly, my office is probably part of that latter group. We have been pushing on four years, we are exhausted. It's going to be easier to say, we'll just, if it doesn't happen we'll just wait a while, you know. We can probably cover our holding cost, not meaning this in a threatening way, just reality about what happens and what we have got is some real interest. I mean you have the principles of my company coming to see you and talk about the west end coming to talk about projects, and I think it's a real interest, not a passing interest or discussion. We'd like to do something up there and make more of our land, not losing money on the sites we own but we can probably make more money and make a fair return if we can find a market that will work. And again, the only place where we may part company a bit is we are trying to push on broadening the housing market in the west end, looking to do real kind of market rate housing, that's where we would like to go with it, and it's probably the most difficult of all to do.

Katz: Thank you.

BJ Seymour, 1405 SW Park Ave., Portland: Madam mayor, and members of the commission, I am b.j. See more and I have lived in the west end at 1405 southwest park avenue, since 1978. I was on the board of the downtown community association when we first started talking about the streetcar which was then called the trolley and one of the points made was that once you had rail tracks in the street, that that's permit. You can change a bus route any time, but once you have got tracks for a trolley, that's going to stay there and that's going to, to affect development in the immediate vicinity. We are hearing that rx zoning hasn't worked because nothing is happening, and we are one month away from the time we are going to have the trolley running. And what I would urge is that you give us the one month without making those changes in zoning, and see if people don't feel sparked to bring housing to the area. Thank you. That's my statement.

Eric Van Doorninck, Octagon Development Corporation: Good evening. My name is erik, I am with octagon development corporation. I am, I guess, one of the three that we talked about early on. I have a planned tower project on the old benson site. I have been waiting and paying attention to what's been going on for well over a year on this. I have testified at the commissions. The situation that I have is that the tower that I would like to build is a small floor plate tall tower because I truly believe there is a market for, for a mixed income, set of units that would be affordable at the base of the tower and as, as you rise up in the tower, you sell the greater views and

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you have greater values, and what, what essentially happens in the tower is that, that the units at the top that are obviously the most expensive have the greatest views, subsidized the development cost of the, of the rest of the tower that probably is, or it is actually less, it is below the cost of what it cost to build the first six or eight stories, are being subsidized by the top stories so what I need and how I have designed my building, is incomplete. Conjunction with the recommended amendments to the rx zoning, so I am not speaking today about, about changing the zone because I am not in that area. All I would ask for is that you don't delay as Chris said, there are markets. There is windows of opportunity. I think that there's a, an opportunity, I think there is, my units will, will start selling from about \$100,000 on up. I have about 50% of the units in my building, I'm trying to keep them below \$167,000. I have underground parking in my building at about .75 to the unit, and I think we are ready. I think we're here. I am a firm believer the weston is a great place. I at the west end as a community for --

Katz: The zone for your building is?

*****: Rx.

Katz: Thank you.

*****: With the amendment, the proposed amendments.

Sten: If I proposed a spot amendment and got three votes to make it cx would you switch and make an office tower out of it?

*****: No.

*****: Why not?

Van Doorninck: Because I think it's a great bedroom community.

Sten: I mean, is the rx what drove you to look at that as Rob Marciano?

Van Doorninck: I think the area has been, is underutilized. It screams of good quality, mixed income. High density development.

Sten: Tell me some of the other bonuses in the planning commission to be able to make that project legal?

Van Doorninck: Right, that are included in that, those changed.

Katz: You needed a larger far.

Francesconi: But you don't need the commercial tradeoff made by the planning commission.

Van Doorninck: No. I have 3,000, scheduled, or 3,000 square feet of retail in the base of the building so it's very little, you know. The whole building is, is 154,000 feet, so 3,000 is, is, 2%.

Francesconi: One other question I will have later for planning, is if you took out just theoretically, if you took out the commercial south completely, I know it's theoretical, what would you expect to get from commercial under the planning commission? South of salmon, if anything? You don't need to answer it now.

Katz: Questions. Thank you. Yours is, is privately funded?

Van Doorninck: Yeah.

Katz: Okay. Good. Thank you.

Amanda Fritz: Amanda Fritz speaking only for myself. I am here because I could not in good conscience stay home on an issue as important to that to so many of the residents, and thank you so much, you are bearing this very well. I haven't heard anyone --

Francesconi: That's commissioner Hales' candy --

Fritz: I wasn't going to share that but I did actually notice. I haven't heard anyone who is not connected with the property owners advocate for more commercial in the area that the planning commission reps for rx. And I think that if we want housing we should zone for housing. And the central city plan is pretty clear, as far as I understand it, and I came into this not knowing anything

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about this whole area. So, I feel like the kid in the new clothes and I don't understand what the benefit of changing the whole area to cx would be because I thought we decided that we wanted housing in this area. And I think the last testifier was very important because what we want is all kinds of housing. We want the upper and middle income housing as well as the low income housing. And to me, the only viable solution that, that I heard, as far as retaining the affordable housing was to mix it with the higher income housing by allowing the greater opportunities. One-third of the city's affordable housing is in this area. Or one-third of the central city or some such statistic, a lot of housing is in this area, and I think it's really important to keep it. The second question I have is what, you just asked commissioner Sten, what about the property owners want that they can't do under the recommended version? I have never heard an answer to what they want to do that would still maintain the housing. I think the planning commission's recommendation is generous in the increased commercial opportunities, by right instead of conditional use. Very generous and it's, in it's parking opportunities, including parking structures and residential zones, that's amazing to me. But, it may make sense because another of the things I heard was that something that's limiting residential development is the lack of parking. And so that was, that was the concession to that. This isn't a separate area. It's part of the central city, and we don't want all our downtown neighborhoods to look the same. We don't want them to be completely commercial, mixed use. We want some residential areas, and this is a particularly important area for the special needs housing, the single room occupancy, et cetera.

Katz: Finish your thought.

Fritz: My other thought was I really enjoyed the advocates for the cx zoning who said they supported the planning commission recommendation except for that. It's not possible to just change that. If you want to change that zoning you need to go back and look at the whole package.

Katz: I think we understand that. Okay.

David Berniker, 2508 NE 25th, Portland: My name is david, 2508 northeast 25th, and i'm here as somebody who served on the western advisory committee and i'm a member of the urban design committee, and i'm here to endorse most of the things in the planning commission's west end proposal. I brought some boards and I wrote this long thing and it's after hearing all the testimony, it's getting redundant, so I jumped to some of the thing I heard recently and kind of pick up on the boards.

Katz: Why don't you lift up or have somebody lift up the boards. After five hours, we probably want to look at pictures.

Hales: It seems like old times, david. [laughter]

Berniker: The purpose of the board is sort of help me sort of organize ideas and ideas sort of stem from wanting to look at the west end sort of comprehensively in the context of the largest city. It turns out wanting to address commissioner Hales, I have got a strategic project. If we look at main street, it took main street, some of the energy that's happening along the park blocks, sort of imagine bringing that up, main street to 12th using 12th as a terminus to go down into the residential neighborhood which is sort of described here. That might be a neat thing to do. You have three parking lots kind of going east to west at this point and you have it in close proximity to a lot of the cultural institutions. So there's an idea. In terms of some of the other things we are talking about, I think the, the planning bureau and the city has been very generous in terms of getting something to work for the developer. The developers couldn't do what we have been talking about here which is produce housing. Produce all kinds of housing, you know end, middle end, lower, more lower income. With the 8-1 and the added 12-1, you begin to get there, and I

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think it becomes, the design of that housing which is going to make this place really special, and wonderful. Bottom diagram suggests how the things might work, stepping down to 10th and 11th, which is where the streetcar is going to be. Sort of continuing that fabric as was described by Steve. I would add in terms of some of the bonuses, most important to me is the one about the parking below grade. I think you need to increase that. I think that is more real. I think increase it to 3-1 or something like that, and allow, and get the parking below grade. It's imperative to creating the street environment that we, that we really want, ultimately. A lot of the things on here, sort --

Katz: Keep going.

Berniker: A lot of things described on the board defines some of the larger ideas presented in the west end vision plan. The ideas on the west end division plan are right. I mean, they are talking about all the things we have been talking about all along in terms of creating a community and doing all the, mixed use community, a community for family, community with a varied activities. The question I guess at hand, and I prefer not to necessarily talk --

Katz: You may -- can they sit down?

Berniker: Sure. [laughter]

Katz: Do you need the boards?

Berniker: No, just, just, just sort of again, talking about, the only purpose, I want to just elaborate on is the fact that the plan you have seen has focused its attention on north, south, and these are saying why don't we look east, west. And we need to look at the comprehensively. If it focused on the housing at west end, but it's not housing in west end, the mixed type of housing that's going to serve the use of the -- the use going on in the pearl district, serve downtown, which will cut down on the vehicle miles traveled from people coming into the city. So, having the housing districts achieves the larger goals. Getting rid of that designation, I think, encourages or creates an incentive for something happening, the long-term I think you might begin to ask yourselves questions.

Katz: Thank you. Questions?

Hales: Appreciate all the work. Okay. Your turn. Can you hear me?

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

Katz: We need to get your name.

Sandra Schmidt: Sandra Schmidt, and I guess in a sense I live in a transitional housing, but in reality, I am homeless. By the way, thanks for taking your time to hear us all. The whole thing is, I don't get it. Why are we here changing what we have. I don't see why we need to. We have the trees, pioneer square, banks, pretty things, wild things, parks, I mean, I don't -- but that's not what my issue is. I am here for a selfish reason. I am mentally disabled. And I get panic attacks, and I get seizures, and I can tell they are coming on about ten minutes before I get them. And I also have a, have gore phobia, and where I live right now is in a transitional housing. I used to live in Gresham and southeast, but I ended up in the hospital too many times and they put me on this place, and I've been there for ten months. I don't know if you know what agoraphobia is, but it's where you don't want to leave your house and I am amazed that I am here, but I have my caseworkers that came with me. But I thought this was really important. It's important to me. I know that all of this is, like housing and you know, people are -- it has to do with money and you know, project, or progressive, all of that, but it has to do with my life. You know. I lived down here for ten months, and now I am able to have a life, and I live in a transitional housing and I'm on a list to move into low housing, and it's going to take four months. Now, this is the best my life has ever been. I have no home. I have no nothing. Have I run out of time?

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Katz: Yes, but finish your thought.

Schmidt: But I wanted to read you a list of the things I have. Can I read the list?

Katz: Go ahead.

Schmidt: I can take a bus or a max. I have availability to these things, if I live down here. The park, the pioneer square, the library, the mez, that's why I take classes, unity, that where I get counseling. Money management is where they help me with my money. Safeway is where I get food. Dso is where I get my food stamps, social security, is where I get my ssi. Good will is where I am able to go and actually buy some clothes. The bank is where they will cash my check. The hospital is where they take me to emergency. Willamette dental is where they are going to fix my cap. Doctor appointment, is at the west side clinic. The aa meetings that I go to, only a couple blocks away. So I don't have to preplan those. I can just, if it feels like I need to go, I can go. My case manager is right there, the post office is two or three blocks away. The bus depot, I can go to. The train depot, I can go to, and I just recently went down to california, and I was able to take a train if I had to take a plane, I wouldn't have gone. My friends are living in low income housing, and the Portland state is a college that I hope to some day be able to go to and the city council, we actually watch here. [laughter]

Schmidt: But, those are the things that, that that's, that's for me personally. It doesn't have anything to do with that. And I just don't want, I don't want to be afraid of not being able to have some projectivity, I think that's probably the wrong word, but, but my life is, is in hands. I actually have a life. But if you take my housing away from me, I don't think I will survive, at least right now, I mean, maybe with more counseling and all of this, you know. I'll get it together. But so far, i've got it together more than I have ever had it together, and I can go to all these places. I can go to all these places, and before I couldn't, for a year, I didn't leave the house. And now, I am on a waiting list but if, if the waiting list comes up, then I get to go to the place that's close, and if they take away the low income housing, I mean, all of these places, lots of places, so something is going to go, and is it going to be, you know, my doctor's place, my, you know, where I can, you know, go buy my own clothes. And it's only a bus ride away. So, you know, it's just like I don't know how to say it, but downtown I used to be terrified of but now downtown is my home. It's my own little, you know, and it's probably not right, but it's where I live.

Katz: You said that beautifully. Thank you.

Sten: You did a fantastic job, can I ask which building you live in? You don't have to if it's not comfortable.

Schmidt: I don't know, I don't know these are.

Sten: I meant the name of it. I can point it out if I know it.

Schmidt: It's the royal palm.

Sten: Okay. Great.

Schmidt: I live in the royal palm now. But, I was supposed to move three months ago, but it took three months to get on a waiting list and the waiting list is four and a half months long, so I don't know where I am going to move but, but if I move into this place three blocks away and it's right in the middle of all of this, you know, that threatens, you know, it's like that threatens my life. Because it's like if I lose it all, you know, if I can't live close to where my, my only salvation that I know of right now, i'm not saying it is, you know.

Katz: Do you know where your, your more permanent housing is?

Schmidt: Uh-huh. It's going to be at the, about three blocks away.

Katz: I think you are going to be fine.

Schmidt: But if you guys take the low housing away.

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Katz: No, no. I think this is another area, I think you will be fine. We are not talking about that particular area.

Sten: Let me just tell you it's clear that, that neither the royal palm or sally mcracken is in any danger at all. They are owned by the public.

Schmidt: If I don't get accepted into there and I have to move another place.

Sten: We have a huge shortage as you know from the waiting list of housing. I think there's lots of housing in danger, not where you happen to live so I think that your bigger point is absolutely correct. I completely agree with you.

Schmidt: If it is sally mcracken, that's not what we are talking about. But, I -- But I have a couple friends in the area that you are talking about.

Katz: Okay. Fair enough. That's why i'm down here.

Katz: I appreciate and you did a wonderful job. Thank you.

Schmidt: Thank you.

Katz: Okay. Anybody else?

Schmidt: I have got it all to myself.

Katz: Anybody else?

Schmidt: That's the end of the list.

Katz: Anybody's here want to testify? Okay.

Tracey Ritter, 3800 SW Humphrey Blvd., Portland: Good evening, good night, whatever it's becoming. I am Tracy Ritter, at 3800 southwest Humphrey boulevard. And I am here to offer some testimony as well as a little bit of historical perspective. Four years ago when app first started this whole process, I was the land use chair for the dca, and I became the president, as well. I can't speak for the dca today as I do not live in downtown, but the three appoints I did want to make was first of all, I wanted to congratulate the steering committee. I believe that they have gone out of their way and, in trying to be inclusive with the dca and everything that they have been doing from the very start back in '97. And for that, I applaud their efforts. Second, I wanted to endorse many of the ideas offered by the planning commission's west end recommendation. The issue about the, the middle income housing come up. I think a lot of the developers have been mentioning that there is a need for middle income to market rate housing. And the way the middle income housing bonus, as its written, does not encourage middle income housing but basically everything below 150 which means anything in the 30 below or 50 below can be built, as well. I think it's important to encourage the 80 to 120, that bracket which is southerly missing so that type of development does get built eventually. Finally, I would like to address the zoning. I think we can agree that the area is not fulfilling its potential at all. The river district was built on 40 acres of what was contaminated dirt, and didn't have any existing amenities and yet you have got the west end that has everything in its front door, basically. The cultural amenities, everything. And it just seems that the rx zoning has not done anything to spur the type of development that this area is sorely lacking. Basically I think the west end steering committee from the very beginning was thinking, well, maybe the cx zoning would allow that type of development to change, I mean, it hasn't happened so far. Maybe, maybe this actually might give it a shot in the arm that it needs. I want to conclude with saying that I hope that you are going to endorse the planning commission's west end recommendation. There is much in there that is going to help but as part of the solution it is essential you also vote in for the, the steering committee's amendments, which will hopefully allow these things to happen. Thank you. Anybody else want to testify?

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Katz: Okay. Come on up. All right. Why don't you, we heard a lot of things, I have jotted down some things that I heard from folks that have testified. I will try to check them off as you go through, and if there is anything you have left out.

Kelley: Why don't I take a crack at a few things and then I will answer any others, and rick may want to answer, too. But, I was very interested in the comments the young woman made a few minutes ago about the list of things that she can do in the neighborhood, and I think that kind of helped ground the discussion because it is at bottom all this discussion is really about how to maintain and enhance the sense of neighborhood. I think that's the common vision. And for all income levels, I think that's really the grounding point here, and I think we have got to keep that in mind. I want to tell you before I go through these other comments, and I think it's necessary to do more ground and go part of that, you will hear me sort of, I think kind of cream off some of the generalized statements you heard because I think it's necessary to get a little more specific, and even strategic here. I want to say before going into that, though, as your planning director and your staff will work with the entire group regardless of the outcome of your vote, including the app and landowners and housing advocates and sustainable development advocates, and residents and cultural institutions on the development strategy which I think is really the key. And I just want to say that regardless of your vote that's my duty to carry that out. But, I do need to sort of push back a little bit on some of what you heard. You heard a couple of people from the app's side, and again these are all folks that I respect because they can do some things. That we need to incessant capital in the west end and the way to do that is through cx. But look at the facts, please. Where are we seeing investment? Not in the cx that's presently zoned, we are seeing it in the rx. And those are the facts. That's where we are seeing it. So you don't need to do cx to incessant the capital.

Hales: Why do you think they want it so much?

Kelley: That's why I had hoped you would push back a little more on your questioning. Well, let me just get to one -- I don't know because I have asked these questions, charlie, over and over again and there is something here that is elusive. It's sort of, I struggled with this for months and I have had all the private conversations and public conversations and it is still elusive to me. But, I think that when jim Francesconi was asking questions about this sort of, well, will cx allow you to hold relatively more than rx, you got back have a very facile answer in which they acknowledged but it wasn't very deep because of the example you got back was, if I have a choice of building housing now and getting a return in two years, versus holding my property for 20 years to get an office building, just look at the number. Do the math, I think you said. I'm going to do the housing project, but that's not what the situation is. The situation is on many of these properties you have a current income stream. There is no reason to disturb that income stream for two years, hope you break even on a housing project in five to seven years. You know, for, for, hopefully a marginal increase in that income stream, you are probably more likely to hold onto it and say, i'm going to let the next generation build an office building or whatever when the market is, is better than the parking or the whatever income stream i'm getting there. That's the situation. You are not dealing with someone flying in paying market price for a new patch of ground and saying, okay, now do I do something in two years or do I do something in 20 years, that's not what we're dealing with here.

Sten: I mean, kind of, I think there's some difficulty, I mean, if we are going to get into making facts, facts and the people who own the land, I mean, you know, there is not a lot of those in the section that's being debated. The situation you described, there's the one across from the galleria, and then the other major block lots are still in our exit, under any proposal, so --

*****: Full blocks but less than full blocks.

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*****: A couple of half blocks but that doesn't quite fly with what you described. I mean, what I am finding --

*****: The same, it may not be exclusively parking lots, may be true for smaller buildings that are there. There is a whole set of things going on, as a landowner who held it for a while and making an income stream, whatever it happens to be from, you are less likely to disturb that income for a housing project, than you are to hold on for a while until other people develop their properties and you see what happens, and that's just --

Hales: Why would that be less true for an office building? I mean, it's difficult to tenant an office building in good markets.

*****: That's not what the question was about. Holding.

Hales: Well, holding for what? Eventually you have got to get a return.

*****: We were getting a return right now.

Sten: Has any, has anybody like say the development commission who doesn't have, have a pretty vested piece in winning this fight, done an analysis of what either your side or the other side is saying, is the truth of the market?

*****: Well, it's a very complicated set of ownerships there, and so there's a whole lot of, of.

Sten: Hasn't been a simplistic analysis -- because what I am struggling with, and you are one of them, gill, I am not trying it attack you is that people who I agree with are absolutely convinced that they are right on questions that I know they can't be sure on. Which sounds to me like, it's two sides fighting it out.

*****: What I am trying to do is --

Sten: Is there anybody who doesn't have a dog in this fight who could, who can answer it?

*****: I will answer that question. Because you are asking the right question.

Sten: It's not --

*****: People got so positioned on this so early, that the work to study and do the analysis has really not been done today which is I think why gill recommended doing the development strategy, answering those questions, and then coming back with a recommends, rather than, and the guesswork today.

Katz: Wait a minute. Give gill a chance to finish and then we'll come back.

*****: Well, the other thing you hear, I mean, I think it is, it is factual that the net investment including market rate is lapping in the rx zone. It is not happening presently in the cx zone. That much we know. We don't have to speculate about. The new investment in the west end that's happening is happening in the rx zone, not in, in the cx zone.

Hales: Tons of investment --

Katz: We're talking about west end.

*****: But somehow the burden of proof is that we have to prove that rx works. That's the existing zone and the existing zone is now producing a mixed income housing including market rate housing and much of it unassisted except for the tax abatement and the tax abatement has been applied in the pearl district by the way. So, if this is not unique, doesn't make this housing less market rate than the pearl district.

Sten: I think that is one, I am trying to think some of this stuff through pretty aggressively, despite all the posturing out there. I think that is one bar. The other bar is, you know, is it inherently true that having just rx make sense. Because it's not just about, you know, do you ever get an office building, I mean, so is old town cx, I am being serious is, old town cx?

Kelley: I believe so. Yeah. And I think that I was trying to move onto the mixed use question because there is sort of somehow a hypothesis that cx is mixed and rx is not. I think they are both

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mixed use. One emphasizes housing which is what everybody says they want in the west end and one emphasizes commercial. It's written very much if you look at the, at the intent of the cx, it's about downtown development. Mostly, talks about commercial. Doesn't actually mention housing, but it does mention a broad mix of uses. It mentions office, cultural, institutional, doesn't mention housing. Although it does allow for it. And I guess what I also think is true, is that those advocating for the cx zone unlike those developing in the rx have not come forward yet with a single proposal or a project saying, here's a project I want to do, and it can't work under the rx. The planning commission was quite willing to tweak the rx to meet those projects, including mixed use projects that came toward. And so they have responded there. And that's why I think the development strategy is the right way to go. What you are asking, potentially, is to change the zoning to rx, to sort of, and then send me in the new development director in there to negotiate a development strategy when you have already given the liberal zoning.

Katz: You meant cx.

Kelley: Cx, excuse me, and already given the liberal zoning how is it that then we get, that we don't have the increased leverage to get the housing that everybody says they want? [captioner break] [captioner break] [captioner break] [captioner break]

Francesconi: The other issue is, what resources do we currently have in tax increment and how should we allocate it? Maybe it should be middle income. Maybe it should be lower. I don't know, but I want some help on that question. The third thing is, is are there going to be resources either from the increased increment that would come from changing it, that could be dedicated or does that not make sense. That's the information I don't have that I need.

Kelley: That's why I want to do the development strategy.

Hales: How long is that going to take.

Kelley: We committed it to nine months, and, you know, so, and that's, that's pretty fast. The mid town park blocks and I would encourage to add the west end into that.

Francesconi: And the other is, and I can put this down in writing later but the other is this linkage idea. Commissioner kafoury talked about it, boston does it and the west end developers have put in, essentially, a linkage proposal, the question is, is it adequate, the answer is no, to actually build it but then the question is, how high can you go before you actually discourage the development, and those are questions I need independently analyzed, and, and I am trying to give some direction.

Kelley: And I guess, are those questions you would like analyzed so you can decide on the zone exchange are, or are those questions you would like to put into the development strategy.

Francesconi: I'd like to know the answers generally now because of your question about leverage.

Kelley: And I guess the other question is, if you are inclined to change the northern part, wherever it starts, salmon and taylor, yamhill, to burnside to cx, then you should let us know, given the description just read, what would you want added back into that district to meet your aspiration? If that's a more comfortable baseline than the older rx, which has been amended, what kinds of things would you like to see, generally, what would you like to see added to the cx than if we were to go that route that would meet your aspirations?

Hales: This is a process question, running out of gas, I think we are. We are all over the map. [laughter]

Hales: My day started at 7:30 with a meeting at metro talking about how we have exceeded, we don't have to expand the urban growth boundary because we exceeded the growth from what they projected. I think, what i'm, one reason i'm anxious to make a decision about this is I am fearful of

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losing the decision in a fog of, of, foggy process, so if we can get back to these issues, and make some decisions in a couple of weeks, not a couple of quarters.

Katz: Let me jump in. I've been very patient, did you have a question? Why don't you ask the question. I need to jump in and bring this all together. So ask your questions.

Saltzman: Okay. If the goal as at least commissioner Sten and I want to see is to get some money into preserving the placing, low income housing now, there's one way to reprogram money that's currently in the south park blocks but the other way, I think this could work, if the thesis is true that if you rezone the cx you increase -- wouldn't it make sense to establish the urban renewal district and then do the rezone and capture that increment as a way to really get more resources into the, the affordable housing? And the other thing, is what if we removed on the west overlay zone concept the affordable housing fund in lieu of it and simply stuck with each new development has to have 80 units per dead acre of site. What would you feel about that? And I guess i'd like to know what the they think about that idea. In other words, just stick with the 80 units per net acre under a cx context.

Kelley: I think that would, off the top of my head, would accomplish your goal successfully and accomplish our goals. Still some cx tweaks that would need to be done. Cx allows telco hotels.

Katz: I was going to say. These are the issues you need to run through.

Kelley: Full commercial parking structures in a way you probably don't want.

Saltzman: What about the idea of urban renewal and capturing the more, the more valuable increment under cx.

Michael Harrison: The problem is the south park blocks, urban renewal district is tapped out pretty much. It terminates in 2008. A change in zoning from anything to anything, isn't going to result in an increase in increment substantial enough to do anything, and that is the rational for the planning commission recommendation that the urban renewal district be examined.

Saltzman: Establishing a west end urban renewal district and doing the rezone and capturing that increment.

Harrison: It would make more sense to talk about doing a rezoning after you had established an urban renewal district.

Kelley: That's the logic but I think you would also want to look at what the boundary for that would be.

Harrison: Your vote on an urban renewal district is probably for the less than 30 months away.

Saltzman: 30 months?

Hales: Well, I think we can improve on that, michael. I hope we can.

Katz: Well -- all right.

Francesconi: We have got to be careful about urban renewal. I think we need to analyze this.

Katz: This council wanted a policy on urban renewal and the impacts since we do tithings now, it means not only an impact on our general fund regarding urban renewal but it means giving more money to the county. And we need to sit down and have that conversation, and I need to tell you that a lot of urban renewal money is going into the project sitting in front of you to get this investment moving the west end. There isn't enough money to do that and other projects and do what we all want to do right now. So, I just want to -- this is a fact, I wanted to get, to clarify that. Now, answer the question.

Saltzman: Do you agree with rick about if we did away with the in lieu of this would substantially --

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Kelley: I think what you do is you would remove the problem of, of development not being accompanied by housing, you still may want to have some flexibility for, for, for some kind of trading around of those development rights, which is what the planning commission tried to accommodate. I am not shush you do it in exactly the same way. But, I think you would want to, you would -- we need to relook at some of the far and other provisions that we made in the rx to make that work.

Katz: Where did you want to end.

Harrison: I just want to come back to the in lieu of. And the, legally you are much better off in the short-term at least in the current state of the law. In giving something for allowing flexibility in an rx than trying to add something onto a cx. If you have an rx zone, but if you give "x" amount of money or commit certain amount of property to development housing, maybe not on the site you are developing, you get a bonus of something, you are very safe legally. You move into some touchy, ballot measure 5, or 47, and a lot of other things could happen, to say you have cx zoning but we are going to exact something more out of you in terms of a contribution of something built or some money to something else.

Hales: Quick question. Can the planning commission consider cx in a planned district?

Michaelson: We considered cx in a planned district, but really came down to if the zone, no matter what we call, if the zone was going to have a housing requirement in it, whether it was the one proposed by staff it made more sense to call it a housing zone and allow other uses rather than to call it a commercial zone and then have people surprised that there was a housing requirement on it so rx, cx, just made more sense.

Katz: I guess the question is, does the council feel that the rx with the work that the planning commission did to give it more flexibility for cx possibilities meet your needs in terms of this west end district?

Francesconi: Well, but now just a minute ago the planning commission director, not planning commission, the chair of the planning commission who I have great regard for, who you said earlier that it was the best work he ever did, just said you may not have gotten it just right. I mean, and then that's probably --

Katz: The this is not a science, folks. [laughter]

Michaelson: We and you never get things quite right. Which is why we have always urged that six months to a year after adopting regulations to look at them again and tweak them again. We think we did -- I think we did really good work and created the kind of flexibility that everybody was looking for, in a way that, that helped you enter into public-private partnerships with the property owners in that area and make things happen.

Katz: I need an answer to the question before we move on, what you would like.

Saltzman: I need to hear from the steering group with doing away with the in lieu of. I want to know what their thoughts are on that.

Katz: If you think it has enough flexibility we can move onto the next step otherwise we are in a no man's land, no woman's land.

*****: Commissioner Saltzman I couldn't quite hear the question you asked.

Saltzman: When you established the west end overlay zone you have a requirement that new development on sites contained at least 80 units per net acre. And then you also have rather than doing that, in lieu of contribution, i'm saying what if we did away with the in lieu of contribution and stuck with the 80 sites per acre?

*****: I'd say stick with the rx zone because what have you done? Required housing project, and, I guess in a mixed use building, and I think the problem with that is, is that there's very little

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evidence that that works, very often. As far as I am aware, in the downtown area there's only two truly mixed use buildings, one is the coin tower, which, actually had worked on, as a consultant and that had some special circumstances associated with it. And now the, the, one of the pearl district whose name is escaping me at this late hour, and I apologize for it.

*******:** Gregory.

*******:** The gregory, so what you are doing by saying there must be 80 units an acre on the cx zone is saying you have to do a mixed use vertical building. Our argument is, is --

Hales: Why did you put it in there then?

*******:** Well, what we said is, you could do that, but if you don't do that, you can contribute money into the affordable housing unit so if somebody wants to do it and can do it, you know, god bless him, do it. But, to make that a requirement, we thought was going too far, and so what we did was provide an added sense of flexibility that also contributed into the affordable housing fund, as a way to balance those interests.

Katz: At 2500?

*******:** Well, madam mayor, that may be true, but you have got to remember that you can't make the down payment for doing a commercial building paying for an affordable housing project that everybody here knows you can't do without huge amounts of public subsidy, so we tried to come up with a number that would pay for the transition. I think somebody -- that would at least pay for the transition costs and without creating a number, that created -- such a burden on the property that, that whatever flexibility we added, we took away and then some. So that was the best we could do.

Katz: Thank you. I'd like to get to, at least begin to get to some closure before we decide to adjourn because we are not going to make any major decisions, I don't think tonight. I don't hear the council ready but I do need to hear, come on back, if the council feels that the planning commission's zoning of the entire west end providing the rx with flexibility for cx and commercial opportunities is enough for, for this council at this point or do you need or feel that there needs to be more?

Francesconi: I'll tell you what I want.

Katz: I need an answer to this question.

Francesconi: Mayor i'm going to tell you what I want.

Katz: All right.

Francesconi: And then you can decide if you want to pursue it. Because you have answered the question the way you asked the question. What I want is that option is clear, you have laid it out. It's the michaelson proposal, which you have just asked. And you modified. What I want in two or three weeks is if, if, as an option, if you switch to commercial with a housing overlay that has restrictions to make sure that some housing is built, so it's not held, can you do that, and I want also to have a low income strategy that, that includes an effort to get the land now to look at tax increment if it's to say what the mayor said, is it available now, what would it take to be available in the future, to look at analyze the linkage payment as to whether it can be increased on the proposal of the west end, that's what, so I can, I can measure these. Then, I want you to analyze both these, just other, the proposal and say it doesn't make sense or it's not good policy or it is good policy, and then I need to hear from you and I need to hear from pdc on this, then i'll make a decision, mayor. I'll vote, i'll vote for this one or i'll vote for that one.

Katz: Well, I don't know why you would want a housing overlay over cx when you have a housing strategy with, with a cx component. The question I ask, is it enough for the majority of the

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council for me, it's enough. I don't know if it's enough of a majority for the council. If it's not enough, then they can go back and figure out what else needs to be done. If it's -- huh?

Hales: Not enough for me but that's, that's one way to ask the question. The other way, I mean, I have been convinced in this whole discussion that we have been in this huge fight over the least important issue. And erik said much the same thing but I think, for example, the question I raised tonight about, is this parking incentive good enough. With all due respect to the process, we have a tendency to draft the perfect plan and then have it not work. Okay. Me, too. We just heard from the parking guy, sorry, chris, that the incentive we are trying to create to get them to not build any more buildings like 1,000 Broadway isn't good enough. That's more important.

Katz: To you?

Hales: To the health of this district than whether it's cx or rx. Okay. So, we have gotten this whole thing reversed from a very long time ago, and most of the people that are dug in on this, frankly I think, haven't looked at those issues as closely as, as the, who is winning and losing on the side show. So the side show is the real show and the real show is the side show. And if we could get -- and I am agreeing with what he suggested here, which is I think if we can get to a package of regulatory changes and incentives, it gets us what we want in this district.

Katz: I am going to ask a different question. Commissioner Sten. What is it that you want in this district?

Sten: Well, I mean, I think you were asking about the zoning.

Katz: No, it's bigger than that. Raised the issue legitimately of the affordable housing, he raises it legitimately on the parking.

Sten: Let me discuss the affordable housing for a couple minutes because I have had a lot of people pushing on me about this and I want -- the reason I filed with commissioner Saltzman the resolution at the last minute is when I looked at this piece, I honestly based on experience and I've been deeply involved in, in buying, replacing about four or five of the buildings that have gone, came to the conclusion that neither your proposal nor the app proposal will do much of anything to save affordable housing. I thought that was self-evident. What I found, and I'm not trying to point fingers, is that I think the affordable housing community, because the history of that rx zone is so dramatically one of people losing their homes, just became absolutely scare that had something worse is going to happen if we change things so the, so the devil you know is better than the one you fear, but it's still the devil if you live in one of these homes that's there so this resolution is really designed to basically put the question in front of myself as the housing commissioner, as well as the rest of the council and to be blunt, the business community because I was hoping to try and get some testimony from all these evil developers that people are thinking are trying to kick it out and say, yes or no, as a community, do we aspire to preserve or replace every single unit up there, so I would like us to make that commitment because that won't make it easy. And then everybody says that doesn't have any teeth. Well, there's been no teeth to the strategy that's lost all the housing for the last ten years so the idea is, let's make a compliment that has not been made to date and I will do my

Katz: All right. Dan? Just generally, not, not some specifics. We have got to give them some direction.

Saltzman: I think my commence echo erik's, his first and foremost, I am interested in seeing a strong commitment to preserving or retaining or rebuilding, replacing, I should say, affordable housing. And that being a re upfront commitment on our part under either scenario, so looking at that side for a second, I want to see that commitment made under any scenario. So, I guess I'm faced, as erik really said, you know, on the one hand I think we are asked to believe rx, I guess the

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backdrop of really having not worked over the past 27 years, that it's just around the corner. You know, give us another month, get the streetcar and all of a sudden, you know, things are going to unveil and I have to way that against people whose opinions, who are building, you know, affordable housing, who are doing, taking risk, building good developments in this city, shaping the city into a great city, are saying, they want the flexibility of the cx. And I am having a hard time, you know, figuring out whether I truly believe that, you know, the blossoming of the rx is just around the corner. Versus the opinion of people who I respect and I also believe they are not evil, don't have a hidden agenda. Truly care about the city, and I think it has been shown by their track records, so I mean, that's, so I guess, you know, I am sort of leaning towards erring with their opinion.

Katz: I will let you comment later on.

Hales: I agree with that, and I think, again, if we can make some of these other changes happen, like this parking incentive, that, that those will have a more dramatic effect on the realization of the district than the zoning ever would. Either way. And on the character of what we get, and I think actually, you know, the timing commission has done us a real disservice here not just in what you proposed and that we might need to make more effective, but also, just, you know, just getting people, you know, out of complacency, I think the real danger is not that we'll make the wrong zoning choice but that we would go from being complacent about the district being a haven for afford building housing because of it was zoned rx to be a haven to producing development by zoning it cx. It could still sit there with parking lots in most of it for the next 20 years. So, again, my frustration is, it's the other stuff, the pdc role, the incentives for, for changing parking lots into buildings, most of them housing, that stuff actually managed more -- matters more than the zoning and my first reaction to this issue, you know, formed and customized with a lot of information is still the same the zoning is not the issue and if changing it to cx will start making the right things happen, then that's the right move because 20 more years of this is not my vote.

Francesconi: I guess just one other thing I want to say, though, and I have said it but I want to be clear about it. I do think changing the zoning will help developing the area in more mixed use contrary to the opinion of my planning commission and director, and what a situation to be in, but having said that, I still think it does increase the pressure and the problem of low income housing, and that is the horns of a dilemma, so therefore, I need to know what commissioner Sten's resolution means, frankly, and what it would take to actually do because that is not clear to me, and that's where I need some analysis from planning and pdc, and I laid out the things, which I won't repeat, I just want to be clear on that.

Katz: Woe, woe, woe. I get a chance to say something.

Hales: One quick reaction I think it's up to us to make that resolution mean something.

Katz: Okay. But.

Sten: I can answer that if you want. It's up to you, I can tell you what it would take, I analyzed it. If the council committed to preserving or replacing all the units the advocacy number was right, it would be over many years, a 25 to 40 million dollars proposition and you can basically triple that number every time you have to replace, and so we would really have to step up very quickly and go out and you can finance housing over a long time. There is ways to get a hold of buildings, but you really have to go out and actively acquire buildings now, and honestly if the council was truly serious about this, you'd have to have condemnation on the table because not all the buildings that are at the heart of where people live are going to be for sale. You know, and that's what it would take, is that kind of -- and then what you would have to say is if you lose them like we are on the danmore, we will find a way to replace them. It would not, by of the manual nation taking

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anything like 9 urban renewal district but like the river district it would be probably in the range of 30 to 50% of the money the district would create and that's what's on the table. Those housing units are going to go bye-bye, period, unless we step up and basically invest about a third of half of the new tax policy that comes in there. And whether we do that through the general fund, bonds that we pay off, or urban renewal, that's what it would take us to do it. Probably the, probably be over 10 to 20 years so it's a multi-million-dollar commitment and to the extent, this is why I wrote the resolution, in that we don't make that commitment, then all of us are just talking about saving the housing.

Francesconi: Yeah, but with all due respect, for me to be able to know to vote that, I needed to know that, and then I need to have it analyzed by pdc and I have to know the tradeoffs and we have got to have that kind of discussion. Then I need to know, if we are really driving up the land prices, that make it more expensive for us to do all of those things. Then I need to know what the private sector's role is in this.

Katz: Well, that's exactly right. That is a conversation, and we are going to have that discussion on affordable housing. That's coming to the council in addition we need to have the discussion on the urban renewal areas, but commissioner Francesconi is right, without all that information we can't really make that decision. The other question is, if you are going to -- if you are going to change a section of this, this geography to cx, will that be driving the prices so that you aren't going to be able to achieve some of your goals or is it going to be more expensive.

Sten: The one thing, mayor Katz, that would potentially change my mind would be a development analysis, one thing I find lacking in this entire discussion.

Francesconi: I want to -- amen.

Saltzman: That's what we want to do. That's my frustration. I am really frustrated.

Sten: But there's not one that backs up your position, either.

Saltzman: Let's find out.

Katz: Excuse me I will have an opportunity to say something and I will ask our planning director who we pay a substantial amount of resources to give us his recommendation as to what we're going to do because everything you are asking him to do he hasn't done that yet because what's before us is something very different. So, fair enough, you can change your mind and that's -- we are here for five hours but we do need to get, to some closure and some understanding as to what he wants to do to get to all the answers that, to the questions you have raised. There are other issues that I think we need to address, and these are the small ones. Maybe for some larger ones. The parking incentives for below grade, and what kind of incentives and what those incentives would like. The telco issues, and if you want to go cx, what is it that you don't want to see that you can see, that you will get under cx zoning. If, if you have got to let them know that so that they can come back and say, yes, that's all fine we are going to tweak the cx, because we are not going to allow the following uses. There also were about 28 people who aren't here, wanted to testify, I don't know if that makes a difference to the council. At this point. So, now, gill, so you heard the issue. There is a commitment and there has always been a commitment on this council for affordable housing and for replacement. It is even in the planning commission's document. We do need analysis and we need a further discussion and at that point, Portland development commission folks need to, to be here. We have a new director of housing, coming here that will be a wonderful conversation to start with, and get it done soon. You heard the concerns even under the cx, and the notion of a development strategy, people need to understand what it is you mean by that, so what would you like to do?

Kelley: Okay.

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Katz: In offering everything you have heard.

Kelley: First what I'd like to do is, dispute anything of the notion, unless the bureau gets tarred with the brush of imputing the motives of the housing developers you mentioned because I respect all those people that you named so, we're not impugning the motives of any of those people, okay. I think that's really important to be said in a public meeting. The second thing is that we never assumed that a land use or zoning discussion, I think commissioner Hales is exactly right on this, would cure the affordable housing problem, all we said was we think, between the two choices, in front of you, the cx zoning does put more units at risk faster, that's essentially what we said. We didn't say, a zoning designation will forever protect them. My hesitation about the affordable housing concern, which is at the root of much of this, is not something that is going to be addressed, when we come back with this land use document, and frankly my personal frustration is that we have been, as commissioner Hales said, shooting at the wrong target the whole time here, that's been my principle frustration we considered this a zoning problem rather than a development strategy problem. So, my notion of the development strategy would be to analyze just those questions that you mentioned about how we protect the housing and how we incessant the right things to happen and how we make those agreements to have that happen. Given what you have said on the land use question I think it's advisable we come back to you in two or three weeks with a marked up alternative -- mocked up alternative in the cx vein for the northern --

Katz: And we also are going to have to -- you are also going to have to make change to the rest of the documents document.

Kelley: Correct and show you what works or doesn't work with the rest of the planning commission proposal and try to get at some of the things you mentioned, and you can, commissioner Francesconi said you can just compare the two choices and make that choice. I think they are going to resemble each other to a great degree if I am understanding your aspirations correctly, and then you will need to make, we can sort of walk you through the comparison, what are the choices to make there. I think it does merit some further look at the parking incentive thing. I think we were not, as aggressive on that as we, we might be, and it's good to hear honest feedback from at least one of the working experts on that question. But I think the incentive to get it there has its own policy ramifications and we'll need to look at that. I would suggest that we may or may not come back in two or three weeks with complete text ready to adopt but at least with sort of the outlines of the choices.

Katz: And we'll allow further testimony by the people who, who weren't here. I need to tell you what my choice is, which I stayed quiet. The more I think about it, the more I wish that we weren't even in this conversation in light of all the issues that all of you, including the council members, have put on the table. And I have learned a lesson from all of this in terms of how these documents come to us and how it drives our work without necessarily stamping back and looking, look at the bigger picture and some of the critical issues, so, meaculpa, we all learn that had and we better be sure we understand what we learn so we don't make the same mistake again. I think as I have read and as I listened and talked to gill and many of the other advocates from both sides, that the planning commission heard what the developers wanted to do, were very nervous at putting additional housing units at risk and added elements to the rx to allow for the flexibility that I think the developers in, in good acquaintances of mine who I also respect want. But when you look at who's doing the developing, in this particular west end, it isn't them. It's the folks that sat in front of you and pointed to the buildings and the buildings that they are working on and that's happening in the rx zone. So, there's -- that doesn't make much sense to me. These are the developers who are actually going to make this neighborhood happen, and they are doing it within the existing zone

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not even the tweaked zone that allows for commercial development. So that's my choice. I think we need to address the affordable housing issue. I have to tell you I probably know a little bit more about the resources and mechanics of all of that and that's going to be very, very difficult and going to take a very long time. But, that is our goal. Has always been our goal and is in the planning commission's report, as I said a few minutes ago. So, that's, that will be my choice. Gill is, I think, has an assignment that he's going to have to come back. I think gill, when you do come back, we need to have the Portland development commission come in to address the issues that were addressed by the council members. We will allow for some additional testimony, especially from the advocates and others who weren't here to testify, and then we'll finalize and make further decisions at that point.

*****: I have a procedural point.

Katz: Yes.

Saltzman: I do have some proposed additions to the action item chart. I have a scenario, with respect to the burnside triangle and the small business retention, is this the time to get those out on the table?

Katz: Before we journey wanted to go through the issues that we heard, and we heard both of those. We heard the issue of the gay -- I heard a lot of discussion using the term "queer." has that come back in mode now -- "qeer."

Saltzman:

Katz: Talk about a full circle. Well, all right. The gay lesbian, bisexual transgender queer, it's lard to me, district issue has come up and we need to have a discussion about that how we want to address that. We're not going to create it today but there is still a lot of work that probably needs to go into it. And you have some proposed action items on those issues. Okay. Hold that on, hold that for a second. What i'd like for you to do is, is, do you want to go -- how long is it?

Saltzman: There is just five of them. I could read them or hand them out or --

Katz: Why don't you hand them out because we'll come back and talk about that.

Saltzman: It deals with the issue of small business retention in the west end.

Katz: The west end, okay. Why don't you hand that out and give it to gill and we'll, we'll incorporate that assuming that the, that this is the direction the council wants to go. Rick?

Michaelson: A couple of comments or suggestions, really. And I would suggest that, that planning contact offices in the next day or two, the question isn't really cx or rx, the issue is there going to be a housing requirement in this area, if so, what the housing requirement is, and if so, is there a way to buy yourself out of it or trade yourself out of it. That's really what the choice is here. But, whether it's called cx or rx, nobody cares what you call it, it's what the rules are. The second thought is we talked a lot about the north end and south end of this district. So you said of salmon and north of salmon.

Katz: Yeah.

Kelley: The district really has three characters to it. South of salmon, taylor, from there to Washington, and the burnside triangle, come back with a better crafted answers to that, you may have different answers in each of the three --

Katz: I would tend to agree and as you said, whether salmon is the dividing line.

Saltzman: So where are we now?

Kelley: If you would like to take additional testimony, you might want to continue to time a date certain, rather than renounce, that brings up the whole --

*****: I think we heard the universe.

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Katz: We're going to have to take testimony anyway when you come back with the amendments, or whatever you want to do. Okay. You need how much time?

*******:** Um --

Katz: Are you -- gill, let me ask you something, are you planning to return that section back to the planning commission or do you think you -- they don't want it? You and staff will deal with everything south of salmon and make those kinds of changes?

Kelley: Yeah, there are very few changes I heard south of salmon. So those --

Katz: No, if you go into -- if you do the cx north you are going to have to make some changes south. That's what i'm talking about. You and the staff will do that. All right.

Francesconi: That raises the question and the question I raise do you take out the commercial bonus out to salmon if you switch it north? Do you have an opinion, rick?

Michaelson: We want to allow some commercial activity throughout all of this district and we want to allow that south of salmon. I think the thing that comes out is the housing credit piece of it, if the area north of salmon has cx zoning in it the housing credits make no sense. But the allowance that's in the code for 20% commercial and the 40% by conditional use -- at least the 20%.

Frank Hudson, Office of the City Attorney: Mayor Katz, if you are going to hold a hearing open to take further testimony the next time around, you probably should set a date and time certain.

Katz: That's what I was going to do.

Hudson: Okay.

Katz: So you need about three weeks? Karla, three weeks. What are we looking at? And let's do this. Without a large schedule.

Moore: 2:00 marquam hill, they asked for 90 minutes.

Hales: No, no, no, no. [laughter]

Katz: Sure.

Hales: 90 minutes, no problem.

Katz: Okay. [laughter]

Katz: Four weeks.

Moore: The 18th has tentatively scheduled a -- that would be another 6:00 p.m., noise control. If you move it to a wednesday, because thursday is --

Hales: Noise control, that's second reading.

Katz: Noise control is second. Are they going to come back with a few amendments.

Moore: 18th is a 6:00 p.m. Witness.

Katz: Don't put anything else on. So you have got a month.

Kelley: Okay.

Katz: All right. And if you can change people's minds in a month, so, so be it. We stand adjourned.

At 9:38 p.m., Council adjourned.