



CITY OF
PORTLAND, OREGON

OFFICIAL
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 18th DAY OF JULY, 2001 AT 9:30 A.M.

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

OFFICERS IN ATTENDANCE: Susan Parsons, Acting Clerk of the Council; Ben Walters, Senior Deputy City Attorney; and Peter Hurley, Sergeant at Arms.

Item No. 885 was pulled for discussion and, on a Y-4 roll call, the balance of the Consent Agenda was adopted.

Commissioner Hales left at 10:10 am

	Disposition:
<p>*875 TIME CERTAIN: 9:30 AM – Designate two Heritage Trees in the City (Ordinance introduced by Commissioner Francesconi) (Y-4)</p>	175794
<p>876 TIME CERTAIN: 9:40 AM – Review the City franchise system for collecting solid waste, recycling and yard debris (Resolution introduced by Commissioner Saltzman)</p> <p>Motion to continue to July 25, 2001: Moved by Commissioner Saltzman and seconded by Commissioner Hales. No objections. Gaveled down by the Mayor</p>	CONTINUED TO JULY 25, 2001 AT 9:30 AM
<p>876-1 Solid Waste and Recycling/Central Northeast Neighbors four-year project for door to door pick up of Bulky Waste (Report introduced by Commissioner Saltzman)</p> <p>Motion to suspend rules to bring report: Moved by Commissioner Saltzman and seconded by Commissioner Hales.</p> <p>Motion to accept the report: Moved by Commissioner Sten and seconded by Commissioner Saltzman.</p>	ACCEPTED
CONSENT AGENDA – NO DISCUSSION	
<p>877 Accept bid of Jubitz Fleet Services to furnish cardlock fuel for \$1,358,500 (Purchasing Report – Bid No. 100825) (Y-4)</p>	ACCEPTED PREPARE CONTRACT
<p>878 Cash investment balances June 07 through June 30, 2001 (Report; Treasurer) (Y-4)</p>	PLACED ON FILE

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<p>879 Vacate a certain portion of SE 120th Avenue north of SE Lexington Street under certain conditions (Second Reading Agenda 852; Ordinance by Order of Council; C-9989) (Y-4)</p>	<p align="center">175775</p>
<p align="center">Mayor Vera Katz</p>	
<p>*880 Contract with the most advantageous bidder for annual supplies of goods and services in excess of \$500,000 and provide for payment for FY 2001-02 (Ordinance) (Y-4)</p>	<p align="center">175776</p>
<p>*881 Authorize the Police Bureau to appoint Angel D. Ocasio to the classification of Police Officer at the four-year salary rate (Ordinance) (Y-4)</p>	<p align="center">175777</p>
<p>*882 Authorize contract with U.S. Bank for paying agent and registrar services (Ordinance) (Y-4)</p>	<p align="center">175778</p>
<p align="center">Commissioner Jim Francesconi</p>	
<p>*883 Accept tax-foreclosed property located at 5416 SE Flavel Drive from Multnomah County for park and recreation purposes (Ordinance) (Y-4)</p>	<p align="center">175779</p>
<p>*884 Contract with EDAW, inc. for \$185,000 to provide planning services for the preparation of a master plan for Waterfront Park (Ordinance)</p>	<p align="center">CONTINUED TO AUGUST 1, 2001 AT 9:30 AM</p>
<p align="center">Commissioner Charlie Hales</p>	
<p>*885 Contract with The Wilson Group Inc. for analytical support on implementation of the Street Maintenance and Improvement Fee (Ordinance) Motion to refer to Commissioner Hales Office: Moved by Commissioner Hales and seconded by Commissioner Saltzman. Gaveled down by the Mayor.</p>	<p align="center">REFERRED TO COMMISSIONER OF PUBLIC SAFETY</p>
<p>*886 Grant revocable permit to Doernbecher/Portland Family Entertainment to close SW Morrison Street between SW 18th and SW 20th Avenues on July 28, 2001 (Ordinance) (Y-4)</p>	<p align="center">175780</p>

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<p>*887 Designate and assign certain City-owned property in Madrona Park as public street right-of-way (Ordinance) (Y-4)</p>	<p align="center">175781</p>
<p align="center">Commissioner Dan Saltzman</p>	
<p>*888 Authorize acceptance of a grant from the National Fish and Wildlife Foundation in the amount of \$30,000 for restoration of Johnson Creek riparian areas on public and private property (Ordinance) (Y-4)</p>	<p align="center">175782</p>
<p>*889 Authorize a contract and provide for payment for the construction of the Southwest Parallel Interceptor, Segment 1, Project No. 7069 (Ordinance) (Y-4)</p>	<p align="center">175783</p>
<p>*890 Authorize a contract and provide for payment for the construction of the Southwest Parallel Interceptor Project, Segment 2, Project No. 7070 (Ordinance) (Y-4)</p>	<p align="center">175784</p>
<p>*891 Accept pump station and sewer easements for the Southwest Parallel Interceptor Sewer Project granted by Wells Fargo Bank, N.A., and authorize total payment of \$55,000 (Ordinance) (Y-4)</p>	<p align="center">175785</p>
<p>892 Amend City Code to modify the Sewer User Charges Extra-Strength regulations for business and industry (Ordinance; amend Code Chapter 17.36.060)</p>	<p align="center">PASSED TO SECOND READING JULY 25, 2001 AT 9:30 AM</p>
<p>*893 Approve settlement agreement with PRC Public Sector, Inc. (Ordinance) (Y-4)</p>	<p align="center">175786</p>
<p>*894 Authorize a professional services contract with West Yost and Associates for the design of the South Airport Basin Project, Phase II (Ordinance) (Y-4)</p>	<p align="center">175787</p>
<p>*895 Authorize the City to enter into an Intergovernmental Agreement with the Portland Public Schools to install and maintain roof rain gauges and equipment on school buildings not to exceed \$6,000 annually (Ordinance) (Y-4)</p>	<p align="center">175788</p>
<p>896 Authorize acceptance of a grant from the Oregon Department of Environmental Quality in the amount of \$75,000 for restoration of the Heron Rookery Wetlands in North Portland (Second Reading Agenda 862) (Y-4)</p>	<p align="center">175789</p>
<p align="center">Commissioner Erik Sten</p>	

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<p>*897 Agreement with the Community Development Network for \$21,100 to support citizen participation activities relevant to the development of affordable housing for lower income people and provide for payment (Ordinance) (Y-4)</p>	<p>175790</p>
<p>*898 Agreement with National Development Council for \$60,000 for technical assistance related to the financial management of Community Development Block Grant-eligible community development activities and provide for payment (Ordinance) (Y-4)</p>	<p>175791</p>
<p>*899 Grant a temporary, revocable permit to RCN Telecom Services, Inc. and establish terms and conditions (Ordinance) (Y-4)</p>	<p>175792</p>
<p>900 Grant a franchise to Portland General Distribution LLC, doing business as Portland General Broadband, for a period of ten years (Second Reading Agenda 720) (Y-4)</p>	<p>175793</p>
<p>REGULAR AGENDA</p> <p>Mayor Vera Katz</p> <p>901 Direct an assessment of the City utility billing system, delegating authority to the Chief Administrative Officer, and providing for needed resources (Resolution) Motion to amend to identify options to fix problems, including restarting previous version of water billing system and identifying alternative systems to current billing system: Hearing no objections, the Mayor gaveled down. (Y-3)</p>	
<p>*902 Authorize an Interagency Agreement with the Portland Development Commission for the City Lights Housing Program (Ordinance) (Y-4)</p>	<p>36009 AS AMENDED 175795</p>
<p>Commissioner Charlie Hales</p> <p>903 Consider vacating 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 at the request of Del's Care Center (Hearing; Report; C-9842) Motion to accept report and order City Engineer to prepare ordinance: Moved by Commissioner Saltzman and seconded by Commissioner Sten. (Y-3)</p> <p>APPROVED CITY ENGINEER PREPARE ORDINANCE</p>	

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<p>904 Consider vacating a portion of NE Baldwin Street west of NE Martin Luther King Jr. Boulevard at the request of Terrell Garrett (Hearing; Report; C-9990)</p> <p>Motion to accept report and order City Engineer to prepare ordinance: Moved by Commissioner Saltzman and seconded by Commissioner Sten. (Y-3)</p>	<p>APPROVED CITY ENGINEER PREPARE ORDINANCE</p>
<p>Communications</p>	
<p>905 Request of Mike Dee to address Council regarding civil rights and rights violations at Waterfront Park (Communication)</p> <p>At 10:41 a.m., Council recessed.</p>	<p>PLACED ON FILE</p>

GARY BLACKMER
Auditor of the City of Portland

By Susan Parsons
Acting Clerk of the Council

JULY 18, 2001

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 18TH DAY OF JULY, 2001 AT 6:00 P.M.

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

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

906 TIME CERTAIN: 6:00 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 (Previous Agenda 764; Resolution introduced by Mayor Katz)	Disposition: CONTINUED TO SEPTEMBER 26, 2001 AT 2:00 PM TIME CERTAIN
907 Adopt changes to the Central City Plan to add a West End Action Chart, a West End Urban Design Plan, two new actions to the Economic Development Action Chart, one new action to the Transportation Action Chart, and the designation of an entertainment district to the Culture and Entertainment Map (Previous Agenda 765; Resolution introduced by Mayor Katz)	CONTINUED TO SEPTEMBER 26, 2001 AT 2:00 PM TIME CERTAIN
908 Adopt the West End Policy as an element within the Central City Plan and the Comprehensive Plan, and implement this policy through Planning Commission recommended revisions to the Zoning Code and to the zoning and Comprehensive Plan maps (Previous Agenda 766; Resolution introduced by Mayor Katz)	CONTINUED TO SEPTEMBER 26, 2001 AT 2:00 PM TIME CERTAIN
REGULAR AGENDA	
909 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 (Previous Agenda 767; Resolution introduced by Commissioners Saltzman and Sten)	CONTINUED TO SEPTEMBER 26, 2001 AT 2:00 PM TIME CERTAIN

At 8:05 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.

JULY 18, 2001 9:30 AM

Katz: The council will come to order. Please call the roll.

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

Katz: Present. Commissioner Francesconi is on vacation. All right. Consent agenda. Any items to be removed from the consent agenda for discussion by either the council members or the public? None.

Parsons: We have 885.

Katz: Excuse me?

Moore-Love: 885.

Katz: Yes.

Hales: I am going to pull that.

Katz: Are you going to return? Okay. Pulled. Anything else? All right. Then, we'll have a vote on the consent agenda item. Roll call.

Hales: Aye. **Saltzman:** Aye. **Sten:** Aye. **Katz:** Mayor votes aye. 885.

Item 885.

Hales: Return this to my office, please.

Katz: Any objections? Do I hear a motion? Do a hear a second? Any objections? Hearing none so, ordered. [Moved by Commissioner Hales and seconded by Commissioner Saltzman]

All right, thank you, everybody. I'm sorry, did anybody want to testify on that? All right. 875.

Item 875.

Hales: Better not. [laughter]

Katz: All right. Who wants to come up?

Phyllis Reynolds, Chair, Heritage Tree Commission: Mayor Katz and commissioners, I am jane glazer's replacement as chair of the heritage tree commission

Katz: Okay. That's going to be a tough assignment but we welcome you with open arms.

Reynolds: Thank you. And i'm here today to present two trees. And these are the first two since i've been chair, which was darn near a year and a half ago, but we have not been idle. The committee has put out a booklet of maps and all the trees to date. We are working on a website. We are doing -- working on a second edition of the booklet, actually, and we have come up with some rather strict criteria about what trees will be considered. Because we want to make the program meaningful, and important to the city. On june 21st, the urban forest economics voted unanimously to have two trees to be provided for according to section 2040150 of the city code. I'd like to show you the slides and give you the pertinent information first and then give you some details on these trees. The first okay. The first one --

Katz: Just a minute. [ambulance noise]

Katz: The lights here.

Reynolds: That's a monkey puzzle tree at 419 northeast hazel fern owned by margaret retondo. And now -- oh, no, actually, that's the second tree. That's -- no, it isn't. Sorry. Now, go on --

Katz: They all look alike.

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Reynolds: When you see the second tree you'll understand my problem. That is at 415 northeast laurelhurst place owned by walter and katy. Now, i'd like to tell you a little bit more about these trees and why they are being put to you. In january, we lost a monkey puzzle tree, a heritage tree. It was a, a girl. Now, monkey puzzle trees come in two sexes, either males or females, and the tree we lost was a very cute but young girl. Now, these trees, I think, are old. I think they were passed out at the lewis & clark exposition in 1905. They are both in laurelhurst. Laurelhurst wasn't planted until 1909 but I think they spent their first four years in pots. They are a block apart. Now these are both boys but we had trouble, as a committee, trying to choose between these two handsome males. [laughter]

Reynolds: So, we decided both of them would be good heritage trees. And I hope you're decision is to give them that.

Katz: Thank you. Let's put on the lights. Questions? Anybody want to testify on two male monkey trees? [laughter]

Katz: Roll call.

Hales: Well, this is a great program, and phyllis, thanks for your willingness to step forward and lead that effort and our city forester on the staff, have done a great job with it. It's a great reminder to Portlanders, not just about the value of trees but about the amazing diversity of things that grow here. I'm not sure where these trees are from but they are not from the northwest, originally.

Reynolds: South america.

Hales: Okay, south america, and it's true, as we go through this process of designating these heritage trees, it's a reminder us to us on the council and a good education for us, as well, about the amazing diversity of what has been planted, and the history. The wonderful connection to things like the lewis & clark exposition. So, it's a great program. I'm glad you are carrying it on. I'm glad you figured out ways and means to make it even better and better organized for the future. It was kind of in that early phase of creative work under jane's leadership, and rightly you are getting things squared away and organized for the long run so, i'm glad that we're going to continue this great effort. Thanks. Aye.

Saltzman: Well, this truly is a great program, and welcome aboard, as the new chair. And as I walk through our neighbors, my own neighborhood and the neighborhoods of the city, i'm always awe struck by the incredible trees we have, and just glad that we're -- we have people like you and the urban forestry commission out there trying to make as many of those awesome trees as possible will be here in perpetuity or as long as they live. So, it's great work. Thanks. Aye.

Sten: Good job, aye.

Katz: Phyllis, we welcome you -- where is she? Oh, over there. We welcome you. We really truly love this program, and usually we hope that we can sit through about ten trees because we enjoy the history. We like to know a little bit about who owns the trees, a little bit about the tree, and as you can see, the council is very excited that this program is back in front of us. Say hello to jane, and welcome. Aye. All right. 876.

Item 876.

Katz: I need a motion. We have a resolution on the calendar, and that needs to be sent back to the commissioner, and we need to substitute a report for the resolution.

Saltzman: Yes, I would so move. I wanted to set it over for the resolution.

Katz: Then set it over for next week. Do I hear a second?

Hales: Second.

Katz: Any objections? Hearing none, so ordered. All right, I need a motion to bring the report before the council. Suspension of the rules to bring the report.

Saltzman: So move.

Hales: Second.

Katz: Any objections? Hearing none, so ordered. All right, 876.

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Item 876-1.

Katz: This is a report. Commissioner Saltzman?

Saltzman: Thank you, madam mayor. I'm pleased to bring forward a brief update on an important project that served Portland neighborhoods very well. Today we'll hear about the bulky waste collection project that involves the office of sustainable development and central northeast neighbors. To introduce this topic I'd like to recognize the city's project manager, Jerry Mounce. And today is a very special day for Jerry. It is her last day of work after nearly 27 years of working as a contractor for the city and as a city employee. So we want to make sure we appropriately give her a good sendoff.

Katz: How many years?

Saltzman: 27 years. Some of the things she worked on, instrumental in the city's initial involvement with neighborhood organizations in 1974, particularly in north Portland. She's also worked on tough issues, including annexation and measure 5 issues at the legislature, and most recently she's worked with us in the solid waste and recycling program, as well as the water pollution control act. So it is with a bit of sadness we say goodbye to this tremendous community resource but we also have a great deal of pride in seeing the good work that she has done for the citizens of Portland.

Jerry Mounce, Bureau of Environmental Services: Thank you, commissioner.

Katz: Why don't you move a little closer to the mike. Okay. So we are waiting for your report.

Mounce: All right. About four years ago, we, solid waste recycling was already attacking illegal dumping and nuisance problems on a number of fronts, and we were putting our money where our mouths were. We were funding the bureau of buildings and we had a number of resources for our staff, and for metro, and for the neighborhood associations. However, we thought we could do more. And we had an idea that we wanted to do a pilot project. I was already the project manager for the divisional neighborhood cleanups that the neighborhoods have. And we decided that we wanted to take on something that I had experimented with in north Portland when I was the coordinator out there so I put out a proposal to the neighborhood coalitions, and central northeast stepped forward with a door-to-door bulky waste project for recycling, reuse, and for picking up all kinds of bulky waste furniture and tires and appliances and things like that. And I would like to bring up two people from central northeast to give you a quick update on what they have accomplished. It's absolutely phenomenal. It has been a great program. We funded it again for next year, and so --

Saltzman: Come on up.

Ginny Sievers, Program Manager, Central Northeast Neighbors: Good morning, mayor and to all the commissioners. I am Ginny Sievers, the program manager for central northeast neighbors. And since September 1st of 2000, the bulky waste curbside pickup completed 12 cleanups within -- and reached 15 neighborhoods within the city of Portland, and to this date, over a million bulkies have been picked up so far. A million -- I'm sorry, a million tons. William has some figures, who will go over the figures in a moment but I want to graciously thank the following for all their hard work and cooperation throughout this project year. First of all, William Warren, he is my right hand person. He is wonderful to work with, even in the wee hours of the morning, and on our pickup days, he's very talented and a smart man. Without Wayne, this project would not be the success that it is. Bruce Walker, office of sustainable development, solid waste and recycling, Jerry, office of sustainable development, solid waste and recycling. And project coordinator for the bulky waste curbside pickup. Lee of Metro Recycling, for providing this project with disposal waiver vouchers and mailing labels. Judy Miller, for Metro Recycling, and St. Vincent de Paul, Schnitzer Steel, Josh Phillip, and Larry Roller, all the franchise garbage haulers throughout the city of Portland, and last but not least, Allison Stole, our executive director at central northeast neighbors, and our board of

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directors. And to all, the wonderful and hard working volunteers within the neighborhoods we serve with the bulky waste curbside pickup this year. William.

William Warren, Central Northeast Neighbors: Thank you, Jenny. William Warren, Central Northeast Neighbors, and I assist Jenny on this particular project, but I am generally the public outreach manager for Central Northeast Neighbors. Before you, you have a report, it's actually sort of a summary report, I see the mayor is chuckling over something.

Katz: The photographs are incredible.

Warren: That only begins to give you a hint of what's out there. I want to give you some of the figures and now that you have seen the photographs, it may pull it together. I have made a clerical error in the report before you. It comes after two pages after the map. It's that quick summary report, in the 7th paragraph, the second line. Instead of it reading, 45,879, it should be 5,879 tires. Although, the figures are pretty staggering. As Jenny has given you an update of what we accomplished in this fiscal year, 2000-01, a final report is due to the bureau and to Commissioner Saltzman in August this far year, so you will all have that once we have given that to the commissioner. To date, just in this fiscal year alone, we have removed the following on the 12 Saturdays for the curbside pickup. 1,495 appliances weighing 130 tons. Scrap metal in the amount of 195 tons. Nearly 10,000 tires total, weighing in at 100 tons. Another 300 tons of assorted bulkies, the broken furniture, the mattresses, VCR and so et cetera that went to the Metro transfer station. The total proximate tonnage, and I say that because we are still getting figures in from this past Saturday's cleanup, of all categories equals 725 tons from 10,674 households, or approximately 146 pounds per household. That results in a 32% response rate of the participating households in the 15 neighborhood associations that we have worked with on those 12 Saturdays in 2000-01 fiscal year, of the total amount collected in the 2000-01 project, 56% is considered to have an additional life. I.e., appliances, metal and tires, and you need to know that the appliances, by and large, are either shot completely or they are energy hogs and they don't go back out to the public to be resold. They are actually appropriately taken apart and environmentally recycled so they never go to the landfill. They are not a source of illegal dumping. The remaining 44% of the bulkies that were picked up are taken to the Metro transfer station where they receive a further culling. There is a culling, as you probably know. We have been on the tour of Metro transfer station where they pull out additional items that can be recycled appropriately. The number of go-backs, meaning the houses missed for a legitimate reason, proximate to 1.5% or 147 households of the total participating households, pardon me. In this year. Now comprehensive figures are the ones that will stagger you. I know they stagger us. These are comprehensive figures from the bulky waste curbside project that we began with the city and with your endorsement of February of 1999, through July of this year, meaning this past Saturday. Neighborhoods involved total throughout the city are 41 neighborhoods. Appliances to date that have been picked up are 3,728, or 274 tons of appliances. Scrap metal in the amount of 405 tons. Tires in the amount of 25,077 tires or 261.79 tons, and it breaks out this way, imagine passenger cars in the amount of 5,014 passenger cars with a tire plus a spare. That's how many cars, tires we have taken since February of '99 about we began the project. And then the remaining items that were picked up are the traditional bulkies, which are 1,378 tons of bulkies. All categories added together are 2,319.5 tons or 4,639,000 odd pounds, all houses contacted since February of '99 are 99,210 households and the ones that participated that got rid of the 4 million plus tons, are 29,498 house hosed, which is a 30% response rate which means it's about 157 pounds per household. So, imagine, if you will, nearly 30,000 households in the city having to have, let's say, a washing machine picked up from 30,000 households, that might give you a better sense of it. Of all the items picked up comprehensive figures, about 41% is, has been recycled, meaning tires have gone to the appropriate spot. Scrap melts gone to the appropriate spot, appliances have not gone out to the energy wasters, they have

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been appropriately recycled, and the remaining items, in the comprehensive figure, of course, would then be recycled further at metro.

Katz: So what's your schedule this year?

Warren: For the coming year we have another series of neighborhoods that we're getting finalization from, from the bureau, from the office, to go to. So far we have visited neighborhoods that either have never had a traditional neighborhood cleanup in the last four years, which was the group that we visited this year, and we have visited neighborhoods that have fallen under bhcd requirements, so all those folks have had an opportunity. This year, we will be visiting other neighborhoods that we have looked at, that either have had a traditional neighborhood cleanup but haven't had the opportunity from bulky waste, montavilla being one of them. So there will be approximately 12 neighborhoods that we will be going to within this next fiscal year, when we say that, the entire neighborhood association. We do it by the neighborhood association boundaries, so everyone within that neighborhood association can participate and they also have the by-product of knowing that they live in a neighborhood association when they receive the mailing which indicates what's acceptable and the map of their neighborhood association.

Katz: So, you are going to be montavilla.

Warren: It will be done on two different saturdays because it's so large in terms of households and what our assumed projection is. As jerry pointed out, she's been working in traditional neighborhood cleanups for years. These do not take the place of that, but they supplant traditional neighborhood cleanups.

Katz: Thank you.

Saltzman: We do it more than just montavilla.

Warren: Oh, yes, there will be 12 neighborhood associations we will be visiting.

Katz: I am giving you an opportunity to let folks know which ones so they can get ready because for some of them, it will take a week pull the stuff out of their house.

Warren: We usually give them, your honor, we usually give them two weeks' notice by first class mail. And then if the neighborhood association is providing volunteers to stuff the fliers, or if they are doing door-to-door fliering or putting something in the neighborhood newsletter that, gives them more of an opportunity. We will both speak with neighborhood associations probably later this august so that they'll have a heads-up so that they can plan, and then we have to finalize the schedule with the respective hauler for the neighborhood associations to make sure that the dates that we're working on will work for them, too.

Katz: Thank you.

Sievers: Within the month of august we'll have a meeting with the schnitzer-steele garbage haulers involved this next fiscal year and st. Vincent de paul, and the total amount next year is 35,000 households. Within those two neighborhoods.

Saltzman: If i'm correct, saint vincent de paul goes through first and they may take things they want.

Sievers: They take all the appliances, including microwaves, stoves, that type of thing, and schnitzer-steele takes everything else, bicycles, anything of scrap metal. They go through an hour before the garbage hauler goes through and then the garbage hauler goes through and picks up everything else on the list, on the flier, and we have a green sticker to adhere to items that are at the curb that are not within the programs limits.

Warren: And calls left on the bulky waste curbside information line are all returned, as long as the callers leave us telephone numbers, which oddly enough oftentimes they will ask a question but not leave a number. It becomes difficult to do telepacific telework. [laughter]

Katz: All right. Further questions? Thanks. Go ahead. [inaudible]

Katz: Could you move the mike closer to you?

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Mounce: I think they have done just a phenomenal job for the city and the neighborhoods and for the citizens of this city, I mean, think about all those materials that he quoted to you, all that tonnage, those are the materials not sitting along the streams and the rivers and leaking hazardous waste into the rivers. They are not down ravines. These are out of the neighborhoods. They are not sitting on the front porches. It's just been phenomenal, and I think they could organize anybody to do anything. [laughter]

*****: Thank you.

Katz: Thank you, and thank you for your years of service.

Mounce: Thank you.

Katz: To the city. All right. Anybody else want to testify on this item? All right. Everybody, then we're going to accept the report. I'll take a motion to do that?

Sten: So move.

Katz: Do I hear a second.

Saltzman: Second.

Katz: Roll call.

Hales: Well, this is a great report, and both the statistics and the photos are very clear about what a mess this city would be if it weren't for this program. So thank you, aye.

Saltzman: Well, this really is a great program, and really want to thank jerry for the seeds of this idea, getting the bulky waste program going, and for central northeast neighbors, in particular, jenny and william for making this such a success that it's been throughout the city. It's -- we're not only saving streams and ravines and cleaning up front porches but i'm sure there's many homeowners, including myself, who are very thankful to have portions of my garage and basement back that have really been reclaimed by things that have just accumulated there over the years, and it's really a key to successful urban living as we have got to be able to have some place to get rid of the things that don't readily fit anywhere else. So the bulky waste cleanup is a real service in that regard, so many thanks and jerry, thanks again for all your service, as a citizen and also as an employee of the city.

Mounce: Thanks.

Saltzman: Aye.

Sten: Well, these are logistically a lot of work, but they are the kind of things that really make citizens happy because it's a service, and it really makes the city cleaner, so I want to personally thank jerry, I worked with her for quite a few years, and I think you are really the epitome of the city employees that go unheralded that go on to make the city the great place it is, it is good for you but sad for us that your retirement is here.

Katz: I am happy for you, too, but I think there is potentially work for her to do, to help all of you in the neighborhood associations to make this happen. Wonderful work. Looking forward to seeing you in some of the neighborhoods that I pass by that really could use your help because a lot of these items are sitting on the porch or on the front yard and I know that that must be a problem to the neighbors, aye. All right. Folks, we're at our regular agenda. And i've gotten a request from commissioner Hales, if we can move 902 prior to doing 901 because he needs to leave and I need to have a quorum. And its an emergency ordinance so let's read 902.

Item 902.

Katz: Let me open this up and I am sure that commissioner Sten will have a few words to add to this. We have been working hard to think of new ideas and new ways that we can come up to stimulate additional housing, especially multifamily housing. And ways to stimulate it that we could get a low interest on our sale of bonds, and a way we can stimulate it that we can hopefully continually have a flow of revenue, a cash flow to, again, place some of that cash flow into either the purchase of property for construction or remodeling the property. Refurbishing the property. And so the notion both of us, with the help of ross and others, came up with was, well, you know,

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the city can actually manage all of this. We have a great bond rating. We can work through the Portland development commission, and then we can either spin it off or do it ourselves, and if we're smart, over a period of time, we actually could make a little bit of money and plow that money back again into stimulating housing. I'm simplifying it is far more complicated than that. But we asked ross and berudi, can you do it and should we do it, and they came back and they said, yes, you can do it. It does mean that we need to place a lot of effort into that project, and we could use some of the urban renewal financing funds that we would use anyway for housing, but in this particular case, it would be the city doing it. And so both of us said well, let's give it a try, and see over the next couple of years what the outcome of that would be. So, what -- we struggled over a name, and we came with this name, city lights program. It's new. It's something we haven't done before, and i'm very excited about it, and waiting to see it start. So let me turn it over to commissioner Sten, who worked on this with me, as he has the section of housing under the Portland development commission.

Sten: Thanks, mayor, I think you did a great job in describing it. For many years, I have wrestled with a debate that's out there in the community about, should we put our money into kind of low end, affordable housing or also, moderate housing. And I think from a policy standpoint, it's kind of obvious that you need -- you want to have a city in which people of all incomes live in key places and particularly, in the downtown corridor there has been a sense for a long time that we are -- we have a lot to do and we have lost a lot of buildings but we have an enormous effort and a lot of success, and although the market is tough in building and preserving affordable housing downtown. We're also beginning to see a very robust market for high-end condominiums, river district comes to mind. But there's not a lot of housing being built for sale and rental to the middle income person in the city core. It's kind of a tail of two extremes. And the dilemma I really struggled with for years is that the market is not going to build some of the moderate price stuff, as long as it can sell the more expensive things. And I can't really support subsidizing moderate income housing when we have such a dramatic and dire need down on the low end of the spectrum so it's been a tough one, and this, to me is really exciting much it won't solve the problem with a magic bullet but it is an idea that we have come up with, which is, for the city to actually directly issue housing bonds, and help, help finance the construction, in this case, mostly of moderate and middle income housing. I think why this is exciting is I think it's a modest and it will not be a huge program to begin with but it's a way to go after some of that market that's being missed without taking any cash out of that low end market, or, or feeling like we were subsidizing things that are too expensive so its using our credit rating, capacity and skill at the Portland development commission along with the office, I am looking at tim this, took a while to think how we could do this, and I appreciate your work, as well, to take on this market niche and see if maybe there's a way, through using our skill, to package up some of these housing projects and maybe transcend this age-old argument about where is the most important place to put the cash. So i'm very excited about it. And let me introduce ross.

Ross Cornelius, Portland Development Commission: Thank you, I am ross cornelius.

Katz: Do you have anything left to say, ross?

Cornelius: There's hardly anything left. He did such a great job summarizing it. I would like to introduce -- I am with the Portland development commission.

Katz: Turn the mike up to you.

Cornelius: I'd like to introduce kirby pittman who has also been involved in this program. And just briefly, to say we are very excited about being able to begin to implement the program. We appreciate the support of council, and encouraging us to look at this and asking us to figure out how we can use the resources that we have within the city, try to find a way to fill the gaps that we're aware of in the housing development need. We are aware of the difficulty of financing housing around the city, that we hear from our development community. And this is one opportunity that

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we see to be able to use and leverage the enhancement of the city without having to put direct general fund money into housing development. We also hope that we can demonstrate comparables, including mixed use, mixed income, vertical mixed use development through this program, and really begin to create that development form that we all desire but it's so hard to actually realize through the development process. We also are looking at it as a way, as was mentioned, to create some income for the housing investment fund, to be able to reinvest in affordable housing, and to encourage transit-oriented development along the public investment we've made in our transit system. In the program, or the projects that we have been looking at, we are incorporating green building aspects to the projects.

Katz: That was smart, ross. [laughter]

Saltzman: Preempted strike. [laughter]

Cornelius: The project that we're currently down the road on, does have the opportunity to convert a large patch of asphalt into something that can really be a demonstration, sustainability project. So, we're excited about it, and we look forward to actually going out and implementing the program.

Katz: Thank you. Further questions? Did you want to add anything?

Kirby Pitman, Office of Management and Finance: Um, I think it has been a really exciting partnership with the office of management and finance, as well, and to look at this innovative idea and actually make it happen. So, it's been really great working with them.

Cornelius: If I could, too, i'd like to acknowledge a lot of folks have been involved with this.

Katz: Why don't you go ahead and do that.

Cornelius: After being asked by council to look into this we forwarded a team of folks who really spent a lot of time trying to figure this out and I would like to acknowledge the work of kirby pittman, and in particular, john warner with the housing finance -- housing development finance department at pdc, has been instrumental in helping us understand the financing and the real nuts and bolts of how this would work. Without his work I don't think that we could have forgotten as far as we did. Ruth roth, with the office of management and finance, as well as erik and ken, who have been very helpful and worked through the issues, as well as the city attorney's office, with linda ming and our own legal staff, at the time, karen and matt, involved and instrumental.

Katz: Okay. Questions by the council? Anybody want to testify on this? Do we have anybody signed up? All right. Roll call.

Hales: I think this is a great example of working smarter, so I just want to commend you, erik and mayor and your staffs for making this, making this agreement possible. I think it really is carrying on a philosophy that erik, you, in particular, have emphasized that although the city has got a basic responsibility for planning and to serving the housing stock of the city, it's -- that would be, perhaps, enough if the economy took care of everything else, but it won't, and therefore, we also have a responsibility. It's derivative, maybe, it doesn't come directly from our infrastructure, but it's nevertheless, just as important that if we actually accomplish the goal of having the streets and the population and the housing full of people of a variety of incomes, and unless we're as active on that front as we are in, in the basic service responsibilities we have as a city, we could be successful on paper, and unsuccessful at the community level. So, that's why this kind of activist, creative effort to fill the housing with people of all incomes is at least as important as the planning and services that make it possible. So great work. Aye.

Saltzman: This is really an innovative arrangement and I want to thank the mayor and commissioner Sten for putting this together, as well as pdc for making this innovative project get off the ground and i'm sure it will be a success, so good work, aye.

Sten: Well, ross, and everybody thanks, you have been working on this for a very long time and now we just have to actually do it so, great job and I am really looking forward to it, and thanks again, aye.

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Katz: It was fun working on this. I asked the, less than smart questions, and got smart answers. And when I said well, can we, as a city, do this, and the answer was, yes, there are some advantages. There are some disadvantages, and folks put their heads together, and I know from the office of finance and management, ken rust was critical on the development of this, and you, ross, as well, and berudi, and I thank you, commissioner Sten, and I thank you, and we will anticipate up to \$25 million of bond sales in the next five years, and see if we can get them at a low interest rate, and see if we can see a cash flow, make sure we have a reserve to maintain the housing that we have, and then see if we have a cash flow to continue reinvesting, aye. All right. Let's shift then to 901. Thank you.

Item 901.

Parsons: Direct assessment of the city utility billing system.

Katz: All right. Let me start by saying that last week, we received a report on the city's utility billing system, and at that time, tim grew said that he would be back the following week with a resolution. There was a lot of discussion among our offices, especially commissioner Sten's and my office with tim, and the water bureau, to see if we can respond to a number of questions that have been raised about the system, and to use a third party to review what has been done to learn from what has been done, and to see if we have to make any changes at any point from now until we have a system in place. After consultation with commissioner Sten, we did that back and forth for a while, we both agreed that it would be a good idea to give tim the authority to undertake the assessment of the billing system, and to then learn from our lessons what we need to keep an eye out if we ever take on a large revamping of the system or a new system in the city. The assessment will be open-minded, not open-ended. And the, the group will be independent enough to make some recommendations, but I need to say that as they are making the assessments, we anticipate and commissioner Sten will stay on top of making sure that the daily work of the water bureau continues. That is still their responsibility, and they will do that at the same time there will be a third party independent party with that kind of oversight. The resolution is important because we have done a lot of talk and there's been charts and but, I think words add a lot to that in terms of what the goals of this assessment are going to be. And that's all i'm going to say. I'm going to -- if commissioner Sten wants to add something, let me turn it over to him. And commissioner Saltzman has a clarifying amendment that I don't think is -- I will read it. It's identifying options to fix problems, including restarting previous version of water billing system and identifying alternative systems to current billing system. That's a change to just identify alternatives to addressing the issues, so it's just a little bit more of a clarification. It's a friendly amendment. Do I hear any objections hearing none, so ordered. Commissioner Sten?

Sten: Well, I will be brief. I'd like to say, we laid quite a bit of this out last week, and rather than repeating myself, I will hit the highlights, i'd like to thank mayor Katz and tim and ron for helping us in this situation. Obviously, we have a system that is -- that has big problems. I am stating the obvious, and I think, you know, my sense has been that, that there were some bad judgments made, but also a set of circumstances, and unfortunately, computer systems do go wrong at times, and that happened to us, and I have gone to the mayor a couple of weeks ago and said we really need some help in looking at this, and not so much the idea of looking over the shoulder, but standing shoulder-to-shoulder and looking at what is going on and what I particularly would like to do is have some fresh eyes, coordinate people who have not looked at each of the issues, and see what we're messing. The one thing I would like to underscore is the notion that this will be an assessment of the future of this system. The immediate future of the system has to be getting at working. I am optimistic that we will get it to the baseline functionality. I think I have good reason to be optimistic. Optimism is not enough in this situation, but from a high of about 38,000 problem accounts we're now below 10,000 roughly, and I believe we will be able to get the system so that it is, it is sending out all of the bills, and sending the, the corrections and collections notices. I don't

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believe it would be possible to, to say we came to a conclusion from this assessment that we wanted to shift to a different system. I don't know that that's what would be recommended, but if it was, I think the time period would not be fast enough to allow us to get away from this system. We have to get this system functioning on a baseline level. I think we can do that. As we're doing that we need to look ahead and say, can we, in an economically efficient manner, get this system to be all the things that we want it to be, so I really see this as a two-face process that has to happen concurrently. One is, continued, you know, around the clock effort to get the system working. And then a hard look at whether or not it is going to work for the long-term, and I think that's what we're going to do so, I think we have this lined up. They are here, the director of the bureau, and we're very comfortable that we have a team approach, but also have some independent eyes and that this assessment will, will both, I hope, lead to the right conclusion, and also be very clear that, that as I said many times, it's always better to not make a mistake but when you do make a mistake, what's important is that the information is transparent and honest and open and that, that people can see what's happened and rather than putting things under the rug we can figure out what's the next best way to move after the mistake has been made, and I think this is really an absolutely solid strategy for doing that. And again, I thank the mayor for her help turn it over to you.

Tim Grewe, Chief Administrative Officer, Office of Management and Finance: All right. We

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Katz: Identify yourself for the record.

Grew: Tim grew, chief administrative officer, already a good job of highlighting the key points of the assessment. I think for the record, it would be useful if ron and I quickly outlined some of the details of the assessment. I will start and turn it over to ron. The action today just to be real clear, does formally launch a process that was initiated 2 to 3 weeks ago. So there's already been a lot of work done as I mentioned last week. And we're well on our way to initiating the assessment. It is designed to answer questions about the ability of the system to meet our business needs. And not just for the short-term but also for the long-term. I agree with commissioner Sten's assessment that we need to get this system up and stabilized and running. Then, the issue will be, whether or not it is a system that can meet the future needs of the city, and at an expense that's acceptable, so we'll be looking at both of those as the assessment proceeds. Once the system is stable, we will work with the office of the city auditor to conduct that backward looking review to see what lessons can be learned to guide us with future it development within the city. But for right now, our focus really does need to remain on assessing alternatives to the system and assessing how we get the system stabilized. In conducting the assessment we will be working very closely with the commissioners in charge, the bureaus of water and environmental services, as well as the mayor. And we will be seeking your consultation on a regular basis as we confront key issues and have to make key decisions so it will be a very active involvement between the team and the commissioners in charge and the mayor. We will also regularly keep council apprised as to our progress and be formally reporting to them. Finally I want to point out that we will be keeping regular reports going to the purb and regularly meeting with them and advising them on the status of the project. I do want to point out, though, that rather than focusing on deadlines, as we have done in the past, and those deadlines have been important, we are going to attempt to focus on the performance towards achieving stability in the achievement of the key milestones so, one of our first orders of business will be to clarify what we mean by, by the term, stability of the system, define that very specifically, and then craft some performance measurements to track our progress towards achieving stability. And that will be the basis of our reporting in the future. How we are doing in terms of achieve building milestones and seeing with our performance measurements, and as has been mentioned by the building, throughout this assessment, it's going to be very important that the water bureau continue to manage its efforts, to fix the problems and get the system up and running. So, we are going to be very sensitive to not doing anything that detours the water bureau from that particular

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objective. We will not just focus on the current system, but one of those alternatives, that will bereaved is, is the capacity of what is referred to as version 4, the next iteration of the system that we have, so that will also be part of our review and assessment as we go forward. I do want to emphasize that the effort will cost money. And we're very sensitive to that because of the impact upon the utilities and our cash flow. So, to help offset that we're going to make every effort to shift existing overhead resources within the city, resources that are already in the budget, already being expended, are covered by the bureaus, shift those to meet those needs, but what that means is, there's probably going to be other important city business that doesn't get done as we're going forward with this assessment. I'll try and provide the council with some further information of that as we go forward, so in spite of that, there will ultimately be additional direct costs associated with this assessment. So, once we get the work plan finalized and the budget finalized we'll meet with environmental services on how best to cover the costs and we'll get back to you with further details. Let me point out relative to that, though, that it would be impossible to simultaneously do this assessment and continue the water bureaus work on stabilizing the system without those additional resources. We need to bring the resources within the bureaus and outside the bureaus, and other organizations to add to the effort in order to get the assessment done. I will stop there and turn it over, unless you have questions, and turn it over to ron, to take you through some additional details.

Katz: Let's hear from ron, first, and I know commissioner Saltzman, who also has a great interest in this, wants to say something.

Ron Bergman, Program Manger, Office of Management and Finance: Ron bergman. I am the project manager this assessment activity, and I want to, to describe for you the process that we're going to be going through and how we're going to be structured to look at the problems here. We've put together a technical advisory committee of it leaders in the community, and actually some from nation-wide that have agreed to help us on this --

Katz: I'm saying names, I am constantly getting e-mails. I am sure --

Sten: You are not alone.

Katz: Of all people who want to help.

Bergman: And in a voluntary capacity, will be advising the assessment team in terms of are we asking the right questions. Are we looking at the right things. Are we doing the right kinds of activities and looking at, at the questions around the particular program that we have here. We have got a number of internal work groups that we have already set up, and we have had a number of meetings already. This includes a finance work group that's going to be looking at the financial side of it, and really the definition question that tim mentioned earlier about what is success and stability and how are we going to measure that, that's one of the first things on their agenda, so that as we report to the council and the community and the various stakeholders, we'll have a consistent set of measurements that we'll be providing folks in terms of where we are against the goal, so we know how far we have come and how far we have got to go. We have another group that they will be dealing with some of the it issues, that, that will be putting together, the scope of work for the outside review team that we're going to have come in, and assess the software. That's already being worked on, as, as we speak. We have another group that is looking at the old cbis system that was turned off to find out that what kind of capabilities are there, some of the preliminary work that we have already done is indicating that that option is probably not going to pan out, but it was words the effort to, to document that and to make sure that, that that was not an option. We're still doing some more work there to see if there are pieces of the old system that might help us in terms of interim functionality. We're also looking at, at alternatives to the system, that other software applications, outsourcing, other ways of performing the work, that's all on the list of the work plan for, for our team that will be looking at alternatives, so we have a number of parallel processes that are going on to hopefully get us to the answer as quickly as we can. The key focus is going to be on

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communication with the council offices, the key consultation for, for the two commissioners in charge, and the mayor, as well as the council as a whole. We're going to keep the perb to advise us on the project. Most of the work has already been launched, first effort from all the teams is to put together a scope of work, the work plan, and associated budget so we can get down to the numbers of what we're actually talking about in terms of costs on this thing. And we should have first-cut at that early next week. So, it may take a little refinement after that but we are moving very quickly here. We have a draft communications plan that is being reviewed now to communicate both internally to the city and externally to folks about how the progress is moving along. That's basically the structure that we have got and the approach that we are taking, and be happy to answer any questions.

Katz: Thank you. Commissioner Saltzman?

Saltzman: Sure. I wasn't here last week so I apologize if i'm raising issues that have already been discussed but I basically want to say that i'm here first of all, as, I guess, by this point, I would consider the bureau of environmental services to more or less be a joint venture partner in this system. And I am here to say that, you know, I endorse this process of independent assessment, and the, the way we plan to approach the problems. But, a couple things I just want to emphasize is, when I hear the process described, it sounds great, and I am very pleased to sit here. Things are already underway but it does kind of speak of a long process. When I think of all the various task forces and committees and sometimes just the weight of these processes, or the weight of these assessment projects can be onerous so I want to stress, you know, I hope that we are keeping right footed about this and we're not going to get too bogged down and one of the key things we don't need to get bogged down in is the question of system's stability. I think that issue is -- that definition is there, I mean, anybody in bes or water, I think can give you those definitions and in fact, they already have. As well as suggested performance indicators. Bes has provided you with a of those, and I think they reflect the same performance indicators that would be important to bes as the water bureau, so I don't want to see a situation where even two weeks from now, we are still saying we happen to find system stability or happen to find the performance indicators, that should be able to be done tomorrow. And finally, I just want to make sure, you know, that we have to be thinking the unthinkable, and that is my preferred outcome is that we get open vision up and running and we get it to run the way it's intended, I do think we also have to be mindful of the fact that we may have to look at, at restarting the old system or aspects of the old system or, take taking that plunge and terminating the present system all together and moving onto another system. When that occurs, I think we have to be, we have to be fully, fully considerate that may not happen under the desired timelines that we wish it to happen or the desired scenario. We have to be aware there is a lot of external factors that will, that will no doubt develop over the next ensuing months that could affect how we have to make the decisions about bringing old systems back online. I think we all understand that, and so, like I said, I just wanted to have a chance to reiterate my concern on those two-point system's ability, and really the breadth of our scope of looking at alternatives to this system, but otherwise I am very pleased that the process is going forward.

Grew: Commissioner Saltzman, if I could, I agree there's a lot of work that has been done and there is not much more refinement to do but for example, on the performance measures, at least I have not seen information as to the availability, the data that we need to make those performance measurements actually work so, that's some of the type of work that remains to be done, and I do want to say that even though the project structure looks heavy, looks bureaucratic in some respects, the real reason we took the route of these committees is so that we could do a lot of work in paramount, and the reason for doing that is to cut the time that it takes to get the project done, if we were to do it in a linear fashion. I do want to say that we are very sensitive to time. Time is money in this case. However, I want to also assure the council that I am going to take as much time to do this right and to give you factual information. If that means it takes a little longer than I would like,

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that's what I am going to do. The good news is we'll keep you apprised of our progress, and we'll keep you apprised of the work plan so you clearly understand what the timelines are and why we're -- why we're recommending the amount of time it's going to take to get some of these items done. We keep estimating 3 to 6 months. I think the work plans will allow us to really test whether or not that's about what the assumption is, I am assuming it will be.

Katz: Okay. Let's open it up, if there no further questions, let's open it up to public testimony. Is purb? Ready to testify? Yeah, come on up. Thank you.

Grewe: Do you want us to stay here?

Katz: No. You don't need to. Just sit in the front row so you can come up if there are any questions.

Sten: Mort, did you want to add anything?

Katz: You are fine? Okay.

Jim Abrahamson, Chair, Public Utilities Review Board: Good morning. I am jim abrahamson, the chair of Public Utilities Review Board (purb). The little bit that I have heard about the formal process is, I have just heard right now and actually, it sounds pretty good. I do share commissioner Saltzman's concern that maybe it does look a little, a little heavy. But this is a very complex, very, it's going to be very time consuming, and probably maybe a more expensive process than we might like to think it's going to be. So, you need a lot of process, and you need a lot of task forces and you need a good, as I mentioned, last week, a good project management focus to take this thing from where we are now to completion, and at least on the surface from what i've heard so far, it looks like that's there. I do want to, something you said mr. Saltzman, that is that the idea of looking at a potential replace element for this system is something that definitely needs to be on the table. I mentioned that last week, and in fact I actually cobbled the term about plan b, that the idea of having a plan b needs to be in place and it needs to be in place now, so that you can start to look at it. You know, you don't have to be sketching out exactly what all that entails and all the costs and all of the stuff, but you need to be thinking about it now so that we don't get too much down the road and an event happens, that maybe forces our hand, and makes us have to go to a new system. And then you start thinking about plan b. So, I guess my comments are going to be very short and sweet.

Katz: Thank you. Karla, anybody else want to testify?

Moore-Love: We did not have a signup sheet.

Katz: Anybody in the audience want to testify? You don't want to say? Okay. Roll call then.

Saltzman: Great work, in putting this assessment project together. I want to thank the mayor and commissioner Sten and tim grew, water bureau, bes, we all have a tremendous amount of work to do, and i'm sure we can all do this in a go-forward, make-it-work manner, so look forward to working with you, aye.

Sten: We have a very tough situation, and what we can do at this point is get the best possible approach from today forward, and I think this gives us the best chance to find that approach and I appreciate the help. Aye.

Katz: Mayor votes aye. Thank you, everybody, 903.

Item 903.

Katz: Come on up and talk to us.

Marcia Wilder, Office of Transportation: I am marcia wilder and work for the office of transportation. There are some exhibits maps that are being handed out to you. Vacation has been requested by a care center, which is an adjacent property owner. They wished to consolidate properties so they can expand their existing facility. The office of transportation, all affected city bureaus, and outside agencies have reviewed the request. There is a companion street vacation, the next item on the agenda.

Katz: Do you want us to read this right now?

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Wilder: Sure.

Katz: Why don't we read 904.

Item 904.

Wilder: This portion of the vacation was required by the office of transportation. We did not want to leave a portion of unconnected right-of-way existing where it could not ever be improved. And we have reviewed both vacations, and approved them.

Katz: Any opposition to any of these vacations?

Wilder: No, none.

Katz: All right. Questions? Anybody here to testify? Then.

Saltzman: Who asked for this vacation?

Wilder: This one, the small one or the large one?

Saltzman: The large one.

Wilder: Dells care center.

Katz: All right, I need a motion to accept this report, and prepare an ordinance.

Saltzman: So moved.

Katz: A second?

Sten: Second.

Katz: Roll call.

Saltzman: Aye. **Sten:** Aye. **Katz:** Mayor votes aye

. The same motion for 904.

Saltzman: So move.

Katz: A second?

Sten: Second.

Katz: Roll call.

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

Katz: Mayor votes aye. Before we get to communications, let me just say what's the obvious, we are having an evening hearing tonight, for anybody that's watching or listening, I will, after staff makes the report to the council and after questions, I will allow, because we're really continuing the hearing, there were housing advocates and others that left, that signed up and left because of the time factor. They will testify first. And then anybody else that is hearing the report from the bureau of planning will get an opportunity to respond to those items, and then we'll set a date for a continuance. 905.

Item 905.

Mike Dee: I am mike dee, live at 22 northwest 3rd avenue. And about this time last summer, last year, I went to waterfront park because I was -- actually, I went to the max station to wait for the max and I miscalculated, there was about -- it was about 1:30 in the morning, and it turns out that the max was no longer going passed that part of town underneath the burnside bridge, and --

Katz: This is -- mike, this is a year ago?

Dee: Yeah. At least a year ago. Possible it was two years ago, actually, now that I think about it. But, no, it was a year ago. I'm sorry. I can come up with specifics on that later. So, about a year ago, went underneath the burnside bridge to wait for the max. It wasn't there. I had already gone by so it looks like it will be coming by again pretty soon. I needed to go to beaverton. So I went to waterfront park to wait for the max, and I went through the japanese-american bill of rights memorial, and just kind of looked around and thought, it's a nice park. I have got a lot of time. I thought I might look at in the neat statues, nicely done there in the park. I didn't see any signs the park was closed or anything. But, thought this is great. There is benches in park so I went to one of the benches and I sat down, and that was cool. Had a nice view of the water, really pretty there. Then the sprinklers came on and they started spraying the benches and I thought, that's kind of weird, okay, so I moved over to the seawall, and I had a bag with me so I set it down and sat next to

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the seawall and that was kind of nice. And kind of waited there and then a couple officers came up to me and they started asking me, you know, my name. But first they asked me if I was all these other people, you know. And I was went any of those people soy really didn't say anything to them. I didn't really know how to respond to them. So then they started asking me if I speak english and these different things, and I just didn't say anything and they started grabbing me and telling me I was under arrest, and I said, I asked what for, and they said I was in violation of park curfew hours. And I let them know that it wasn't posted anywhere there. That the park was closed. And they told me that it was closed. And then they said I was resisting arrest because they tried to put handcuffs on me and i'm not very flexible and the seawall was in the way so then I went -- I went passed resistive. I went limp on them. They carried me into the police car. And they drove me to old-town precinct, and then I remained passive the whole time and they drug me into the police station, and laid me on the floor, officers walked over me, stepped -- pretended to step on me and eventually wrote me a ticket out for, for violation of park curfew hours. I was there for, you know, a few minutes while they wrote this out and then they said I could leave. I remained on the floor for about 15 minutes and then they drug me outside to the sidewalk, and I remained there the way they left me. Laying on my stomach with my hands behind my back. Then the police once again picked me up off the sidewalk and took me down to the Multnomah county justice center for -- they filed a community safety exemption. Basically I was just protesting and I was found guilty here recently of violation of park curfew hours and criminal trespass 2 for being in the police station floor for 15 minutes. So I just felt that was violating my rights.

Katz: Let me ask you a question, mike. First of all, would you have any objections if I went and tried to get the police report?

Dee: No, I wouldn't have any objection.

Katz: And this happened a year ago?

Dee: I think exact. I will get that.

Katz: Why don't you leave it with officer hurley, who is sitting over here. Okay. Thank you, and why didn't you come sooner and -- i'm curious about why you thought this was the appropriate time?

Dee: I go to sentencing next week.

Katz: For something that happened --

Dee: For this case.

Katz: For this particular case.

Dee: Yes.

Katz: Okay.

Dee: And so I had meant to come in earlier, but I thought well, it's possible that it will get dropped in court or the city won't pursue it.

Katz: Mike, we know you. You've been here before, and you are soft spoken, and why did you not respond to the officers when they asked you those questions first?

Dee: I wanted to see if they, they treated me differently. I like to stand up for the rights of everybody and I wanted to see if there are special rights or different rights for different people so I was curious, you know, like what if I didn't speak at all, so I felt like I was representing people that didn't speak, for example. So, what's going to happen to them. If you are mute, you know, your rights are gone or something. You know. You are automatically under arrest. You don't get a chance to talk, they didn't try to sign to me in sign language or write stuff down. Like maybe I couldn't hear.

Katz: Well, I don't want to get into a discussion, if you were mute, but, okay. Just the issue of an officer speaks to you and asks you a question, it probably wouldn't hurt, in the way you addressed us and the mild manner that you do, you know, responding. Anyway. Thank you.

Dee: Thank you.

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Katz: All right. Everybody, we stand adjourned until 6:00.

At 10:41 a.m., Council recessed.

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* * * [roll call]

Katz: Commissioner Francesconi is on vacation. Karla, why don't you read 906, 907, 908, 909.
Items 906, 907, 908, 909

Katz: All right. Let me -- thank you, karla. Let me set out what we're going to do tonight. I'm going to try to go back a couple of weeks and frame the discussion, then i'm going to ask gil kelly and don mazziotti to come up and respond to the issues that have been raised. Then there were citizens who had to leave early after all the hours of testimony, and I want to invite them to come up, but I want them to also to hear as well as the rest of the citizens who want to testify a little later, on the sort of the next steps so that you're not testifying necessarily on something that is -- that we talked about a couple of weeks without sort of a background of where we go next. All right? And then there will be a discussion with the council, and we will send the planning bureau back to come back in september with far more formal concepts so that we can put some closure to this. As you recall, on june -- on the 21st of june we spent seven hours hearing testimony, and unfortunately there wasn't any consensus in the community, or even on the council on some regulatory options, even though the majority of the council -- not everybody -- was thinking of a cx option. But there were still a lot of unanswered questions that remained at the table, issues that we never -- we didn't get to after seven hours. There were issues that we've asked the office of finance and management and pdc to look at, primarily financial issues, and what are the resources that we have specifically to meet the intent of the resolution. We also identified at the very end that there are conflicts with the cx zoning as cx zoning is today, and if you look in some of your work that was given to you by the planning bureau -- and I hope gil covers that now or a little later -- there may be things that you don't want happening in a cx zone in the west end if that's the direction that you want to go. I just give an example of telco hotels, but there are others. The resolution that both commissioner Sten and commissioner Saltzman introduced was a really -- a critical philosophical and policy direction for the council, but I think you'll hear from don that you might want to broaden it central citywide and not necessarily in the west end, and what does it mean to meet the goals of the resolution. The other was, we didn't even get to the discussion of an entertainment district around burnside and who should be involved in that conversation. We also talked of the possibility of adjusting the boundaries, where the boundaries that were presented to us, do they still make sense if we make other choices. And we discussed developmental strategy for both the west end and the mid-park town blacks, and -- blocks, we -- we needed to know a little bit about what that meant. And then we had -- graham was kind enough to put -- kind or foolish enough -- to put all the amendments that everybody had suggested on a matrix, and kind enough to recommend that he would like to have some time to respond to them. I'm going to give him a break and ask the council not tonight, but during the next week or so to look through those -- god bless you -- to look through those amendments and identify those that you really are interested in having further discussion. There is no need to have staff do this if council isn't at all interested. And there will be a variety of those that they will be -- you will be interested in. Those are the ones we ought to hone in, and those are the ones that ought to come back. Having said that, we did decide at the end of the hearing that we were going to continue the hearing, and i'd like to ask both gil and don to come up you, then I will have the council feel free to ask questions or make any statements. Let me just check how many citizens want to testify. Okay. It will be -- it will be very doable, then. Have the council ask questions, make statements, listen to the citizens' testimony, and then we'll ask gil to come back

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and don, if he feels that he needs to elaborate on, because I want gil to give some eggs of what he might -- examples of what he might be looking at. All right.

Gil Kelley, Planning Director: Good evening, gil kelly, planning director. As the mayor noted, i'll give you a quick progress report on where we are with respect to some of the issues in questions you raised last meeting and then allow the testimony to occur. I'm happy to come back up.

Katz: Somewhere at the other end -- at the end of your testimony you might want to identify the documents that were prepared, including hovey's documents, if people want them, they're available.

Kelley: I will do that. As a starting point, we wrote down all the questions that we heard you ask last time, and have used that set of questions to frame the discussions we've had in the intervening weeks and also our tasks. What I would suggest is I do let you know where we are, and seek some direction from you at the end of the meeting today in a general way and that -- that will give us some way to move here between now and when we come back in september, if that's your pleasure.

Let me start with the housing issue, and the housing issue is a multi-faceted one. Essentially, it might be most helpful to divide the housing discussion into two parts. One being how do we assure that new housing gets built in the west end so that it continues to function as a neighborhood and as even enhanced as a neighborhood, and some of that can be directed through the zoning and some of it through the development strategy. But the second part of the housing equation is a little more vexing and is one of the issues that I think is a real threshold issue that we want to get to. And that is how we protect, preserve, replace existing, affordable housing in the west end. And don's going to talk a little bit about pdc's housing strategy in a moment, which will be coming before you in august, and that broadens the lens from just the west end of the central city, and I think it's important that you get that information in august so that by the time we come back in september you sort of got a little bit of a different context in which to view that picture. But I would say that we have engaged in some specific activity. At the urging of the housing authority board chair, we did meet with a number of the stakeholders here and have agreed to sort of continue a set of meetings between now and the time we come back to you to accomplish at least one task, and that is to get everybody cheer on the set of numbers that we're talking about in the west end. We think this is a relatively easy task and based on questions we got from commissioner Sten and commissioner Saltzman last meeting, we've taken a first stab at getting real clear on what we mean by at risk, and what those numbers are, and then with pdc looking at how those fit into the larger confection. And rather than get into a long discussion about that tonight, I think it's best to have it in the context of both this working group discussion we have which does include representative from app, from the housing authority, from the housing bureau, from pdc, so we all get clear on the basic numbers, so that at least in -- informs you about what the facts are. We're not saying we're going to have a fully hatched west end strategy by the time we come back in september, but I think it does play into what don will describe in a moment about the central city strategy. Second, on the sort of zoning question per se, we have a number of questions we got from you last time. I think probably the central question that you have raised, a number of you indicated a desire to move from the planning commission recommendation you got to something that has elements of increased flexibility over the planning commission proposal, but still has housing components to it which both help maintain the existing housing base and add to it. And that's a tricky balance to do. I think the thing we want to report tonight is that one proposal you had in front of you was amending the cx zone to have some additional housing requirements, and then a buy-out provision. And you heard some testimony about whether the buy-out number was the correct number, and we've done a little looking at that number and probably want to continue to look at that. But I think

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the -- one of the important messages here is that the cx zone may have a set of uses within it which are not desirable for the west end. And we can articulate a list of those later which graham has -- is prepared to do. They obviously include the telco hotels, other auto oriented uses. The cx zone also has some questions about scale in it in terms of the height of office or commercial buildings in that portion of the west end. If you were to broaden it beyond the current cx, it may merit some other looking at by you. In other words, applying commercial to the height limits that were in the planning commission proposal may bring fairly large -- just introduce a scale question which was not considered by the planning commission. So we want to talk to you more about that. And we have looked at the question of whether there's a land value differential between cx and rx, particularly in the west end to see if there's an unequal playing field between projects that might want to be housing versus projects that might want to be commercial. And we have gotten some information on that as well, and i'll get to that in just a moment. What this is leading us to is thinking that if you're not satisfied with the rx proposal and working from that as a base to increase flexibility from which I think was the planning commission's intent, it may then be appropriate to start with sort of a completely new base, sort of along the lines of what commissioner Hales calls let's zone for what we want. Maybe we should start with deliberately mixed use base, since the rx really begins with housing and the cx begins with office, maybe we want to articulate a kind of new base that would get at concepts of scale, of ground floor active uses, of perhaps scale differentials between housing and commercial projects which might help equalize the playing field. Issues of protection for existing housing, incentive for new housing, those might work better if we have the time than trying to continue to tweak the cx and rx zones. That's just a thought that's occurred to us, and something if you continue past tonight we want to at least investigate with a number of people. Let me just highlight a couple of bits of information. We've -- we had one specific request to involve omf in analysis of tax increment analysis in two respects. One would be would the -- would the commercial zoning throw off additional tax increment, which could help, and the second part of the question for them was what could a new urban renewal district look like and what impact would that have on both the general fund aspects and the potential for invigorating the development strategy or infusing it with dollars. And both these questions were I think omf stated they're unable to answer these in any sufficient detail. They really see it -- sort of need to look at the outlines of what a district might be to answer that.

Hales: We can't ascertain whether cx zoning and rx zoning result in different values?

Kelley: I'm going to get to that question in a moment.

Hales: Okay. I'm -- I wasn't sure if I heard you right.

Kelley: No. What they're saying is they can't do any sort of reasonable guest mat of what increase in tax increment might occur simply --

Hales: If any.

*******:** Simply through the zone change.

Hales: We could infer that, I assume you could do -- we have plenty of vacant blocks in downtown that are zoned cx and plenty zoned rx. Is there a significant difference in appraised value? I don't know.

Kelley: I'm going to get to that in a second. I was looking at the new tax increment district and what that would -- I think we need to decide what it is before they can give an analysis on that. On the land value differential, we did ask that question and we asked eric hovey to do an analysis for us with regard to the west end. And this is information that just arrived to us last night in the form of a letter report, which we've distributed to you, so we'd like to put this into the record. That is going to be information people are going to want to look over.

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Katz: I've got --

Kelley: It's late-breaking. The punch line there is that --

Katz: Why don't you pass it around.

Kelley: It's a fairly cautious analysis, and I would say it's not based on the sort of comparable sales approach, because there just hasn't been, as we indicated last time, there hasn't been a lot of property exchange in the west end. Doing direct comparables is a difficult exercise. So they essentially looked at differentials in assessed valuation. Although there's a range stated in a number of qualifications stated to their conclusions, basically they feel there's about a \$9 per square foot differential between the two designations, which is -- equates to roughly sort of in the range of \$350 to \$400,000 per block in valuation, if it's exactly \$9 and exactly 40,000 feet, then it's \$360,000. But it's in that range somewhere. So that's sort of one indicator that there is some differential between rx and cx zoned land. And that has implications for a number of these questions, both in terms of the urban renewal district and also in terms of doing housing projects as we move forward. So we wanted to just give you that information. I think it's information that we want to die jest and use between now and the time we come back to you. And with regard to the development strategy, there were questions about which comes first, the chicken or the egg. Regardless of how you decide that, we're anticipating you'll settle the zoning question and we'll go forward into the development strategy phase, and we -- I think it's more clear every day to me, and I think to don, although he should weigh in on this -- that both the midtown blocks and the west end could benefit from each other by having both considered in the same discussion. So we're reaffirming that direction. Don has already begun work on a retail strategy for downtown, and that was one of the critical parts of the foundation for the midtown blocks, strategy that we need, and to don's credit he's moved really fast on getting that going. So that's a critical part of that information. I think the housing strategy work that pdc has worked on which don will talk about in a moment is another critical input, although we're going to need to sort of use it as input and then factor it down to some fairly specific catalyst projects in the west end and midtown area. Finally, we were asked about parking and if there's some way to further incent the undergrounding of parking. And we have attached to one of our communications with you sort of a list of things the planning commission considered at a policy level in terms of those kinds of incentives, and you know where the planning commission ended up. We can continue to think about this question as a very difficult one to incent through the zoning ordinance, because mostly what you do through those kind of incentives are to add height and those kinds of things, which were already -- we're already getting to the limits of for other things. We've looked at those other kinds of questions, like taxing, parking, giving perhaps giving breaks to parking going underground. We can revisit those questions, we just don't want to leave you with a lot of hope there's a magic bullet there. But we're happy to continue to look at some of those questions. Why don't I stop there and as we come back later we may want to get into more specifics. But --

Katz: Why don't you jump in.

Don Mazziotti, Director, Portland Development Commission: Don mazziotti, director of Portland development commission. I've tried to gather responses to key issues that were raised at the last session on this topic, and I thought i'd quickly address those. I think the council certainly knows that the development commission has been involved in investing in housing, jobs, revitalization, parks, transit, infrastructure in the city for going on 50 years. And all of that toward implementing city policy and city plans. So we're committed to continuing that, obviously. So regardless of the outcome of the decision on the west end, our commitment to being a responsible steward of those dollars are there, and we'll continue to be there and I want you to know that. With

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regard to the question of dollars spent on housing, which did come up at the last session, I want to give you the basic information. The basic information is the west end is a part of the south block -- south park blocks renewal district. Since 1988, \$30 million has been spent on housing until the south park block renewal district, and \$18 million on capital projects of one kind or another. We do not have an allocation policy that we allocate on some proportional basis. We found that not to be a wise thing to do in any renewal district, because circumstances are different, plans are different, priorities are different. But to the question, what has been spent in that particular renewal district, that's what has been spent. As to how much money is left --

Hales: You say that was since 1988?

Mazziotti: Right. With regard to how much money is left, that is unprogrammed or not programmed or under contract, about \$5 million in the south park blocks remains, and that district between now and 2008 when the district completely expires. So I think that's important information for you to have. Beyond that, though, we think that we have pdc has the ability to preserve or replace somewhere between three and 400 affordable units in the downtown, which is not limited to the boundaries of the west end, as defined in this discussion, which is 16 square blocks within the south park block. The three or four -- the reason for the big variation in three or 400, obviously there's a huge difference -- it depends entirely on what the market does and what the price of acquisition of various units are, but I can tell you that while this debate has been going on, pdc has been active both in terms of investing in additional housing and negotiating for the purchase of housing units in the west end and elsewhere in the downtown. And we'll certainly continue to do this. This information, and information about the whole market and how the housing supply is affected by city policy, is contained in the downtown housing implementation strategy, which was reviewed and approved by the development commission last month, and we've basically put on hold or put on hold for the discussion on west end to occur. I think it might be very wise that we attempt to schedule your review and discussion of that implementation strategy prior to a decision at your discretion, obviously, on any other issues so you are completely informed on what the strategy contains, and how it addresses various of the housing issues, which have, you know, obviously been raised in this discussion. We've always been committed to implementing policies which strategize about housing and housing supply, we're -- we'll continue through the remaining life of the downtown urban renewal districts as well as in consideration of any new districts that might want to be discussed or that you might want to discuss. On the issue of use, we defer to the experts in the planning bureau on the question of use and zoning. That's not where our expertise is. We're not the city zoning expert and we don't pretend to be, and I defer to gil and his staff in doing that. And we're prepared to do whatever is necessary to make it work. I do want to talk a little bit about the question of what happens were some sort of new districts to be imposed over the top of the existing district, or a new district were to be created. First, in the absence of a completed downtown development strategy, which will take some time, i'm not certain it would be advisable to entertain yet another renewal district overlaid on top of several existing renewal districts. I think it begs too many question that's we just don't know the answer to yet, not the least of which is, what's our retail future likely to be, and where's the axis of retail and other development likely to occur that would dramatically affect whatever boundaries might be suggested for a new area. But let me also suggest in response I think to commissioner Hales, you've raised the issue about what happens when and if there's some sort of zoning change within a renewal district. What's the affect of that either up or down, however you define up or down. We've spoken to the chief commercial appraiser at Multnomah county in their assessment and tax division, and they indicate, or he has indicated to us that zoning changes are an exception to the 3%

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per year growth limit on assessed valuation which occur. However, a property is reassessed immediately upon a zone change only if it's initiated by an individual property owner. So there is not an automatic reassessment which occurs upon a rezoning, even if it goes from one use to supposedly a higher use, whatever we mean by those terms. But even if there were a dramatic change in that regard, the south park blocks urban renewal district, of which the west end is a part, is an option three divide tax area. And this was approved by the city council in 1997. So basically from my understanding, and i'm a little young here on this topic, i'm not young in any other respect -- additional increment cannot be generated by increasing the special levy beyond the \$15 million, and this 15 million was part of the 1997 decision and has been split among all of the ura area. Essentially it means we have a fixed amount of revenue that we can receive each year, and that's it.

And so the imposition of a new district on top of this district in the wake of some zoning change does not give us any ability to -- does not increase, will not increase without an additional special levy which -- and that's up to the council to make that decision -- would produce any dollars for housing. So I just wanted to clarify that for you. So in summary, we are moving forward steadfastly to address the housing and other infrastructure issues. Parks, the streetcar, street lighting, all of the things that you've told us are important and that are contained in plans we're moving forward steadfastly since the last session that was held on this subject we've convened a housing preservation strategy group, which consists of hacd, pdc and omf to take a look at the preservation challenge in front of us. We're dead serious about it, and I hope the council knows that whatever your decision on the west end, we would urge you to take a look at the housing implementation strategy before going much further. Thank you.

Katz: Thank you. Okay. Questions?

Saltzman: On the reassessed -- reassessment of the property, were we to rezone it to cx, did you say that the reassessment would only occur at the owner's request?

Mazziotti: No, it only occurs when an owner successfully makes single owner successfully makes a request for zoning and gets it. If that happens, then there's an automatic reassessment that occurs. If you make a zone change for a district, as a legislative act, that does not trigger an automatic reassessment of the property. Instead, they work within the 3% limitation. The assessed value growth, which is due to change zoning in an urban renewal area, would be added to the increment value over time and would not result in a major production of potential revenue or tax revenue or assessment base.

Saltzman: But if they do in fact develop the property under its presumably higher use category --

Mazziotti: Right. That would certainly make a difference.

Saltzman: Right. Okay. And I guess the -- I guess I got a little lost on, we have to do a special levy.

Mazziotti: Well, as I understand it --

Saltzman: Is this a levy that would be -- a voter-approved levy?

Mazziotti: You I believe can approve it without voter approval.

Katz: It would increase property taxes. The council had to -- had a discussion on this several years ago, and made some decisions for each of the urban renewal districts for a variety of reasons. Some of them I can remember, some I can't.

Mazziotti: Right. It is in effect, adding to the taxes of the entire city. But for the benefit of a specific area by virtue of a special levy, which you can pass as a council, you've already passed one for the south park blacks, and -- blocks, and that's what we're operating under. And this is --

Saltzman: This occurs on the properties within the south park blocks?

Mazziotti: Yes. It's covered by the whole area.

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Saltzman: Okay.

Katz: Commissioner Sten?

Sten: Thanks. I just want to ask you to clarify a little more, commissioner Saltzman and I put up the housing loss resolution, and it was a policy document to get the council to state that it's our goal to either preserve or replace all of the units in the west end. And -- in conversations with pdc, I d -- pdc had a terrific idea that would make more sense that would -- to look rat a policy like that for the whole central city. It would be clear that if that's a good idea in the west end it's a good idea everywhere, and two, it would also give us more ability to actually find and places to put housing and make things work. So I think that's a great idea, and thought it would make more sense to spend time processing that idea and bring it back. So the thought I had was to try and maybe team up the no-net housing loss resolution with the housing -- i'm forgetting the words -- the implementation strategy proposed so we could come back with a look at council incent and -- intent and also where the dollars will be for the next couple of years. I thought if we did that -- decoupled that from this conversation and maybe did it beforehand, that would allow us to get clear on that issue. That's kind of a leading question. It was your idea, so --

Mazziotti: Commissioner Sten, we are on the same page. The housing preservation strategy group, which I indicated we had convened, is intended frankly to report to you as housing commissioner. But to do so in the context of discussion by the entire council of the downtown housing implementation strategy. And it takes an approach of looking at the whole downtown, because in fact in the absence of the ability to look at the whole -- at a bigger market than 16 square blocks, we're really fearful that we will not be able to economically have the effect that you want, which is to protect affordable housing as total for the downtown. Because there could be lots of activity underway that would prevent us from doing that. So we believe discretion is the better part of valor here and we ought to take it up in the housing implementation strategy approach.

Sten: Thanks.

Katz: Okay. I'm going to ask certainly gil to come back to go into little further detail of what he outlined and what he and graham and the staff have been working on and thinking about, and then don, feel free to stay just in case there's testimony and some other questions come up that you'll need to answer.

*****: Thank you so much.

Katz: I know, you're looking forward to that. All right. Michael, come on up. You have something you want to read for commissioner Francesconi.

Michael Harrison, Assistant to Commissioner Francesconi: Madam mayor, commissioners. My name is michael harrison, I work for commissioner Francesconi. He just asked me to read a short statement. Regrettably, prior family commitments have me out of town this week. However, I have kept in touch with my staff regarding developments in the west end and will also review the tape of this hearing upon my return. As I stated at the first hearing, I will only support an ordinance that is protected of low-income tenants living in the west end and conducive of the development after truly fixed income, mixed use neighborhood. That being said, I will continue to keep an open mind as to the best zoning tool to realize that objective. Residential zoning, commercial zoning, or new zoning classification. I am very pleased with the planning bureau's responsiveness to council. Yesterday's memo from gil kelly shows a serious commitment to address the issues of concern raised so far. I am also encouraged meetings have continued. I am optimistic we are nearing a solution that all Portlanders will be comfortable with. I look forward to reviewing the comments made today and voting on this issue in september.

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Katz: Thank you. Okay. Let's start with testimony, and let's hear from people who were here but for a lot of reasons were not able to stay after seven hours of hearing. And I could give you a lot of reasons why you didn't stay, which are all valid.

Moore: Come up three at a time.

*******:** Thanks very much. For allowing us to testify early. I appreciate that consideration. I think it's interesting that a controversy like this can bring out a lot of new information --

Katz: Wait. I'm losing a quorum here.

Moore: I need you to identify yourself for the record.

Katz: Why don't we wait. Out of respect. Okay.

Dee Walsh, Reach Community Development: Dee Walsh, with Reach Community Development and the member of the community development network. I was saying I think it's interesting that a controversy like this provides an opportunity to learn and I think we've learned a lot just between the last hearing and tonight. I know that I've learned that land prices are indeed at least assessments more expensive in the cx than the rx zone. We've learned in the last 30 years that there has again a greater loss of low-income housing in the cx zone than the rx zone, nearly double. We've learned that more affordable housing has been brood in the -- produced in the rx zone than the cx zone in the last 30 years. And we've learned that it will cost between 27 million and \$40 million of public subsidy to replace the 2700 units of affordable housing in the west end. I think all of this teaches us that zoning does indeed impact the development of an area. If it's the council's desire to have this area be a thriving residential community, the city needs to develop a clear strategy to encourage that development, a strategy that includes public improvements and incentives for development. Zoning alone will not make the development happen. That being said, the type of zoning in the area is critical. The we want housing, we need a residential zone. It's important to make a clear statement about what the city's expectations for the area are and the rx zone is one way to do that. Two -- both apartment buildings house frail elderly populations. Many residents have multiple disabilities and rely on the social services for support and socialization. The pressure to convert housing to other uses is not imaginary. I have already had several offers to sell one of these buildings to a developer interested in converting to it a commercial use. If a zoning change is to take place, a dedicated source of funding for the preservation strategy must be in place first. Obviously the three to 400 units of placement that don talked about tonight isn't enough to solve the problem. If we can't purchase outright, we must prohibit a conversion to commercial uses. Until this happens, please do not take any action that would put the existing affordable housing in jeopardy. Thank you for your consideration.

Katz: Thank you, dee.

Virgil Ovall: Virgil, I'm not here to talk about zoning, so hopefully that's a little refreshing. But I am hear to -- here to talk about the amendment that I believe is on page 9 of your amendment package regarding undedicated general parking proposal of the planning bureau. This amendment to the undedicated general parking proposal amends the planning bureau's proposal not greatly, but slightly, in a manner that protect the existing parking rights for older and historic buildings in all of downtown. Months ago, before the planning commission, we testified that incentives to close surface parking lots in the west end should be referred to the upcoming central city transportation management review. We heard back from the planning commission that that was not an option, and that we should propose another solution. We agree with the current planning bureau's recommendation with the exception that we do not think it's prudent to take away the parking rights from over 1 million square feet of older and historic buildings in the downtown as a whole. At the same time, we're trying to protect the economic viability of these buildings. Our amendment

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proposes a one-time, 750 space pool of general parking spaces for exclusive use in the west end. Instead of tying these spaces to reduction in the existing preservation parking reserve. There should be in your packet a letter from deq, who was kind enough to put in writing their agreement that our proposal does not significantly impact their -- air quality. Thus the 77 to remove surface parking lots remains intact without taking spaces away from older buildings. We ask for your support.

Katz: Can you tell me how much are -- how many are in the pool today?

Ovall: There's a little over 2,000 in the pool.

Katz: A little over 2,000, and you want another 750?

Ovall: No. Undedicated general. What our proposal does is -- the planning bureau's proposal creates 750 for the west end. And that would be split up no more than 250 in each -- in any particular project. But we're -- and that number would come out of the existing preservation pool for older and historic buildings. But we're proposing, let's -- let the preservation parking pool remain the way it is, and that we have a one-time undedicated general pool for the west end only of 750, which gets to the number the planning bureau arrived at.

Katz: Okay. But -- all right. We'll talk about that later. Thank you. Keep going.

Sten: Can I ask one question for dee?

Katz: Go ahead.

Sten: As you looked at the numbers on the difference between what was lost, i'm working on trying to get my brain around -- it looked to me like in the existing rx zone, which is much smaller than the cx zone is mostly downtown, we consistently lost to rent increases. And in the cx zone and most of the numbers are down in the core of downtown, the units that were lost, so we lost the conversion, so I see the strategy on trying and block conversions through zoning mechanisms, but it seems to me what's happening in the west end is not conversions, and most of the losses in the rx zone, 80% are in the west end, in the rx zoning. Is it preservation the only strategy, or are there any other thoughts you've had? I do -- I still don't think that --

Walsh: Short of rent control. I think that's -- yeah.

Sten: I'm -- I still don't think the rx zone, if you look closely, does much to reserve affordability.

Walsh: That's certainly true. But I think what it does say is that cx doesn't help.

Sten: I agree with that. I don't think cx helps. I just don't think rx saves much, and that's what I think i'm trying to struggle with, what's the right -- most of the cx is not in the west, and the rx that was lost in the -- is in the west end. But I think the conversion is a big piece. I'm trying to get around what you do for the buildings in the rx zone. It probably won't be rent control.

Walsh: Less radical would be some sort of nonprofit ownership to maintain permanent affordability.

Sten: On acquisition?

Walsh: Yeah.

Sten: Okay. Thanks.

Katz: Can we get some of the citizens?

*******:** This is the last of the previous --

Katz: Okay.

Paul Schlesinger, BPM Associates: Paul schlesinger, bpm associates, Portland, Oregon. Mayor Katz, commissioners, i'm here today as a member of a family that has been in the development business for over three generations in Portland. We have owned, built, developed, and managed properties in the downtown sector in a very familiar -- and are very familiar with the west end area. The west end sub area is a section of downtown that is and can continue to be a vibrant part of this

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city. The buildings in this section are mostly older as well as historic buildings that are used for housing and office, residential, and retail. For the most part, these buildings do not have parking associated with them. For these buildings to continue to be a vital part of downtown, they need parking access. Because of this, we agree with the planning bureau's recommendation, including our change in the amendment package found on page 9. The planning bureau -- this amendment would be the creation of a one-time, 750-space pool of parking spaces. These spaces would be used exclusively in the west end for preservation parking for these older historical buildings. In this manner, these buildings could continue to be part of an economic, viable section of downtown, versus becoming vacant buildings that are a drain to the vitality of downtown, causing a continuing migration to the suburbs. This amendment in the bureau's recommendation would enhance the major make-up of the west end without changing further the incentive removing surface parking lots. We respectfully ask that this request be added to the west end recommendation package that has been submitted to you from the planning bureau. One other comment dealing with zoning, going back to the last time of testimony, that being rick michaelson's comment saying that bring a project, bring a development, and if it doesn't work within the confines of existing zoning, we will try and make it work. I'm par phrasing rick's -- paraphrasing rick's words, but it didn't go unnoticed in my mind, and looks to be showing that the planning commission and yourselves are wanting to work with the development committee -- community to help that along. Again, I thank you for the time.

Katz: Thank you. Go ahead.

Paul Dagle, Cochair, Housing and Community Development Commission: My name is paul dagle, cochair of the housing and community development commission. I wanted to -- the housing community development commission has had a cereus of -- series of hearings on the same issues you're hearing now, and have heard testimony from the bureau of planning and from some of the activists who were putting forth the vision plan for the west end. And in the process of looking at the issue, the commission could not and decided it did not want to take a position on the zoning issue, but what the focus of the concern that came up in the commission and for which there was a wide consensus was that no at lost issue which is being looked into. I think it's fair to say that the conclusion that was reached is that it -- one, the no-net loss was a consensus of the commission, but secondly, that unless something very concrete is done in spite of a lot of very good intentions on a lot of people and quite a number of people that have a view that this -- that there should be no net loss, that there probably will be. I think when the planning -- when the bureau of planning came before us and talked about their plans, they were looking at preserving 1700 units, there are approximately 2700 units in the west end, and our group decided that that was just not acceptable. The difficulty is that unless there's a clear plan and unless there's a way to fund that plan, I think it's pretty clear to a lot of us that there is going to be a loss, and I think that was brought home tonight by mr. Mazziotti's testimony, that pdc in the whole downtown area is looking at having the financing to preserve three to 400 units n our commission it appears to us that at this point in time approximately 900 units in the west end are at risk because while they are charging affordable rents right now, there are no restrictions on the ability of the owners to change those rents if they were to upgrade the properties. And so that seems to us to be the area where there's the greatest concern and risk. I would say, and I think this is -- this is not an issue that's come before the commission. I've only had discussions with various commission members. The concept of dealing with this issue makes a lot of sense, and I think that would be something our commission would support. In terms of our positions on this issue, we did send two letters to the city council, one of february 12, and one of may 14, which does set out in writing our positions on these issues. And I think that

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one of the biggest concerns is that something is going to be done, I have less concern than I had a month ago, that a process -- something -- a decision was going to be made before there was a clear way and a clear means to preserve the housing. And I think that process has started, and I expend you for it, and I think that the commission is very strongly in favor -- I can tell you the commission is very strongly in favor of the concept of adopting a no net loss policy and trying to consider mechanisms for implementing it.

Katz: Thank you.

Bill Vanvliet, Cochair, Housing and Community Development Commission: I'm bill vanvliet, and i'm the other cochair of the commission. Paul did a good job of summarizing our position. Unless there are questions, i'm just here to respond.

Katz: Questions? All right. Karla?

Katz: Come on up. Go ahead.

Susan Barrett, 2014 NW Glisan: Susan barrett, 2014, northwest glisan. As you can tell from my address, I live nearby and as such i've spent a lot of time and money in west end. I did so even before I lived so close just because of the wonderful draw. I have some concerns about some of the testimony that I heard last time. First of all, I heard testimony that a new urban renewal area will allow housing developers the tools to develop affordable housing. I just don't believe this is true. I work for an affordable housing developer and i've been sitting in as an interesting party in the work group. What I see is that funds in the early years are more of a tool for heated discussion over how to spend an incredibly inadequate amount of money rather than a tool for any real solutions. The amount of money that's available right now in interstate can barely preserve any affordable housing, let alone build new. And to preserve what's in west end could cost well over \$27 million with replacement housing costing even more. This money needs to come up front, not years down the road. I also worry about the message the city would be sending to all its citizens in creating another urban renewal district in an area that already has more amenities and diversity than any other place in the city. What will this say to people in less developed parts of town any don't believe urban renewal is the way to go here. I'm also worried about losing the affordable housing that's here. There's been talk back and forth about the number of affordable units that have been lost, but ultimately if there had been a preservation policy we wouldn't be talking about losses. So I believe whatever planning efforts happen, they should prioritize the preservation of the housing that is currently affordable and protect existing residents. This should happen before we go any further. Regardless of the differences in opinions we have heard, everyone says they want to preserve affordable housing. So let's make sure there's a policy in funding -- and funding to place - - in place to make this happen. I also heard testimony last time that there's a perceived high risk to investors because there are no residential amenities. And if having access to the best public transportation anywhere in the city, being walking distance to a beautiful open green space, world class public library, a highly regarded university, a multitude of arts and entertainment, a full service market and plenty of other businesses and services aren't amenities, then I don't know what is. These amenities are what drew my mom to live downtown, particularly the public transportation options. She's a stockroom clerk out at Washington square, and even toe she used to live just 15 -- just a 15-minute bus ride away, that bus had limited service. And now that she's downtown, she never has to fear about being able to get to and from work on a holiday, a weekend or late at night. My husband and i, we're fortunate tough to have combined incomes that allow us a greater deal of flexibility as far as where we choose to live. We choose to live as close as possible to these amenities. And we fear as our family size expands, we will no longer be able to do so. So west end is desirable and marketable to a wide array of people of all income levels and all

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household sizes. I think if they build it, they will come. Residents will come to live in new developments and from that, more businesses will come to feed off of that growth. We just need to ensure is that residential development will happen with the right residential zoning. But don't forget, before anything else, let's protect the residents that are already here and preserve their affordable housing. [applause] [gavel pounded]

Katz: If you feel so strongly, we do this, so everybody knows. [laughter] thank you.

Sarah S. Shaoul: Hello. My name is sarah, and mayor and commissioners, i'm here as a community member. I'm a retailer in the west end. Actually, I did have testimony that I had submitted in lieu of being in attendance at the last hearing, but after just looking at this bureau of planning memorandum, i'd like to share some thoughts with you.

Katz: Why don't you do that.

Shaoul: Okay. I think that -- i'm happy we're kind of going somewhat back to the drawing table, because I don't -- I don't believe in cx, and I am also somewhat mistrusting of those proponents of cx. There have been many, many workshops with many of the people present at them, and very few people that support cx development at these workshops. And we've discussed many ideas and many visions, and a collective vision as a group of what we'd like to see in the west end. And I think we're mistrustful because we don't -- there's no vision coming from those who support the cx zoning. So I do feel that there needs to be more dialogue between the members of the west end steering committee and those that want to support the cx zoning, and the rest of the people who want to see preservation of housing, and i'm also concerned about preserving the infrastructure for housing also. Because i'd like to -- where these people are going to work, where are they going to shop, where are they going to eat, and buy their groceries? I'm worried about losing the independence -- independent small businesses downtown as well. I also, being downtown, I also get a lot of people from out of town coming in and saying, you know, this is a great city, I love this city, but what's up with your downtown? It's completely dead at night. And we have to understand that what we're discussing tonight is not going to just affect those here, it's going to affect future generations. And people want a living downtown that is happening at all hours. Not just for those working downtown during the day. And I just want to remind you all of that. And we all want a west end that feels safe at night and to feel safe there has to be residents in that community. Yeah, and just in closing, I just want to say that maybe we do need to throw out the rx, the cx, and come back together and we really need to have a dialogue, because i'm very disappointed at the lack of attendants of those supporting cx at all those workshops, and then hearing them say things like, there is no desire for housing in the west end. If there was, we'd build it. It's absolutely not true. So thank you very much for the opportunity to speak.

Katz: Thank you. Why don't you pull the mike over to you.

Mary Latourette, Community Alliance of Tenants: Dear mayor and commissioners, my name is mary, I reside at east Portland and I am a member of the community alliance of tenants. Last year I had to wait in a women's shelter for three months for an opening in hud subsidized housing in downtown. I could only get in at that point because someone died. In july of 2000 I moved in, only to discover that I had to move out within seven months because the owner of the building was not renewing the hud contract. I received a voucher and had to move from downtown to the eastern edge of Portland to find a place to use it. I still have to commute two times a week from my home to downtown for disability services. I have had firsthand experience with a -- the shortage of affordable housing in Portland. The city should be talking about ways to create a net gain of affordable housing for our community. At the very least, the city should take no action to increase development potential to west end until there is a realistic plan and funding to preserve or

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replace all of the affordable housing in the west end. Thank you for this opportunity to share my concerns.

Katz: Thank you.

Ian Slingerland: Ian, north kellogg. I spoke last time and submitted --

Katz: That's all right. As long as people who didn't have a chance to do it first. We're now on the second round. Hopefully you'll respond to what you heard from both gil and don.

Slingerland: Right. I'll keep it brief. I'd like to say that first that i'm encouraged by comments that suggest that -- the desire to tie the no net loss policy to a real implementation plan that's going to get us there. Because first and foremost, we need to figure out how to save the housing first before we start increasing development potential. Because I think we've heard that where we're at now, the no net loss policy is just a goal, and there's not the tools to get there. So we need to figure out what those tools are to really get us there before we start doing other things. I'd like to reiterate that part of those tools that we need to be looking at as we're trying to figure out where the funding is going to come from to preserve the affordable housing is from regulatory tools and quid pro quos that place some of the burden for the cost of preserving or replacing the afford am housing on the shoulders of those folks who are going to benefit from the new development potential in the area. So that's essentially the new things I have to say.

Katz: Thank you.

Jacob Brostoff, 831 SW Vista: Madam mayor, members of the council, jacob, I live at 831 southwest vista. I spoke to you last time as a gay man and a member of Portland's queer community, who cares very much about the burnside triangle. Tonight i'm speaking to you as a student of planning and someone who just complete add study of the business cluster in the burnside triangle with my colleague, who is one of your best employees, she works at pdot.

Hales: Duly noted.

Brostoff: April and I were part after work group at Portland state university and for the final project for our masters we conducted a study of small business clusters that serve minority communities. We looked at two business clusters, one was the burnside triangle. In the study we went out and interviewed owners of small businesses and small business patrons of small businesses that serve minority communities on the triangle. We were looking at the businesses that serve Portland sexual minorities. With that i'll turn it over to april to talk a little bit about some of our findings and some of our recommendations for the city to develop both regulatory tools as well as market-based incentives to ensure that small businesses continue to thrive in areas such as the burnside triangle in the west end, and minority communities continue to have easy access to thriving robust and strong small businesses that uniquely serve their needs. So with that --

Katz: Before you turn it over, what other section of town did you look at?

Brostoff: We looked at north killingsworth between north williams and the i-5 freeway, looked at actually sort of three mini-clusters there. If folks are interested, that's always gratifying to see that, we turned in a copy of our report at the last hearing so we can get more copies if you'd like.

Katz: Okay. Go ahead.

April Bertelson: Thank you, madam mayor and members of the council. Thank you for this opportunity. My name is april, i'm located at 2905 southeast alder. I'll be -- before going into the findings of our report, I wanted to support the others and the need to preserve housing. Housing downtown makes sense for small businesses also to thrive. Many of -- low-income individuals are also members of the transportation disadvantaged community, and downtown is transit rich. It makes sense to locate affordable housing in the downtown and keep that there. So I support that. Further, as far as our study, we found in speaking with business owners that many of them had

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been located there for 20, sometimes longer, while some had been recently located there. The burnside triangle houses many small businesses that are able to thrive there. Two, they benefit from the small retail spaces that are located, and many of the old buildings that provide that small retail space. Which is more affordable and meets their needs. The small businesses share clientele and they patronize other small businesses around, so there is that cross-patronage among the businesses. And it's centrally located for these businesses. Many of them know the central location as being an asset. From the community, we -- and you may remember, dan, at the meeting that we went to at the ballroom, we heard from the community support for this as a district. It provides a safe space, it also validates the members of the gay, lesbian community that -- to be recognized. So I would advocate for pursuing the discussion around a cultural district within the burnside triangle. And also supporting the goals of a 24-hour city of providing that night life as well as the daytime supporting of small businesses that could be located there all hours of the day, but gay all day was the saying that we heard. To support these things, we had a few ideas. One is a replacement for small business spaces suitable for the small businesses. So -- and redevelopment, replace similar commercial spaces. Two, a small business incubator. I already saw an example that was ideal. I wish we could have many more property owners like this. A business -- the property owner had selected businesses that would support each other. There was many small businesses on the ground floor and then businesses upstairs that were more office oriented. And there was patronage among them, and they drew a common clientele. It looked strong. It was promising. And I would like to see more of that happen. A small business incubator could be a possibility. Finally, improvements to the pedestrian environment would I think help out in this district and support the infrastructure to support the development of such a district. That's my final

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Katz: Thank you. Questions?

Saltzman: I could ask a leading question and say, are there any action items that have been proposed that might support a long those lines, that -- but that would be too self-serving, as you know, i've worked to propose action items to do exactly that. And I guess I wanted to ask you, on the small business incubator, that's one of my proposed action items, to see this example that you just mentioned. Because I think the planning commission's initial reaction was they support it, but with revisions, and I don't know what they mean by that yet. But I think it would be helpful to get this example you spoke of, so when we could talk about over these ensuing who's, i'll have more of an idea.

Katz: Is this is --

Saltzman: What I mean by --

Katz: This is one of the issues that you'll need to come back as identified in this document.

Saltzman: Right.

Bertelson: And I would be happy to talk further with you about where that building is located and some of the businesses.

Saltzman: Okay.

Katz: My thought also is that the gay and lesbian and transgender business association, they seem to be very nervous about this proposal, and I have -- haven't had the privilege of sitting with all of you and I want to make sure that I hear other positions on this. So we'll need to do a little bit of work on that.

Brostoff: I would like very much to do that. I guess part of what we're bringing to you today as the result of this study we did was what we heard from folks we talked to. So I think differences of opinions lead to very interesting and democratic discussions about what should happen, and to be

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clear, we spoke with -- we heard about 80 people at this outreach meeting, and that's 80 people, and there's certainly more.

Katz: Don't misunderstand me. I think the discussion is a very healthy one, and timely. But I think it needs to be a little broader.

Bertelson: I absolutely agree.

*****: Discussion is really the recommendation that continues.

Katz: Okay.

Brostoff: I want to follow up on one thing to satisfy madam mayor's request that we talk about what we've heard from the director of the bureau of planning and pdc, which is that gil and -- in his memo outlines the importance of the west end, the entire west end for a growing new small businesses in downtown Portland that are locally owned. And I would just echo that, that our study absolutely supports what gil is saying, that the west end is a crucial as a district an incubator, and a place that grows locally on the small businesses, and I think that in my mind that's another asset that the west end contains, it is a place that supports locally owned small businesses. I think not all downtowns across the country have that, and I think we're lucky to have that. So --

Katz: Okay. Thank you.

*****: Thank you. Man tell man dell.

Katz: Dean, it's been a long time. I'm going to ask the two of you to defer to dean. Dean has -- is sort of a dean for the city, serving many, many years on committees and sort of goes back with don mazziotti.

*****: I'm not that old.

Katz: No, I know.

Dean Gisvold, 2225 NE 15th: My name is dean, I live at 2225 northeast 15th and irvington. I have the privilege of serving as a chair of the citizens committee that helped write the downtown plan 30 years ago, and putting the rx zone where it is today. Presently i'm chair of central city concern, which is the largest nonprofit housing provider in the city, along with reach. I'm here as an advocate of affordable housing and good planning. I sent an e-mail to the council, i'm not going to read it, but I want to hit a couple of points. I start on a zoning matter with this question -- does the central city need more cx zoning? Is there a public need for more cx zoning? My opinion, the answer is no. I'm presently serving on the pdc lloyd center housing strategy committee, I think that's the name of it, and what we've been told and what i've seen personally, because I live next to the lloyd center, is that the cx zoning, which is significant portion of lloyd center, seems to be part of the problem. It's promoting land banking by 6 or seven large property owners, waiting for the next office development opportunity. Second question, will cx zoning result in housing development. If the lloyd center is an example, i'd say no. If the developer can opt out at only \$2500 a unit, i'd say no. And the cx we've heard tonight, the cx zoning will make highways more expensive by at least \$9 a square foot. Cx zoning is not good for the city. The no-net loss policy, I think it is good for the city and I think it's a good idea to expand it to the central city. I think you're going to have the same issues in lloyd center probably in macadam. I dry with the comments of paul dagle, who is a colleague of me in the Oregon bar, that the question is, how much can we do? Because the need is overwhelming. And at central city we have waiting lists in every one of our buildings. And these are the 30% medium will income and under. And I agree that the policy and implementation for no-net loss should precede the zoning decisions or the implementation strategies or whatever the name is given. The key is money. Commissioner Sten was quoted I think in the paper as saying, money will make affordable housing go, and in my experience, over 20 years at central city, it's -- we scrounge for every dollar, everywhere, and every project we can.

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360,000 dollars for land cost just makes that it much more difficult to do. So -- and that is, in my opinion, the very difficult thing that the council should focus on. Where's the money coming from? Urban renewal, local improvement districts, bond measures, I don't know. Because we have that problem every day of trying to do affordable housing in this city. And I appreciate your comments, mayor, and I appreciate the opportunity to be before you again. It's always a pleasure.

Katz: Thank you, dean.

Hales: Dean, I appreciate you coming, because I think your perspective is helpful. Obviously there are folks new to this issue and their perspective is valid too. Some voices of experience are good. Even if you aren't as old as don. To quote I think eric's quote was, money -- zoning doesn't save affordable housing. Money does. And I think you're right, we have two issues at work in this hearing, one a very valid concern about the preservation of housing, and the other, the question about what it will take to finally make surface parking lots turn into buildings in a part of the city where you obviously hoped that that would happen. But, you know, one of the most damning things i've heard tonight is this letter that the planning bureau got from eric hovey, it says on the last page, in trying to figure out this question about property values, no recent property sales transactions for vacant land or land with limited improvements, ii, park lots, have occurred in the west end. In other words, the operation was successful. You drafted a great plan, and precisely nothing has happened. So what should we do about that? Sever that from the preservation of affordable housing question, as you just did, by obviously we need to find a financial strategy to preserve the affordable housing. But if the perfect plan has resulted in a perfect coma for 20 years since you drafted it, shouldn't we do something, and if so, what?

Gisvold: Well, it's been 30 years.

Hales: Okay. Sorry. [laughter] that makes it even worse.

Gisvold: I wouldn't say coma. I think it hasn't developed -- I would agree, hasn't developed the way we wanted it to, because there was no question in the minds of the planners and the committee that worked on it that that was the ideal location for housing. I said in my earlier e-mail that i'm convinced that if the city spent -- pdc spent the same kind of money on public investment infrastructure in the west end that they're currently spending in the pearl, that you will see -- you would see development occurring. More development occurring. I think there are some statistics that there's been development in the west end, certainly not the kind that -- not the level that I would like to see. But I think one of the things, again, it comes back to money and public development. That's what has driven this downtown plan from the get-go. The city council and the mayor are wise enough in the '70s to spend real money on parks and infrastructure and transit and transit streets and light rail, and as you well know, streetcars. And those things I think will pay dividends. And the streetcar I think is going to be a significant factor in the west end. And I would predict that doing nothing I think you will see a significant development over the next five years in part in a significant part because of the streetcar investment by the city, which I applaud and hope to be there riding on friday.

Hales: Look forward to seeing you there. Thanks.

Katz: Thank you.

Martha Gies, 2109 NE Rodney Ave.: My name is martha gise, and I live at 2109 northeast rodney avenue. I researched all of the additions of the downtown Portland and affordable housing inventory that northwest pilot has published over the last five years. Because of this work, obviously I keep my eye on rents and on rental housing stock. It -- I would be concerned about any zoning change that would result in reducing the amount of affordable housing downtown, and I just have three observations to share today. One is about numbers of housing. You know, the fact is

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that we have never met the goal set by city council in 1988 for low-income housing rentals downtown. That goal was 5,183 units and it was adopted as a part of the central city plan, and when we last put out an inventory, we'll be putting out another one this year, we always do these counts, we were 1500 units down. Now, we've gained a few since then, because that wouldn't have counted the gretchen kafoury, but we didn't gain 1500. So we just seemed to keep losing units. Don talks about our ability to replace three or 400 or preserve them. That wouldn't get it. You know, we make a big show about replacing units at the st. Francis, but meanwhile, we just seem to be chipping away at things. We lost 23 studio units over at the fairmount on 11th, which is that block south of safeway. Nobody even mentions those units, or the 39 units that we lost at the western rooms. The other two remarks I have are about people. I mean, we talk a lot about units and taxes, and tax base and urds, and -- but because the rest of my work is actually doing a physical relocation, i've done all the relocations also for pilot project, I only work for pilot project when i'm doing a relocation or the directory. And i've been working entirely too much recently. I've been working all year. I did the 39 units at the western rooms. And i'm working the st. Francis now. And what I want to say is that people actually die because of the stress of relocation. At the western rooms, we lost two people within a month of their relocation. This always, always happens. We don't talk about these things here, but I just needed to come down here and say that. That's 5% of the people who had to move. And people have always died. Peter paulson still is paying to remember a story about a woman who when she saw the building closure notice tacked on the park, ran away, in fear. They couldn't find her for three weeks. They finally found her frozen body in the snow in a gully on 13th avenue. So I just feel like knowing what we know, sometimes we talk about replacement as an option when we quote unquote have to get rid of something, but I just think we need to be a little more circumspect about shuffling people around town when we've decided they're living in a hot real estate area. And the third thing I want to say is also about people. I think we just need to consider what we like about Portland, and how much less we would like it if we really did manage to create some kind of trendy commercial monoculture, which is sometimes what we seem bent on doing. I think the poor and the elderly and the drinkers and the disabled and the veterans and the grandmothers are a diversity that's precious to us. And we should keep them amongst us and not on account of some ethical imperative, but because of the gift that they bring to us day by day.

Katz: Thank you. You have the audience waving at you.

*******:** Are they doing this?

Katz: Yes, they're doing that. Go ahead.

Irwin Mandell, 1511 SW Park Ave.: Good evening, irwin mandell, 1511, southwest park avenue.

A west end resident. I'd like to address the obviously vexatious problem of the development of the surface parking lots throughout the west end. The carrot is always better than the stick. The planning commission's proposal has proposed far bonuses for developers who develop the surface parking lots into structures, housing, essentially. There's an additional carrot that could be used, and it's an issue I had raised at a planning commission hearing. I've never heard anything after that.

In addition to the f.a.r. -- in addition, now, to the f.a.r. Bonuses allowed for underground subsurface parking when developing a building on a surface parking lot, let me suggest that the owner of that property be permitted to have additional commercial parking above and beyond the need for the residential parking, so that he also has an income stream from the external commercial parking. This could be devoted to preservation parking if necessary. But the object is to provide an additional carrot to develop the surface parking lot into a housing structure, and put the parking underground. You can do it by a certain percentage of the parking spaces being allocated to

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external commercial parking, or you can just permit an unrestricted, whatever you want to dig out of the ground, as many as you want to put there. Leave it up to the developer. The other issue is this plan of the planning commission to have apparently three parking structures in the west end. This is simple arithmetic. We're going to take 750 surface parking spaces, allocate them to preservation parking, and permit no more than 250 in any given structure. Okay. 250, into 750, that's three parking structures above-ground parking structures in the west end. The residents I've spoken to, and I speak to an awful lot of people, this whole notion is one big enanthema to turn the west end into a parking structure district just doesn't feel right, it doesn't sit right. There can be another solution. There has to be another solution. And I think the carrot's available for putting parking underground when lots are developed is a least worthwhile trying solution. I have one commercial comment based on testimony I've heard, and that regards small businesses.

Absolutely. Small businesses make up the heart of any district. We need the large stores, obviously, but certainly for any given neighborhood, they thrive, function, and need small businesses. So some way must be found in this development process to subsidize or help in some way the maintenance if not the increase in small business procedures. That's all. Thank you.

Katz: Thank you.

*****: Any questions?

Hales: Not a question, just a follow-up to staff. I'd like to put that suggestion word-for-word, please, into the options for us to consider.

Katz: We didn't talk about the planning commission's amendment, and so tied to that, we need to explore all of that.

Hales: I want to make sure I understand your suggestion. You're saying in addition to the f.a.r. Bonus, make additional perhaps unrestricted parking available, but on the condition that it must be underground.

*****: Exactly.

Hales: The suggestion in the amendments list is not necessarily -- it says we ought to add 750 spaces undedicated spaces, but you're saying, but, they must be underground and in addition -- and perhaps in addition to the f.a.r. Bonus.

*****: Correct.

Katz: Did you talk to him?

Hales: No, but I think great minds might be working alike. I like this idea.

Irwin Mandel: It comes with the notion of having three --

Katz: But that is within the planning commission's amendment.

Irwin Mandel: That's correct. That's part of the planning commission's proposal.

Hales: I like this idea.

Katz: So we need to look at the two issues tied together. Thank you. Good to see you, dean. Thank you, everybody. All right.

Katz: Lily, you changed your mind.

Hales: You disagreed with the last guy.

Lili Mandel: No, I wouldn't dare. Don't believe that. Lili mandel, 1511 southwest park avenue. I've been listening very, very quietly, and I wasn't even going to bother saying anything. But there is one, one question that is really bugging me. I don't know the answer. Perhaps you can tell me. Why oh, why do the developers need the cx zoning? That is the billion dollar question. They have been asked over and over again, why do you need it? We get an answer like, flexibility. What, to do what? This I think is a very -- before we go anywhere, we can go anywhere, I think this is a very

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important question to learn. Maybe I would agree with them. Who knows? Why oh, why the big mystery? It makes me wonder. Thank you.

Katz: Thank you.

Virginia Davis, 2606 SE Pine: My name is virginia davis. I reside at 2606 southeast pine in the buckman neighborhood in a duplex which I own. I'm a citizen activist, and have advocated for those of us labeled by society as mentally ill since the early '70s. I am here to address the displacement of individuals and disruption of communities, and nothing i've heard here tonight would convince me that this is not inevitable. I would like to introduce into the public record the concept of a displacement bonus. And i'm very affected to learn that relocation, one of the consequences of relocation can be death. Where there are ten people, 100 people or 2700 people, are displaced, each displaced person should receive a sweetener in the form of hard, cold cash to make a transition into a new place, a new home, and a new community. Thank you.

Katz: Thank you.

Moore: That's all we had signed up.

Katz: Anybody else? Hi. Anybody else? Susan. You don't want to testify? Come on.

Susan Emmons: I want to testify. I'm sorry to be so late. Hi a board meeting I couldn't change. My name is susan emmens, i'm the director of the northwest pilot project. I'm sure I can't say anything to you that hasn't already been said. But I would like to say i've been at northwest pilot project for 16 years, and I worked on -- in the west end or on the virtual boundary of it since 1978, when I was the office manager at first congregational church, before I joined the pilot project. So I certainly watched the area develop, watched what's happened, watched with great interest when as a city we gave tax abatement and got housing built around the south park blocks. Beautiful housing that's held up, I might say. And is serving a population of moderate income people today. I am concerned about displacement. I just like to say on the record that I want to support our planning bureau staff. I think there's the possibility of coming up with a good, no-net loss housing policy, but I think we need time and we need resources. And what I heard at a recently convened meeting in commissioner Sten's office, and I really appreciated being at that meeting and hearing these very intelligent technical people from the Portland development commission and the housing authority of Portland development staff say, we need more time to come up with a strategy. Let's get a good no-net loss policy, whatever we do with the zoning, but we need resources and we need more time to figure it out. To get all of us to sign off on it. And I was very impressed by that, and the unanimity of agreement around the table, the tenants were there, elders in action, and the people who are going to have to implement this policy for us. So I would like to see you not rezone the area. I think the long-term planning, i've been convinced by sam, cathy, other planning -- current planning bureau staff who spent many, many years watching this area and planning for it, that a residentially zoned area makes sense. And we are really starting to see the area deliver. And just as a complete, you know, sort of separate issue, but side note that it keeps coming up about the galleria. I came to Portland in 1965 from chicago to go to lewis & clark college, and I remember when we -- the galleria was transformed from the old roads department store. I remember when it was the place to shop. I also remember in my early days at northwest pilot project when the galleria started to dwindle a bit, and that's when we opened up the yamhill marketplace. I also have a very vivid memory of how cool we thought the yamhill marketplace was, and when that area started to slow down as a place to shop because we opened up pioneer place. So for those who say, the galleria is dead, well, let's talk to the people who own and manage that market it. How are they marketing it? I think they could bring it back, and I don't think it's a matter of how the area is zoned. I think when we get all these people moved in and start building residences, that will be a

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great place to shop again too. I think it's very interesting that the galleria keeps getting mentioned, but the people who own it, manage it and market it haven't somehow come on the record as to what are their long-term plans. Because I remember when that was a great building. I think you've heard all about displacement, and martha guise, who represents our agency well and is actually doing the relocations now and working on the st. Francis knows this in a very direct way.

Katz: Thank you. Okay. Gil? Come on up. Don, do you want to join him? Or would you rather - - whatever you want to do. Come on up. Graham, come on up. I invited susan up because usually she comes up and screams at me. Not this time, susan. Okay.

Kelley: Let me start with something I think is common to all the perspectives, or nearly all the perspectives that you've heard over the last two meetings. That is the motion that the west end in -- the notion that the west end in general, although it can be slightly -- viewed slightly differently, the aspirations for that subdistrict of the downtown and central city are really as a neighborhood. And neighborhood I think means a number of things, but primarily it means housing as a primary use, and we haven't heard a lot of dispute about the primary use. It also means in a very urban context having a more active flavor than just purely a residential neighborhood, and I think commissioner Sten spoke about old town at the last hearing, which is an interesting comparison, and gotten me really thinking about it. It certainly means you want to encourage, if not require, a more active ground floor set of retail uses in the west end, so that it has some life. I think the other component in an urban setting is that you want to allow for office development at some scale to allow a daytime population there as well as the nighttime residential population. And I think these things are held in common as well as aspirations for having a sense of place that's defined not only by those uses, but by the public spaces that could occur in the west end. And I think it's also clear that the northern part of the west end, much like old town-china town, has kind of a distinct flavor to it in the sense of not only small scale incubator space, but a very active entertainment, 24-hour aspect to the district. And that is true. And that's something that can't be regulated, but something which we need to acknowledge in our development strategy efforts in our future planning efforts. Those things are common. When I look at the two things that have been on the table, the planning commission's proposal is probably the more ambitious policy in the housing direction. That is to say, it says, this is housing and we're going to require it, but because we recognize those other values are desired in an urban district, we're going to allow for example, in the northern end, up to 50% mixed use. And I think the rub has really been around, can we do side by side mixed use as well as vertical mixed use. And the side by side in the planning commission's proposal was achieved through a housing credit thing, and this is why I call it the more aggressive housing policy, because it says in order to do that independent commercial, you need to have found someone else who has satisfied more than their baseline obligation for housing, essentially buy that additional credit that's been put into the system. So you sort of help them with their housing project at some point and you get to do a standalone commercial. What the alternative proposal you heard from the steering committee representatives was to incent risk taking on the part of the development community, let's change it to a cx zone, which is more liberal in its uses. But go ahead and apply a housing requirement, since we agree housing is a key factor in the area. But rather than the credit system, we want to be able to buy out of that obligation on a case-by-case basis. And you heard the dollar figure there that was proposed, and that's been debated about, whether that's good enough. So we could continue to work off of either one of these proposals. And i'm leaving aside the sort of question of the development strategy, or housing strategy for protecting current low-income units for the moment, and just speaking about the future of the infill of the district. The other thought that's occurred to us is, well, what if you took a sort of new base

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idea and worked from that base, a base that might, for example, be explicitly mixed use from the get-go. You could designate it an m designation rather than the c or an r, and to get it what we -- at what we think we have heard, you might allow by right housing projects or mixed use projects of virtually any scale up to the height limit that's were discussed, but you might deliberately allow by right only sort of short or modest scale commercial projects, and in doing so, achieve the kind of sense of neighborhood physically and usewise without overwhelming the residential with commercial. And also in so doing begin to liberal -- to level the economic playing field between competing uses for property.

> that is to say, the -- you might design it so at least from today's perspective and things markets change over time, that there's a relative equivalency on return on investment between a housing use or housing mixed use project and a commercial project on the same block. And to exceed the commercial envelope that would be allowed by right, you might have an additional housing obligation on top of that, for example. So that was a thought that might occur to us. One of the reasons for going there is that -- to doctor the cx base, you're faced with some of these not only scale questions, and the desire on the part of a number of council members we heard last time to do some kind of meaningful housing overlay, but as I mentioned earlier on, we need to do some surgery at the minimum on the cx to cut out uses that you don't want. And probably to add back in as commercial Hales eluded to last time, a minimum f.a.r. To really -- and I like the new notion about the additional incentive for underground parking, we need to continue to look at what the economics of that might be. But the basic notion here is that you would sort of equalize the economics playing field. Were you to allow a buyout of a housing obligation to get a taller commercial building, then we'd want to again look at what's -- what is the right mix of things to do to have a set of fees that is a reasonable buyout fee, and so forth and so on. The potentially the achilles heel is to we would need to do something about the conversion potential of existing residential units to nonresidential uses. Either through the form of a rural prohibiting those conversions, because I think that's a very easy thing to do in a newly designated zone, probably easier to do than any form of new construction, would be to flip buildings from low-income residential at risk to even incubator commercial. With some retrofit of the building. I think the new rents would probably justify those kinds of activities. So on that policy, you -- this is -- the devils and the details to work through these conversations with all the stakeholders, do you have a prohibition on conversion? Is that sustainable? Do you have a buyout clause, and if so, what is that. Do you have a blanket housing obligation, so that burden is spread. Those are the kinds of questions we'd need to look into. But it's certainly possible to think of applying this kind of designation to a subzone of the west end or to more than one subzone of the west end. Similarly, it could be combined with design strategies that you heard about in the -- and the planning commission heard about, which is potentially requiring more active ground floor uses, potentially requiring more story front design -- store front design and spacing so you get more potential for small business, albeit not all incubators. So it doesn't go all the way there in that strategy. It could be combined with doe sign strategies about maintaining some kind of line through the district that serves as kind of a recognizable element after which you get a setback or some architectural definition of that kind. It could be combined with a relook at parking strategies, although again, because of the economics here, we'd need to understand what the costs are for undergrounding. And then I think we'd want to understand how this again fits into the development strategy timing. And i've sort of tossed this word out, development strategy, you're probably saying, are we hooking too much hope on this? Maybe, but I think that that's the place where as one speaker said, you really get to the investment side of this whole equation. And we can debate forever whether the

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zoning's been the problem or the lack of public investment is the problem, but certainly looking at the public private investment together side of things seems like a timely discussion right now, and one that both don and I are interested in pursuing. And I think in that strategy discussion we'd want to look at what public dollars could go into this and from what sources, they might not all be the t.i.f. Sources. If we do this public investment, what will certain private developers bring to the table in terms of protecting existing housing, building new market rate housing, what do we do about getting some quality open spaces there that will create a sense of place and neighborhood. Getting a more fine grained kind of plan of action to actually motivate some of this vision that we're all roughly agreed on I think is really not something we can do through zoning, it's something we have to do through a more fine grained and strategic look. Things like expanding the clean and safe district, doing something with a green street or great street or residential street on 12th. Those kinds of things we haven't been able to get to yet. We've just tossed them out there as general notions. And I think it's worth combining those with the kind of work we want to be doing anyway with the midtown and retail strategy to take a look. So will the district i'm describing might fit well with that development strategy. So I guess in general what i'm saying is we can keep alive as options the planning commission option, the cx or cx as modified option, and come back to you potentially with a third option for you to look at, but I don't want to do that in a vacuum, I don't want to do it just in the planning bureau, i'd want to do it through discussions with the stakeholders.

Katz: Don, do you want to add anything?

Mazziotti: I certainly can't take exception to much of what gil has said. I think there are some -- the testimony tonight has helped me a great deal understand a little bit more, although I did listen to all seven hours last time. I think mr. Mandell's notion is worth looking at. I think there's something else, just briefly I told gil about it. The governor has signed a bill called the vertical development tax abatement bill. And I understand some take the view that tax abatement can be just another form of corporate welfare. However, this is an interesting piece of legislation --

Katz: Do you have the number of that?

Mazziotti: I don't have the number with me tonight. I don't want to mislead you. I think representative beyer was responsible for it from eugene. At any rate, in effect it allows a proportion of tax abatement on vertical housing development, and if that were done in combination with commercial development, for example, and structured parking, which perhaps was incentivized, you might be able to come up with a regulatory package that worked really well and that would down the line produce the kind of top-line revenue performance that you would want without sacrificing the loss of a great number of affordable units in that area, because I really don't see that there's going to be -- this is not a land office business in the west end that we foresee on the immediate future, and given the history, so I think it's worth looking at those things. I think it's also -- i'm glad people recognize this -- I don't think t.i.f. Dollars are sufficient in and of themselves or alone to solve this problem. If we were to allocate, let's say of the \$40 million that's been spent in the south park blocks, if we were to allocate all of that, it still would not have been sufficient to have stemmed the loss of somebody who said at the hearing between 7 hundred and -- 700 and 1400 in the housing units over the last 15 years. So I think we've got to come up with a multiphase sort of approach and strategy. I do think the regulatory envelope is very important, obviously to the extent that it constrains development, the question is what can it do to promote it that's consistent with the vision that I think gil is referring to. So i'm hopeful that our housing discussion next month will help clarify that, maybe come up with a financing strategy that's adequate for the housing issue on the affordable site, and for that matter we need housing all types

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downtown, not just affordable housing. That's where we ought to prioritize, I don't disagree. So that's my -- those are my thoughts at this point.

Katz: Graham, did you want to add anything? You did a lot of the work.

Graham Clark, Bureau of Planning: I was prepared to describe some of the uses that cx allows that the other zone that's we've been talking --

Katz: Why don't do you that just quickly for an educational purpose.

Clark: Okay. I put together a matrix, and really i'm going to go over it briefly. Some of the things that cx allows that none of the others do at all are things like quick vehicle servicing, medical centers are only allowed in rx through a conditional use or limited process, religious institutions are only allowed in rx through a conditional use process, small industrial facilities are not allowed in rx at all. All those things are allowed outright in cx. In rx they're disallowed or only on a limited basis. That just gets toward gil's discussion about uses. If we're talking about some new kind of framework, we need to think about which uses help to build a neighborhood.

Katz: Okay. Thank you. Let me say that first of all I want to thank all of you for moving and pushing a little further. As you know, I was the only one that supported the planning commission outright. Others on the council were thinking about it and trying to tweak and worried about some of the issues, and were very interested as I think the entire council was, on the preservation of housing. And that's as I know from working with pdc, that's not an easy solution. And so with the council's help and the desire to try to rethink this so it's not all one or the other, we've given you the opportunity to begin to be a little bit more creative and certainly with don and gil's talents and staff, we -- and the stakeholders, we may be able to do something even better. So sometimes when there isn't a consensus in the community, or there isn't a consensus on the council, it's an opportunity to kind of push the envelope a little bit more and come back and be a little bit more creative, and I think that's what we're asking you to do. And I just want to make sure that i'm echoing the council and not just my hopes and dreams.

Saltzman: I appreciate all the work that you've -- all the thinking you've given to this and the proposals you put forward to us, but I do want to sound one note of caution, and that is, I want to make sure we're not just crafting a solution that -- or a strategy that is politically palatable to the five of us up here and to all the various constituencies and won't work on the ground. I think that's a danger that we have to be aware of. I guess i'd call it getting too cute. We can try to satisfy everybody and come away with something that will leave the west end looking the way it has for the 24 years. We need to keep that in mind too.

Kelley: If I could address that point, I agree with that completely. One of the reasons I think about maybe sometimes when you hit these crisis, you -- the earth shifts a the bit, and maybe going to a new base zone design here is not just a response to the west end, but may have some applicability throughout the central city, once you get outside the office core. Really what we're saying is, we want those to be really urban mixed use neighborhoods, and we don't have that in either of the cx or necessarily in the rx. The planning commission did tweak the rx a lot, but it still works from an old r-base, so maybe by going to something else we've got something that could work in a number of the situations that ring the core downtown and potentially even in some of the town centers we have.

Hales: I'm not ready to leap to that conclusion. I like what you said in your memo about all those items about disallowing certain uses in cx and f.a.r., but I think that's a bad idea, the maximum. Remember, we've had -- in the time you and I have been on the council, mayor, we've had five office buildings built in that enormous area that's pink on that map. Five. The biggest real estate boom in a hundred years. Five office buildings. Four of them, by the way, had attached above-

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ground parking structures. So mr. Mandell's idea is worthy for more than just housing. Four of the five allegedly the most livable downtown in america. So I am not worried about the west end, regardless of how we zone it, erupting in office buildings, but this proposal says basically, instead of getting a six-story office building we might require them to build a three-story office building. And I think that's a stinker. So let's not do that, please. But I love the rest of what you've suggested. In your memo. But I don't think it leads to a conclusion that we have to create a new zone to get what we want. We need new policy to get what we want, which is not purely cx or rx. But I don't want to leap to the conclusion that means we have to craft a new color on the map.

Kelley: I think we can keep all three alive until we come back to you, just sort of to look at. I want to at least -- at least a sense of the kind of things you've been saying, which are the substantive issues that have been put out.

Katz: You heard commissioner Francesconi's staff person read a memo, and I had a conversation before commissioner Francesconi left, so he is supportive of you moving ahead and starting some work. Commissioner Sten, I don't know if you want to add anything.

Sten: I'll be brief. I think this is the right way. I'd like to push into both the new zone and the limitations and see what they look like. Just very quickly, the two concerns I had last time, they really were to some extent with both proposals, the first was, I think because of the great loss we've had on affordable housing and the enormous need we've got, there's a huge rallying cry around the issue of affordable housing. It was and is my analysis that neither zoning will do much. I think you can make a good bet that maybe one slows things down and the other doesn't, but I think you can bet it both ways if you look hard at different friends in downtown. Either way what the memo shows overwhelmingly is we've lost lots of housing in both zones. What i'm really excited about is getting a strategy in place before we make a zoning decision. Because I think that's the right approach. So I think that's -- it's not off the table in the sense we actually have to put the strategy together and bring it back, and that will take a lot of work, and as everybody has correctly testified, the main problem in affordable housing is not our political will or the savvy of our nonprofit and for-profit developers, it's money. So there's a lot of issues still. But I think that's great. The reason that I had leaned towards cx is that I tend to find that the areas of town with -- once you take the affordable housing off the table and not make that the rallying cry, and let's just pretend we had saved the affordable housing, I tend to think the areas that have a little more liberal zoning develop in a little more interesting way. I will take old town and the river district over the south end of the west end any day of the week. In terms of areas that I think it's great we have a lot of residential up in there which is just rx, but it not a happening area. The argument that that's happening 24 hours or even 12 hours a day falls flat. It's a good place to live.

> but you walk out of there to do everything else. So i'm interested in something that helps make there be more mixed use and more different things out there, and I think what the conversion issue particularly, there are some real issues around cx, but I was striving for is something a little more room to work. I think the idea of trying to take a look and the way you are, gil, makes a lot of sense. It's hard to know without seeing it whether or not it's better or worse than the other proposals, but I think it's got a lot of promise. So i'm pleased to take another break and take another try and would like to help at it.

Katz: Okay.

Hales: Think about where vertical mixed use is getting built in the city today. Fox tower, a lot of the stuff in the pearl district, the gregory, that's vertical mixed use. It's in cx. So I share that concern about the liveliness of the district. Even the most housing intensive projects like the gregory, you know, are vertical mixed use is getting built. I think we do have a little stable of

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developers now who know how to build vertical mixed use, but we still have a lot of developers that build one ore the other. And a good office building next door to a good housing project next door to a good retail or entertainment venue starts to create the elements of the neighborhood. And I don't see how you get that in rx. But you can get it with cx, and preserve -- the housing preservation concern, I don't think we've had a single witness in whatever it's been, nine hours of testimony, who's said, i'm really worried the service parking -- surface parking lots will turn into office buildings. They're saying they're worried the existing housing will turn into something else.

So the preservation issue really needs to be severed from the finally get something to work to redevelop parking lot issue. I haven't heard anything say i'm deadly afraid of the future of this district if we have movie theaters or office buildings or retail on those surface parking lots instead of car storage. So I think there's a way to get there with your -- with what you suggested.

Kelley: I would agree with you about the vertical mixed use. I think that has been less a problem. I think what's been a problem is unlike the pearl, you've got mostly smaller lots, ownerships respect whole block. So doing vertical mixed use is really hard.

Katz: It's difficult. I think --

Hales: Process question?

Katz: Go ahead.

Hales: --

Saltzman: What kind of a landing pattern are we under? We're talking about coming back in mid-september with, as you said, specific amendments, public hearing on specific amendments.

*****: I think given --

Saltzman: I presume we would not take action then.

*****: You're right.

Saltzman: I know this depends on how we all would reacting and the public, but we have to keep an eye on this to closure one way or the other.

*****: I couldn't agree with you more.

Saltzman: I don't want this to be the land division rewrite.

Kelley: I'm also trying to be realistic. Just hearing this discussion tonight and the additional testimony, what we can do in september is come back to you with a pretty detailed outline, if you will, of what these key provisions are and how they're going to work. And i've had some discussion about that with the stakeholders who are entering the prime vacation period here, so I --

Katz: One of the reasons --

*****: I want to make sure the stakeholders have an opportunity at that. Trying to come back in september with ordinance language isn't going to work. So we'd have to have at least one --

Katz: Some of you are all gone in august. It's just an impossible month. I think the council is --

Saltzman: I'm more interested in where we go from that september point.

Kelley: Hopefully with that discussion at the council you could make some decisions about the substance and then we would go away and craft it into ordinance form and come back for a financial hearing.

Katz: In addition to that, I do want you, you've identified some of -- amendments you at least want some discussion and some analysis, and so I ask you to look at the sheets graham presented and identify those that you want him to do some further work. Because they do need to do -- they do need further analysis and discussion.

Clark: And just to add one thing, mayor, there will be new amendment that's were spoken of tonight that will be added to that.

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Katz: Right. Graham is trying to be very responsive to the citizens who have testified, but we -- we would be here almost five years if we took every amendment.

Kelley: We need to -- i'm thinking out loud -- keep this hearing open to a september date, in which indication we'd better pick --

Katz: Do you want to pick a date? Pick a date.

Kelley: Maybe the third week of september? I'm worried about vacation schedules.

Katz: You all are back I think in september.

Moore: That's what I have. The third week in september is the 6:00 p.m. Meeting, but the land division code rewrite is penciled in.

Katz: No, no, no. We're not doing both. Can we do it in -- on the land -- I don't know where --

Hales: It's a vote, isn't it? The land division code?

*******:** Hopefully it's a vote.

Hales: Please, god, let --

Katz: Do you -- do we want to do this at night, this one?

Hales: Fine.

Katz: All right.

Moore: Move them, then? That is the evening one, the land division code. They have 6:00 p.m. Already for september.

Katz: In the evening?

Moore: Right.

Katz: We don't want to do that.

Hales: 14th reading --.

Moore: The 26th is the last weekend. It would be a 2:00 p.m.

Katz: 26th? Is the 26th all right?

Moore: 2:00 p.m.

Katz: 2:00 p.m. All right. We've got it. Thank you, everybody for your hard work. To be continued. [gavel pounded] we stand adjourned.

At 8:06 p.m., Council adjourned.