



CITY OF
PORTLAND, OREGON

OFFICIAL
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 7TH DAY OF NOVEMBER, 2001 AT 9:30 A.M.

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

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

On a Y-5 roll call, Consent Agenda was adopted.

<p>1297 TIME CERTAIN: 9:30 AM – Accept Project Interwoven Tapestry report (Report introduced by Commissioner Saltzman)</p> <p>Motion to accept the Report: Moved by Commissioner Saltzman and seconded by Commissioner Francesconi.</p> <p>(Y-5)</p>	<p>Disposition:</p> <p>ACCEPTED</p>
<p>1298 TIME CERTAIN: 9:50 AM – Transmit results of the Office of Sustainable Development Green Investment Fund Grants Program (Report introduced by Commissioner Saltzman)</p> <p>Motion to accept the Report: Moved by Commissioner Sten and seconded by Commissioner Saltzman.</p> <p>(Y-5)</p>	<p>ACCEPTED</p>
<p>CONSENT AGENDA – NO DISCUSSION</p>	
<p>1299 Cash investment balances September 27 through October 24, 2001 (Report; Treasurer)</p> <p>(Y-5)</p>	<p>PLACED ON FILE</p>
<p>Mayor Vera Katz</p>	
<p>*1300 Grant a ten-year property tax exemption to Pacific Tower Associates for new multiple-unit housing at the southwest corner of NW 4th Avenue and Flanders Street (Ordinance)</p> <p>(Y-5)</p>	<p>176046</p>

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<p>*1301 Amend criteria for City of Portland Sister City Relationships (Ordinance; amend Ordinance No. 166149) (Y-5)</p>	<p align="center">176047</p>
<p>*1302 Agreement between Youth Gangs Outreach Program and the City to address crime prevention (Ordinance) (Y-5)</p>	<p align="center">176048</p>
<p>*1303 Authorize the Police Bureau to appoint Bridget Marie Sickon to the classification of Police Officer at the five-year salary rate (Ordinance) (Y-5)</p>	<p align="center">176049</p>
<p>*1304 Approve issuance of Multifamily Housing Revenue Bonds, Series 2001, Museum Place South Project (Ordinance) (Y-5)</p>	<p align="center">176050</p>
<p>*1305 Amend the provisions of a one-time exception to City Code Section 4.12.040(b) to allow carryover of vacation in excess of two years' accrual for eligible employees and carryover of Administrative Leave awarded in calendar 2001 (Ordinance; amend Ordinance No. 176004) (Y-5)</p>	<p align="center">176051</p>
<p>*1306 Authorize amendment to contract with an expert consultant on claims related to litigation (Ordinance; amend Contract No. 33877) (Y-5)</p>	<p align="center">176052</p>
<p>*1307 Pay claim of Bobbie Ridgeway (Ordinance) (Y-5)</p>	<p align="center">176053</p>
<p>*1308 Pay claim of Jesse Harwin (Ordinance) (Y-5)</p>	<p align="center">176054</p>
<p align="center">Commissioner Dan Saltzman</p> <p>*1309 Authorize an Intergovernmental Agreement between the City and Clackamas County to provide pretreatment services for industrial users located in the unincorporated areas that drain to Portland (Ordinance) (Y-5)</p>	
<p align="center">REGULAR AGENDA</p> <p align="center">Commissioner Jim Francesconi</p>	
<p>*1310 Grant a revocable permit, with conditions, to the Pearl Arts Foundation for installation of the William Wegman Portland Dog Bowl sculpture in the North Park Blocks (Ordinance) (Y-5)</p>	<p align="center">176056</p>

<p style="text-align: center;">Commissioner Dan Saltzman</p> <p>1311 Authorize the City to enter into contracts with seven named agencies to provide early childhood services (Second Reading Agenda 1228)</p> <p>Motion to suspend the rules to permit additional limited testimony: Moved by Commissioner Francesconi and seconded by Commissioner Hales.</p> <p>Motion to substitute the Bureau of Housing and Community Development for the Commission of Public Affairs to execute the contracts: Moved by Commissioner Saltzman and gaveled down by Mayor Katz after no objections.</p> <p>(Y-3; N-2, Francesconi, Katz)</p>	<p style="text-align: center;">176057 AS AMENDED</p>
<p style="text-align: center;">Commissioner Erik Sten</p> <p>*1312 Contract with Asset Management Outsourcing, Inc. to provide collection services for past due water/sewer billings and waive the requirements of City Code 5.68 (Ordinance)</p> <p>(Y-5)</p>	<p style="text-align: center;">176058</p>

At 12:00 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 7TH DAY OF NOVEMBER, 2001 AT 2:00 P.M.

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

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

At 3:00 p.m., Officer John Scruggs relieved Officer Clifton.

	<p style="text-align: center;">Disposition</p>
<p>1313 TIME CERTAIN: 2:00 PM – Consider the proposal of Freightliner LLC and the recommendation from the Hearings Officer for denial of a Statewide Planning Goal Exception, Comprehensive Plan Amendment and Adjustment Review, to construct a wind tunnel facility at riverfront property located on Swan Island, on the north side of N. Lagoon Avenue (Hearing: LUR 01-00327 GE CP AD)</p> <p>Motion to accept amendment to approve the application for the Greenway Goal Exception, the Comprehensive Plan Amendment and the setback adjustment, approval is subject to conditions refining the applicants recommended mitigation plan, applying this requirement for interface with residential property to achieve a five decibel reduction below the standard, include language in the findings requiring the applicant to grant a future trail easement: Moved by Commissioner Hales and seconded by Commissioner Francesconi.</p> <p>(Y-4)</p> <p>At 4:30 p.m., Council recessed.</p>	<p style="text-align: center;">TENTATIVELY APPROVE APPLICATION WITH CONDITIONS. PREPARE FINDINGS FOR NOVEMBER 28, 2001 AT 2:30 PM</p>

NOVEMBER 8, 2001

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 8TH DAY OF NOVEMBER, 2001 AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi, and Sten, 3.

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

<p>1314 TIME CERTAIN: 2:00 PM – Adopt design guidelines for the King’s Hill Historic District (Ordinance introduced by Mayor Katz)</p>	<p>Disposition:</p> <p>PASSED TO SECOND READING NOVEMBER 15, 2001 AT 2:30 PM</p>
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At 2:30 p.m., Council adjourned.

GARY BLACKMER
Auditor of the City of Portland

By Karla Moore-Love
Clerk of the Council

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

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Closed Caption Transcript of Portland City Council Meeting

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

Key: *** means unidentified speaker.**

November 7, 2001 9:30 AM

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

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

Katz: Present. All right. Consent agenda items. Anybody want to take any items off the consent agenda? Anybody in the audience wanting to take items off the consent agenda? If not, roll call on the consent agenda.

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

Katz: Mayor votes aye. All right. Time certain.

Item No. 1297.

Saltzman: Thank you, madam mayor, we are here today to have an update on the interwoven tapestry project, and this is an exciting project that the office -- the metropolitan human relations center, under the office of neighborhood involvement, is working with, with a number of the partners, and it's about building this project is funded, it's a national grant we received one of, I believe, six cities, called, building the new american community initiative, and the funders include the urban institute, the office of refugee resettlement, the carnegie endowment for international peace, the national immigration form, southeast asian resource action center, and the grant is managed by the national conference of state legislatures. It is primarily working with the african, russian-speaking, latino and asian-speaking communities and with our central neighbors northeast, southeast uplift and the northeast coalition of neighborhoods. And since it started in may of last year, or may of this year, over 600 Portlanders have been involved in this project, assisting in outreach, responding to surveys, participating in focus groups and retreats. This project has ended one key phase of establishing outreach with many new residents of this area in those communities, african, russian, latino, and asian, and it's very consistent with the overall goal of the office of neighborhood involvement, which is to end the neighborhood coalitions, which is to really get new neighbors, new citizens involved in their neighborhoods, involved in our government, involved in our community, and these -- there's been a series of very exciting meetings over the last several months. I have had the opportunity to attend some. Members of the russian community, members of the african community are getting together and they are meeting with our people and they are learning a lot and we are learning a lot about that them, and we are all working for the same bottom line, and that is to have -- how they can be better members of this community. How they can contribute, and also how their voice can be heard, in the democratic process that we are all so proud of. So it just ended the data collection and planning phase and it is about to star the action plan and flow facing phase. The staff have put together a report compiling all the findings from the first six months of the action plans for each community, and this report will be available to us next week. As I said, it's an innovative project. We are very proud of it and very pleased to be one of the six cities selected to carry out this type of effort. And it's a two-year project, and we will be, at the end of this, to provide some small grants to support the projects of this type throughout the community, so that's one of the, the golden egg at the end this far process, too, is that not only will we have better representation in our government and neighborhood associations and our community, more diverse and new neighbors participated, but also have some funds to provide small, small grants. So, i'd like to call up now the members of the interwoven tapestry project alcohol be giving us the

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update, starting with amalia, the director of our metropolitan human relations center, cariffa, paula, and lee. Come on up. You can call come up at once.

Amalia Alarcon-Gaddie, Manager, Metropolitan Human Rights Center, Office of Neighborhood Involvement: Good morning. My name is amalia, and I am the manager of the metropolitan human rights center in the office of neighborhood involvement. I'd like to start by thanking you, mayor Katz, and commissioners for giving us the opportunity today to tell you about project interwoven tapestry. As many of you know, one of the major goals this year is to increase participation in our neighborhood associations and in the neighborhood system. Together, with commissioner Saltzman and the coalitions, all aspects are working to get more neighbors involved in the civic dialogue and decisions of Portland. The project interwoven tapestry is mhrc's part of this important effort. Interwoven tapestry began as a primary partnership between the immigrant and community organization, also known as erco, back in may of this year. The purpose of the project is to conduct research and determine best practices for successful integration of new americans or new neighbors, a term used to refer to refer jew and immigrant community members. World's interwoven tapestry is one of three demonstration projects funded nationally under the building, the new american community initiative managed by the national conference of state legislators. The other two sites are national tennessee and lowell, massachusetts. Portland intends to develop a leadership team composed of new neighbors from the african-russian speaking, latino and asian communities, and to increase civic participation of these and other new neighbors through involvement in existing neighborhood systems. Since integration is a two-way street, we are also working with leadership from the receiving community, which is defined as the host community or the community of people who live and are active in the neighborhoods in which new neighbors settle. As october ended, so did the research of planning phase of our project. Over the summer months, quantitative and qualitative data was collected and compiled into a report which will be completed by know 15th. We will get copies of this report to your offices as soon as it's available, but in the meantime, you have a summary of the report in front of you. It is a draft, but it will give you some of the information that we will be presenting to you today. The main staff people for project interwoven tapestry is the project director and executive director of the aging family center, mr. Karif. Fa, african community development center, mr. Pavlo, russian community development specialist, and mrs. Comings, our project researcher, rebecca black, our project die roadways, my colleague, mr. Paul dwang, leading the outreach and training efforts out of mhrc, and myself. Our community partners are the african refugee and immigrant of **Oregon**. The asian pacific american network, known as opano, the latino network and central northeast neighbors, southeast uplift and southeast coalition of neighbors. Interwoven tapestry is end to be a three-year project. Starting in june, the staff distributed surveys conducted, focus groups and in-depth interviews and ultimately facilitated leadership retreats for the african, russian-speaking and receiving communities. The first of these retreats was to present the data that we had collect and had lead the participants in a discussion of issues, concerns, and recommendations for action steps to be taken by their communities. These action plans developed at the retreats formed the foundation for activities in years two and three of the project. Since the latino network had already developed needs and assets assessments and action plans for their respective communities, their involvement in the research phase has largely been advisory in nature. The retreats over the summer brought all of our communities to the same level of planning. The activities for year two will include action steps for the latino network and the assessment and needs, as well. This morning, cariffa will be present something highlights from our work with the african community. Pavlo will be presenting highlights from the russian-speaking community research. And william warren, public outreach manager from central northeast neighbors will speak about the results of our work so far with the receiving community. Mr. Lipo will close with an overview with what's in store for year two of the project. All this far will be very brief, and hopefully there will be time to answer any questions that

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you have about our activities afterwards. Thank you, once again, for this opportunity and your interest and attention, and with that, I will turn it over to cariffa.

*****: Thank you.

Katz: Identify yourself for the record.

Karee Koforma: Good morning. My name is cariffa como. Good morning, mayor Katz, and commissioners. Thank you for giving me the opportunity to appear before you today to talk about issues of concern for my community. Again, my name is cariffa, and I work with this group. I am I am an immigrant to Oregon. I am a native of west africa. I have been living in the Portland area since 1990. I have worked with project interwoven tapestry since the community of the african community development specialist. Since may of this year, we have collected much quantitative and qualitative information about the african refugee and immigrants living in Portland. An occasion was listed as the issue of greatest concern under the vast majority was unaware that they have belonged to the neighborhood association. Our community leadership retreat was held on september 8th, 2001. The inner industry ministry here in Portland. Approximately 96 people worked on defining issues of concern and proactive ways to resolve issues that affect the community. 20 african countries, with many different backgrounds. Identify recommendations, under five categories of issues. To pursue over the coming year of this project, all recommendations are found in here. In the project report summary, but I will give you a few brief highlights. The african community expressed desire for an african cultural center where all african ethnical communities can be equally represented. Development of an african advisory group to work with the law enforcement, and mentorship programs for the african youth. The african community members have participated in this project, look forward to continuing our work together and to improve the quality of life in the city of Portland once again, thank you very much.

Katz: Thank you. Go ahead.

*****: Okay.

Katz: Grab the mike and introduce yourself.

Palalisko: Okay. Good morning. Mayor and commissioners. My name is palalisko, and I am -- I have been working with project interwoven tapestry since its inception. I am originally from the ukraine and I work on this project as a development specialist for russian-speaking people in Portland. I would like to give you all a brief overview of this very exciting work that has happened in my community since the start of interwoven tapestry. At the start of the summer be we conducted focus group indepth, interviews and collected surveys from the russian-speaking community. The community group was held in september 22nd at the angelical church. Over 60 participants attended the retreat, which was held entirely in russian. The retreat offered participants new experience, for example, commissioner Saltzman attends the retreat and for most of our participants, it was a first time when, as they had such close conduct with elected official. The result of are found in your draft report summary, but I will briefly highlight some recommendations of the russian-speaking community suppressed, desire for. Community center for every age group could be addressed. Hire more bilingual staff to work in the schools. Create a newspaper in russian, which covers local news and politics, as well as important events in the region and country. Because of language and cultural issues, my community has tended to keep together and to itself. The work of mhrc's interwoven tapestry has given our community a different experience and has opened the door for continuing integration, collaboration and participation in the neighborhood system. I think -- I thank you very much for giving us the opportunity to talk to you. Thank you.

Katz: Thank you very much. Questions by the council? Let me just ask a quick question. How much money did ncsl give you on this?

Alarcon-Gaddie: Ncsl, the total amount of the grant was supposed to be \$375,000 over three years. It all depends on appropriations from congress, so for the first year, or the first full year,

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which starts now, it was to be \$150,000. We got \$124,000 appropriated. And part of that comes to mhrc and part that far stays in erco, which is the main fiscal partner.

Katz: Okay. Thanks. All right. Come on up.

William Warren, Public Outreach Manager, Central Northeast Neighbors Coalition: Good morning. William Warren, public outreach manager for central northeast neighbors coalition. Good morning mayor and commissioners. I work with central northeast neighbors, a district coalition office as the public outreach manager. My work allows me to interface with residents, neighborhood associations and members of the business community on a regular basis. This multi-level community interaction is an excellent opportunity to work with cnn's various cultures, particularly the receiving community through project interwoven tapestry. Cnn's coalition and tapestry extends the efforts to attract and connect other residents in citizen involvement, one of the principle goals of the office of neighborhood involvement. Over the summer, interwoven tapestry collected 164 completed surveys. 62 percent of survey participants stated that they had immigrant and refugee families residing in their neighborhoods but more than half of the participants had never received any cross cultural training. On August 25th, 2001, project members held a very successful full-day retreat for approximately 140 neighborhood associations, and their staff, volunteers and activists. A goal of the retreat was to assist the receiving community to identify and prioritize key issues, and then develop an action plan for improving connections with refugee and immigrant communities in their neighborhoods. During this retreat, 40 participants were divided into five working groups. Each group assisted by a facilitator and note-taker was assigned to work on two specific issues, such as employment and education, housing and health, criminal justice and civic participation, community receptivity and cultural preservation and agency and service providers. For each of these categories, the participants identified key issues and goals to pursue over the next two years of the project. All the recommendations are found in your project report summary, but I would like to highlight a few of these goals, which include one, exploring the possibility to developing new neighbor teams to welcome people settling into neighborhoods. Two, improving neighborhood newsletters by adding columns written in increased number of foreign languages, and three, providing specific cultural trainings for the receiving community. At present, we are planning to hold the first of five workshops called leadership, cultural training for neighborhood coalition staff members, activists and volunteers within the receiving community. The workshop is scheduled for November the 28th from 6:00 to 8:00 p.m. At the new erco community center located at 10801 northeast Glisan, Portland. Those of us, in the receiving community, involved in this project are looking forward to implementing the action plans developed at our retreat and building productive relationships with members of the refugee and immigrant communities in Portland's neighborhood. Thank you all for your time and your support.

Katz: Thank you.

Lee Po Chun, Director, Aging Family Center and Project Interwoven Tapestry: Good morning, Mayor Katz, and commissioners. Again, thank you very much for the opportunity to actually appear before you today. I am the director for the aging family center, as well as the project director for the interwoven tapestry. I am here today to share with you the objective. Project interwoven tapestry, in year two, the project will host a series of nine diverse leadership training. The leadership training addressed issues discussed in our report, participating, hoping that in this training, that we have participation from mainstream, as well as refugee communities, and like Warren mentioned, the first cross cultural training for the receiving community will begin at the end of this month, soon. We are also planning to have a huge conference on immigration and refugee information exchange, hoping that these will happen in October of 2002, and we are anticipating over 300 participants in this particular event. The primary goal for year two is to strengthen the collaboration between immigrants and refugee communities, and the neighborhood

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association. We are hoping that the neighborhood association will serve as a grass root foundation for the greater civic participation from immigrants and refugee community. By acting as mentor, to immigrants and refugee community, and neighborhood association -- the neighborhood association will play a key role in promoting greater integrations. So, with that, thank you so much for your time and hopefully, we'll have your support in this project in the future.

Katz: Thank you. All right. Do we have signup sheets on this? Does anybody else want to testify? Council, have any questions? All right. Commissioner Saltzman, we will accept the report and make a motion.

Saltzman: So moved.

Katz: Is there a second?

Francesconi: Second.

Katz: Roll call.

Francesconi: The lack of questions or discussions should not take away from the fact that we think this is an absolutely terrific thing, and I want to start by congratulating commissioner Saltzman, erco, and all those who participated. This is one of the most important issues in the city, so the fact that you have identified, I particularly like the selected communities that you have targeted, not only southeast and northeast Portland as the receiving centers, but the asian-pacific islanders, latino community, african community and russian-speaking community because these are new immigrants that are adding vitality and business and economic to our city that we have not recognized, so you are reaching out and figuring out how to include them in the life of the city, and that will make us a stronger community. I guess the only thing -- so my job and commissioner Sten is, good when we get reports like this, he says his role is to find out how to help, and that's what I want to do. The areas I would like to help you in are the areas of employment and education. I have had the occasion of visiting erco, and I have seen what terrific work they do there, and I have seen their bank of employers that they try to connect people in, into, and it's very, very good. My only -- and I would like to try to help you with that. I do notice that the -- maybe it's no the full report but the rise program, the mercy corps rise program and the strategy of self-employment and small businesses, I think, should be in the draft. I didn't notice it in your solutions on the solutions side, and it may be in the complete report. I think the history of the rise program may have been rough in the beginning, but it's doing some very good work. And so, ways that -- so that's one way I would like to help you, in the education and employment side.

Katz: But -- we are in the middle of a vote.

Francesconi: It's all right, someone told me it was in the full report, which is good. And I guess the other way i'd like to help, with others, is how do we connect this to our other communities, our african-american community, our latino community, in particular, and our chinese community, not immigrants but people who have lived here so we can build more of a coalition, frankly. And so anything I can do to help you in that regard, as well. So thank you very much for, aye.

Hales: Good work, thank you. Aye.

Saltzman: Well, I started off by saying we were one of six cities selected. I apologize. We were one of three cities selected, and that's, that even makes it more of an honor. This project is innovative and really will act as a bridge between the leadership and immigrant and refugee communities and the leadership within our existing network of neighborhood coalitions in the city, and we are truly a better city, a better community as a result of our immigrant and refugee populations. As I sit here and listen to the ideas that came could you tell of these meetings, and the whole effort, this exciting effort between erco and these various immigrant refugee communities, I think back to when my grandparents came to my country through ellis island in the early part of the last century, there used to be a lot of infrastructure there, in ellis island, particularly in new york in the lower east side to help people who didn't know anything about living here. To really teach them, this is what you do as a citizen -- all this stuff. We used to have sites that never -- refugee

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sites that were everywhere, and we have lost that part of the community infrastructure, and now it's kind of encouraging, particularly as we talk today about more and more about coming together as a community that we are sort of in a way recreating little aspects of this past community that used to exist to welcome new citizens, new americans, and really, help them become part of our community and what we do better now today, perhaps we didn't do as well in the early part of the last century is also to really listen and realize that we don't have all the answers how to be good citizens. That we can learn a lot from these new people, themselves. These new citizens, new americans. I think there's more of a two-way dialogue these days, and this project is, epitomizes that so well, and I am pleased that we were selected and I look forward to working with all the here as we continue this project over the next couple years. Aye.

Sten: Well, it's a great opportunity and honor to be selected, but that doesn't really do anything unless you turn it into a lot of good connections and work, and you are obviously doing that. And I am really pleased with it. Probably, you know, in my estimation, we have always, you know, had lots of different communities, but if Portland has had, I think, one weakness, it's probably been, it hasn't been diverse enough to really afford all of the opportunities that a big city ought to have and also the economic strength because in the international world, you have got to have connections throughout this whole globe if you are going to be successful, and so of course, it's a time to really come together and I think you couldn't be doing it, you know, better work at a more timely basis, and we will all be a lot stronger. This is always framed as how do we help immigrants get worked into all of the key places, and that is a wonderful and important thing to do, but I think it's actually about how do we get our city stronger because we need the strength of thought and experience that truthfully, this city has been lacking over the history so, I think you are getting us where we need to be, and as commissioner Francesconi says, I am ready to help, as well as the rest of the council, so great work. Aye.

Katz: Well, i, too, was sitting -- I came to this country as an immigrant and as a refugee with parents, and I was thinking out loud what our lives would be like if we had this infrastructure developed. Commissioner Saltzman is absolutely right. The groups had their own infrastructure. It was politically-based, economically-based, mostly politically-based. And in this case, it was a russian. And all the information about what you needed to do to be a good citizen was sort of built into this very informal city, and it was in new york, as well, fabric. It had no government subsidies. It was just the community feeling responsible for members who arrived to the shores of the united states of america. And so this is one step above that where you actually now have governmental agencies participating. But my hope is that eventually, this grant is going to go away. I don't mean my hope the grant is going to go away, but the grant will, eventually, go away. My hope is that you are preparing the community to take on this task by themselves because you can't be there all the time, nor should you be there all the time. You ought to prepare the community to say, yes, we have a responsibility to our brothers and sisters who are struggling economically and financially, socially, within any community that they live in, and make sure that they build the infrastructure for the other immigrants and refugees that are coming to this community. So, that's just my sort of ground rule for all of this. It's nice that ncsl did it. It's too bad they didn't do it when I was in the legislature, but better late than never. Aye. 1298.

Item No. 1298.

Katz: Commissioner Saltzman.

Saltzman: Thank you, madam mayor. Last year when the city council approved the funding structure that created the office of sustainable development, and the green investment fund, I promised that we would return to the council with an update on how the program was performing. And today I am quite pleased to present you with a report that details the long list of benefits that the green investment fund has helped generate in Portland. You will note in your report that the grants have been awarded to a very diverse set of projects, ranging from downtown office buildings

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to small neighborhood remodels. The fund will help 28 commercial construction projects become officially green. This means they will achieve innovative resource, water, and energy efficiency, these buildings will be healthier for occupants and save their owners money in the long-term operating cost. This will also result in a million and a half square feet of new commercial space, meaning the u.s. Green building council's lead standard, which is the standard that we adopted when we created the green investment fund in the office of sustainable development so, I think this will make us the city with the most buildings meeting the lead standard of any city in the country. The fund will also help make 35 residential projects meet similar green standards with corresponding benefits to its homeowners, to homeowners and occupants. As you know, the city of Portland has committed itself to becoming a sustainable city. As evidenced by our sustainable city principles, as evidenced by our commitment, I think, to really pursuing sustainable development as an economic development strategy. The green investment fund program has been an example of the city making good on its promises, to make them real. By engaging residents, businesses and the development community and better connecting our environment -- our building environment to our natural environment. Each of the grant recipients is doing the, on the groundwork, applying the values of sustainability, structures throughout the city that will shelter thousands of our citizens in years to come. So, I want to take the opportunity to thank the green investment fund participants for their role in the greening of Portland. This has been a private-private partnership of incredible scope and vision, and I can't wait to take the tour of homes that we are scheduling for next year. As one of those early renaissance action steps. With that, let me introduce rob bennett, who will present the highlights of the green investment fund program today.

Rob Bennett, Office of Sustainable Development: Good morning. I am rob bennett with the green building division of the offices of sustainable development. Good morning, mayor, and council.

Katz: Good morning.

Bennett: I appreciate the opportunity to be here today.

Katz: Go ahead.

Bennett: Good timing. Appreciate the opportunity to be here today to talk about one of the city's newest initiatives. Green-rate -- g-rated green building program and the investment fund that commissioner Saltzman just spoke b we have been up to last year, we have been working very hard at the green building staff, developing policies, providing technical assistance, structuring a grant program to assist a wide range of folks, committed to designing and building healthy and resource-efficient buildings. As commissioner Saltzman often says, our mission is to reconnect the built environment to the natural environment and do so in a way that's compelling, economically, as well. Particularly gratifying for me to be here today to report on the tremendous progress being made with green buildings in such a short amount of time. To see a program off to such a strong start --

Katz: We are suspending --

Bennett: Few cities in the country are doing what we are doing in regards to green building, and that's impressive and an unfortunate feat. In the next few minutes I will provide an overview of the program, go through why this green building is important to the city of Portland. Give a quick program background of the green building division, and progress to date, and with a specific focus on the green investment fund. So, why does Portland like to build green? Why is it important? First and foremost, we do it to save energy in other natural resources. The buildings today are incredible resource intensive, using one-third of all energy consumed in the u.s. And conversely translating that into a third of all co-2 emissions that are the chief culprit for global warming and climate change. The standard wood frame home like you see here consumes up to seven acres of land to build and produces 3 to 7 tons of waste in the process. While it seems obvious, green buildings corrupt -- excuse me, provides opportunities to save energy in natural resources, and does so in a way not only feasible, but saves building owners money in the long run. For example, the new

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ecotrust building, which this is the view out of my window, during introduction, will save over \$18,000 in energy costs and utility costs alone every year for being only 20% above code. In addition, Portland supports green building because the green buildings reduce site impacts. They help enhance, restore and replicate in some instances, natural systems that have been polluted and fragmented due to decades of urban growth. They reduce the amount of erosion and stormwater that flows into the rivers and streams in Portland by reconfiguring parking lots and roof-tops, to slow, clean, and manage storm-water as our partners in bes has demonstrated. This also can save money, city's money by reducing the reliance on large engineered and costly solutions to clean up the combined sewage overflow. Thirdly, and perhaps most importantly, green buildings improve health and productivity of the people who live and work in the buildings. We spent upwards of 80 percent of our time indoors. Rely on the buildings to protect and shelter us. However, there's a growing body of research linking health problems like asthma and other respiratory diseases to poor indoor air quality. The newest in carpeting furniture, adhesive and paints introduce hundreds of chemicals into you are indoor environments, reducing the overall air quality of many of our buildings. In fact, the epa estimates now that 30 percent of all new buildings and retrofits of old buildings, occupants suffer from sick building syndrome. Here's an example of a building, at johnson creek commons before the retrofit, very common to see this mold and mildew in many of the more poorly-built homes. Study shows that practices that enhance indoor air quality and the quality of the environment, including access to fresh air and daylight as this new office reveals, enhances the health and productivity of our homes and work spaces. And finally, green building is important to the city because it helps support economic development. It helps support our, a healthy local economy by relying on local expertise, technologies, and regional materials. Our program encourages the growth of businesses like stormwater management, based out of northeast airport way. This business is seeing double-digit growth from 1997 up until 2000, and this year when it moved into a new state of the art facility, has seen growth of 80%. They provide stormwater filtration systems that you see in roadways, in parking lots, and they do so using, among other things, the waste compost from our leaves that the city collects. A great example of an emerging green business. Another one in the retail industry is environmental building supplies. Marcus start this had business with one employee back in '93. They recently moved to the central east side, have nine employees now, and have seen roughly a revenue growth around 35% each year. They provide products and materials to homeowners and to home builders, and it's an interesting business, in that there's only a handful of these nationally, and marcus has one of the more thriving ones, particularly considering the size of Portland. Green building division is only a year old but our work started in earnest in 1999. We spent most of that year working with citizens and building industry professionals to develop the program. That work we brought to you back in december of '99, which you adopted. That's the green building initiative, and that was our two-year action plan, which I am reporting on today. Throughout the summer of 2000, the office of sustainable development was officially sanctioned, as was the green building division, allowing us to go forward with our action plan in earnest. Later in the fall, the green investment fund was established, with the citizen review act committee. And finally in, this year, we have seen two policies adopted, the green building policy that you adopted in january, and most recently, pdc's adoption of their green building policy for private sector development. The two-year action plan we brought to you december of '99 included the following areas and this is the work that we have done doing for the last two years. One, developing policy and organizational development, getting the program up and running was a major undertaking and then developing policies that were balanced, also, with the needs of our city bureaus that built as another accomplishment that we have been able to do. We also provide technical assistance. We hired two building specialists, greg acre and mike o'brien with the combined expertise of 40 years behind them. Greg is an architect that designed the new space and mike focuses on indoor quality and energy efficiency. With this team

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we have been able to help our city facilities, green up, provide design assistance and permit processing help with opdr's help to many private sector developers, and mike and greg have been doing a series of trainings for the last two years to building professionals. We have also been developing resources that people can use over and over again on our web-based resource center. The first and foremost is developing guidelines, technical tools for builders, contractors and developers to develop green buildings. How do they do it, what are the pragmatic steps and where can they get their local resources. Developing model specifications, turning all this into technical sheets and case studies so that we can share the information. And finally, we developed the green investment fund, with commissioner Saltzman's leadership. This is a four-pronged fund. Focused on commercial, residential, affordable housing and emerging technologies. I will go into further detail now on this program. The commissioner gave us the challenge to set up the program, he had two goals in mind, one was to use the green investment fund to accelerate the design and construction of green building practices. To stimulate the work that the new division was doing, and then to turn around and showcase this local innovation through case studies. Mr. Saltzman put together a committee in the summer of 2000. This group of developers, local lenders, community development experts, helped us develop the program, looking at and reviewing a whole variety of different funding mechanisms for the program. Throughout this summer, the funding for that program and the program structure was developed. In february of this year, our first grants rolled out the door with the kickoff of the green building, g-rated program here at city hall. The green investment fund breaks down into the four program areas as the following. Roughly 43% go to the commercial grant program with an additional 30, 31% going to both the affordable housing project areas and residential program. The remaining 27% go to the emerging technologies, totally 800,000. The funds were a one-time allocation, \$700,000 allocation of the solid waste and preserve fund with an additional \$100,000 that gets us to the \$800,000 for the program coming out of our green building division budget for 2001-2002. Commercial incentive program. This is how it works, there's two tracks. A lead track, which is for our larger signature developments in the city, either a 15 \$15,000 or \$20,000 grant to help pay for upgrade design costs. It works for both new and major retrofits. We also developed a \$5,000 grant to help emerging small businesses that had certain green building projects and processes that they wanted to use, and much more modest scale. That \$5,000 innovation grant had a grant review committee look at all the grants that were received. We had three cycles of funding and headed up funding 15 projects on that. The lead incentive projects include such developments as museum place south so, we have a lot of our signature projects getting involved in the leadership that these large development companies are showing, is going to go a long way to both helping figure out the costs of these green buildings and also, I think, provide leadership for other developers to follow. Brewery blocks, as you probably know by now is, also another signature green building. Five blocks, where three of the buildings will be lead certified. Then there's institutional buildings, and institutions like lewis & clark who have now three buildings that they are moving forward using the lead rating system. They are committed, as are their students, very committed to making sure that their buildings reflect many of the values that the school and the students have. Of course, ecotrust building, can't get away from the publicity around this building. We just moved in on monday, into the top corner there. We also gave them a grant, and this is a terrific example in which because we are there, citizens will be able to walk through and give lots of tours and be able to make this a very public building, and certainly the green building features and the approach of the building is very visible, so it becomes a great demonstration in the laboratory for the green building. On the small commercial grants, we provided grants to small emerging businesses along alberta, like the alberta coop, which recently went in one of the first new cooperative grocery stores in quite a long time --

Katz: What did they do?

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Bennett: They did recycle materials, energy efficiency improvements, they did an education board around food and resource efficiency. The community cycling center also, another nonprofit along alberta. They did a green, what we call a ti, or an interior renovation on the existing storefront using a lot of salvage material and volunteer labor from the rebuilding center. A terrific organization. We provided a grant to "friends of trees," new headquarters in mlk. They put in a radiant floor heating system in an old bung low-style house. A very efficient heating system that typically does not get into this type of structure so a good demonstration of a green energy efficient heatingly is. And the purple parlor, which was turned into a restaurant. They, too, worked closely with the rebuilding center across the street to use recycling plumbing, lighting, and materials in their organic vegetarian restaurant. So, that's a small sample of some of the projects on the commercial side that we funded. On the residential, oh, I am sorry, and the results to date, I think, are fairly impressive on the commercial as a whole. We funded 28 projects through the grant, totally 1.7 million square feet, and you take those lead projects, which are the majority of square footages, about a million and a half, they are required to be 20% more energy efficient than code, as a baseline. Many of them will exceed that. That translates into about 570,000 worth of energy savings a year, each year, which is about the same energy that 575 houses use in the city so, those are, are -- conservative estimates but add up to a lot of savings alone, and that's just one of these buildings. We have 13 lead buildings in the lead rating system as we reported before as a national rating system. That gained quite a bit of credibility nationally. 13 lead buildings will give us the nexus of green buildings in this country. No other city will have as many environmentally-rated buildings, which is getting us a lot of publicity, and I think will also give us a lot of good data to share with the development community on how to do this in a cost effective manner. And something that's quite interesting, too, and our work developing g-rated program in the green investment fund has prompted changes at the state legislature to the business energy tax credit. That originally was intended for technologies and improvements on energy efficiency. Now any lead building, any sustainable building that meets the lead threshold will be eligible for the betsy tax credit, which can be up to, for instance, on one of the brewery blocks, up to \$300,000 worth of money that that developer can sink into sustainability.

> on the residential incentive, it's a more modest-scale program meant for homeowners and small builders. A \$3,000 grant per project. Good for both new and major retrofits and also for single family, duplex, and condos. Also, this was a grant that we had over 90 applications for the 35 slots that we originally -- or that we were able to fund, and a committee of architects and local builders reviewed those grant applications. Projects include dave hassen, a mainstream builder, quite nice, attractive and dense. He is a great example of a builder who incorporates low cost and the green building features into his buildings. He creates a green team with his contractors. He does a lot of training with them. They do good energy efficiency-type buildings with good natural ventilation and other indoor air quality improvements, materials like certified wood, et cetera. But, he's a great example of a mainstream builder, holding green building practices into his normal business practices.

> we also had a lot of applicants like charles and anna kingsley. They took an old drug house and restore it had in southeast Portland. Also using a radiant floor heating system, and doing other improvements, including doing energy efficiency improvements and upgrades, insulation, windows and the like, so restoring an old house and make it go green. And catherine davenport, slugging away at her impervious driveway there on the right. She has created an addition to her house that's going to be a home office, and she is very committed to sort of living in place and making the home something that she can live in for many years, so the home office was important. And she has done a lot with reclaimed materials and green materials and making energy improvements to the house. And doing all the work herself, and she has even got a website tracking the work. It's been great. Michelle ruber, she has taken her kitchen, that was quite shawl, and focused on using salvage

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materials. The materials on her finished kitchen on the right all came from a deconstructed structure at Lewis & Clark. Their administration building, and was able to economically translate that into new material in her kitchen, and she did other improvements, as well, energy and lighting. So, that's it, some examples of the projects in the residential grant program. Again, the results to date, very popular project with a lot of good publicity on it. We had over 90 applications. 35 selective projects, like I mentioned. Quite a variety of project types, and all throughout the community from single moms to mainstream builders, it was kind of a nice mix. I think the case studies that come from very illustrious homeowners and builders alike who want to do green building recruitments. And with Michael O'Brien's help, it's heavy on engaging the participants. A lot of technical assistance. A lot of time out with builder or the homeowner, really trying to walk them through what makes sense. And I think that that will translate into some good case studies. This is an example of a case study that will produce a two-pager that we will be able to send out and bring to the community meetings and make sure it's available at local retailers, and we will also have these online. The two remaining areas on the green investment fund are being developed. One is the affordable housing. We partnered with PDC to do two demonstration projects in an upcoming RFP process. And we also want to use some of these dollars for research studies. You may recall we developed affordable housing guidelines, where I think the only city nationally that has created good cost effective affordable housing requirements, or green guidelines for affordable housing requirements, but this will take some additional resource -- research on indoor air quality, things like energy efficiency and rainwater harvesting to make those standards better. So the research will go directly into making the standards at PDC, as developed with us, stronger. From the emerging technologies, we are looking at targeting demonstration projects to include things like rainwater harvesting, natural building materials, stormwater mitigation, to help spearhead some of the new evolving technologies related to green building and get some good case studies out of it. And we are partnering with Portland public schools to develop the first public facility, ecoroof, in this city. Next steps for the program, we have got three goals to continue our work. We have been at it for about a year and three quarters but certainly, it's the beginning of the program, and they are making it more effective is our mission. First and foremost is increasing market penetration, the ability to get more of these projects done, to reach out to the community of homeowners, home builders and developers, to make sure that green building becomes more of a standard practice. And then to support the city's sustainable economic development strategy, all the professional services and vendors and all the manufacturers who provide many of these technologies, we want to support the work that they are doing to the green building initiative. And finally to secure additional outside funding so that we can expand and make the program more successful. Those goals translate into actions on the short end. We have to finish all these case studies, 63 grants through the commercial and residential program that we have to get these case studies done and get them out. We are in the midst of executing our emerging housing incentives program and developing joint marketing plans with both PDC and OPDR, so again, to expand it, the knowledge and the understanding of the program. Finally, look at innovative partnerships with the utilities, with the Northwest Energy Efficiency Alliance and the New Energy Trust of Oregon to get additional funding for the program. Appreciate being here today, and reporting on our progress to date. I am proud of the work that the team has done, and I am particularly proud of the work that the community of builders and developers and homeowners are doing. I think Portland is off to a good start because we have got a community that's committed to the work. We have got good land use and transportation planning, and other resource conservation programs in place. The office of sustainable development is working hard to continue that work, and I think the results speak for themselves. 1.7 million square feet in two years isn't bad. Two policies, five guidelines and six new city facilities are under construction that will be green.

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Katz: Thank you. Questions by the council? All right. Do we have anybody else that wants to testify on this item? All right. Then hold on. Karla? Not on this item.

Katz: Nobody signed up. Then come on up. I saw another hand up. Come on up.

*****: Good morning, mayor, commissioners. I am glad to see that --

Katz: Identify yourself for the record.

Tom O'Keefe, United Community Action Network: Tom from the united community action network. I am glad to see that this was presented to the council. I wish it would have been a little bit more fourth coming a month ago when it was on a no discussion item. I am not in favor of these things, and you know I have been in a lot of environmental things in town, and I don't, from yellow bites to many other things, chase corporations around, and this and that. My main problem when I first pulled that from the no discussion agenda is one reason, and it still hasn't been corrected. And that is that this whole program is funded by residential garbage rate increases, and a lot of money goes to businesses in these projects.

Francesconi: Tom, I am sorry to interrupt you, but you raised that point last time. I raised the same point. I have been repeatedly raising the point, but after the last hearing, susan anderson sent me some information, and it's actually in our handout, but it wasn't talked about. And actually, they will recognize that, and they are doing a terrific job in readjusting it. The residential now is about a third, charges are about a third. Am I reading this right, susan? I want to make sure I am reading this right. They have addressed it, and maybe what we ought to do is get susan up here to explain it, but most of the money is not coming from residential.

O'Keefe: I think -- you are wrong because they have to have a code change in order to change that funding source. They raised the residential rates from the franchise fee from 3.5 to 5 --

Francesconi: I remember.

O'Keefe: I was here and testified that day, and I said why isn't the business rates going up because it makes it -- because you have residential subsidizing these projects with most of the money going to developers, and I am not against any of the projects. Some of them might be questionable to me. I like the program, but we need to bring business garbage rates into the mix. Once you hit that ceiling at 5% on the garbage franchise fee, now if solid waste wants to come up with some new ideas on recycling, such as food waste or something, there's no money to do it if you would have brought business into the picture in the beginning, maybe we would have a little money to play with it there and still continue -- remember, all the projects are coming from garbage rates from residential customers, only. Not business, and the only way you are going to -- the only way that they could do residential raising is with an ordinance. The only way that they can raise business rates is with a code change.

Francesconi: I think that you may be right, unless I hear different testimony. See, I actually voted against it for those reasons.

O'Keefe: But you are the only one, too.

Francesconi: But I think what they are trying to do is direct some of the benefits back to residential.

O'Keefe: Well, in the pie that I saw, I saw 121,000 went into residential, and the rest of it went into commercial projects.

Katz: Thank you, tom. Let's -- we will get an answer from susan. I recall this conversation that I think both commissioner Francesconi and I had on this issue, if I recall correctly. Why don't you answer before we proceed with testimony.

Susan Anderson, Director, Office of Sustainable Development: Susan anderson, director of the office of sustainable development. It's been an issue from the beginning and we have taken it very seriously of how to we begin to shift over. We knew we couldn't do it, you know, in one day. Part of what we have done is to make sure that a lot of the resources are going towards residential, so 30 something percent of the total is going towards residential specifically. 40 42% is going towards

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commercial, and the other is both for residential and commercial, so we begin to shift and move some of the money, you know, directing it towards residential. The shift in the money is that we have shifted the funding for the program so it is about two-thirds residential right now, and one-third from the commercial side, and we didn't do a code change yet with the understanding and you know, we talked to a lot of folks about this, that many of the benefits of the program are going right back to commercial, so there is a direct link. Now, if we were to switch it all to funded from the commercial side, we would have to do a code change, absolutely, and so we are working towards making it an equitable 50-50 kind of thing.

Saltzman: And I would also add that our food waste recycling project is moving full-speed ahead.

Anderson: So, we would love to continue that conversation when we do the five-year financial plan that I bring to you in, I think that's in december or whenever that is. We will lay out there, you know, how we are going to get to what's a more equitable --

Katz: Why don't you do that. I think that probably -- this is not the time to do it, but that's probably a good time to do it. All right.

Miles Machida, People's Food Cooperative: Good morning, I am miles with the people's food cooperative in southeast Portland, different from the coop in the display. We are doing -- we got a \$5,000 innovation grant to do a project that we will begin construction on in probably a couple of weeks. Our store is about 1,000 members that own the store as a cooperative. We focus on organic, sustainable local food production, reducing waste and basic community resource. Our project is going to be including energy efficient measures for heating systems, lighting, insulation, we are also using most of the wood that we will be using will be from sustainable forces or reclaimed forces. We will have a lot of natural light and go community space and stormwater management, and I think the program, the green rating program isn't very helpful to us. We got the 5,000 grant, so in terms of dollar amount, it's not a large percentage of our overall project, although we are relatively small project, but I think that is very important that it does supplement the tax credits and other incentive measures that obviously, we are having to upfront some of the money that will save money and save the city money in the long run, but I think that is really important. I think in addition to that, it also offers support for the kind of projects that we are doing, and, you know, provides us with inspiration and feeling like there is some backing from the city, and that if we have the permitting process or whatever, there is support from, you know, from the office for these kinds of projects. And it also provides us with publicity that otherwise we wouldn't have gotten as a small, you know, store, and I think that's very important from the business aspect of it. And I think that, you know, people from the office have been very helpful. I think probably one of the only drawbacks is greg acre, overseeing the commercial division, doesn't have as many hours, might be needed to contact him on a regular basis but I think that that's something that as the program continue to say grow, that will be -- that will change and will be more resources available for people receiving the grants. Thank you.

Michelle Hooper: Hi. My name is michelle Hooper, and I am actually fitting in a lot of different areas, you saw my kitchen area and I am a board member on the alberta cooperative grocery and I also work in environmental building supplies. And I was, you know, I would like to applaud everyone here for this effort because I was sitting in a meeting the other day with people, seven different people from different states, and told them about this grant, and they, I mean, they didn't believe me. I had to pull out certification and show them, no, no, the city really is endorsing this. So, I applaud everyone for their efforts, and I think it's a very, very unique thing to Portland. And I see the -- how things are working in many different ways. With my particular kitchen, I was able to do a couple things that purely by the budget, I couldn't do. Put in a window for south-facing light, upgrade to some different building materials that are going to last me longer, like instead of putting vinyl on the kitchen I put linoleum, when the square footage price point is a bit more, but the

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longevity of the use that far material is going to be double so I don't have to rip out my kitchen floor in let's say five to ten years. I have a floor that's going to last longer and I think that's a really important point with this program. It's a small incentive, but what we are doing here is we are reducing the need to keep redoing things, and I see it all, many times in the design field where we are putting in something that isn't of higher quality because maybe it's a little bit more, you know, for a budget. We have something like the g-rated grant where people are able to say wow, you are going to give me this money, and then these materials are lasting a lot longer. From working at environmental building supplies, we are a small business, a local business, and I know that, you know, greg and rob and mike are sending these people in. I have worked directly with many people that have received these grants, and we are lucky to have ebs, environmental building supplies in Portland because I can take these people and say, look at this alternative. So, I have seen so many ways where these grants have helped specific people, and really, give people a lot of hope and a lot of outlet so, I thank you and think it's wonderful.

Katz: Michelle, your supplies are -- your suppliers here in Portland developing these projects?

Hooper: I would like to say that they are in Portland and that they are, you know, even in the u.s. The problem is, a lot of these, you know, ideas and concepts are coming from europe, you know. They are years ahead of us in the essence of sustainability, so as much as we do local --

Katz: Do me a favor, identify the supplies that you sell for these particular projects and identify where you get the supplies and to the extent you can, the amount of, the cost of the supplies for a year. So, we can see whether we have opportunities to develop suppliers here in the local area to begin to feed the companies and residential projects. Will you do that?

Hooper: Yeah.

Katz: Let me know where you are getting the supplies, how much you are getting the supplies, cost per year, roughly. You don't need to spend a lot of time, and then give us that information.

Hooper: It will be a pleasure.

Katz: Thank you. Anybody else want to testify? Hi.

Bob Naito, Naito Consulting Group: Mayor Katz, commissioners, I am bob nato, consulting group. I am here, I guess, as a double winner because the ecotrust project got one of the incentive grants and the waterfront place office building I am working on got another. So, I was hoping to come cheer and tell you that ecotrusts had received its gold lead certification. It is very close. We submitted additional information, and we should hear by next week.

Katz: Only silver?

Naito: Gold. We are going for the gold.

Katz: You are going for the gold but right now you are at the silver level?

Naito: Well, we have turned in enough points for the gold, and they are just figuring out whether we have enough material in there to justify the rating. But I think that we are comfortably over the 38 points we need. We are something like 44. So, even if they take a couple kay way from us, which I don't think they will do, but if we do get that gold, I think that makes the ecotrust building the first gold certified building under the lead 2.0 program in the united states. So, that's why we are kind of holding our breath, and if we don't get it, it's likely to be the honda facility in north Portland. So one way or the other, I think you are safe, you are going to get the first gold in the united states. I wanted to talk briefly about waterfront, and the reason is, that rob was talking about how this technology gets transferred into an industry, and the real estate industry, and the commercial office end of the real estate industry is just about as conservative as you can get. And so jim and I have been holding breakfast meetings with the big broke rage houses trying to present one waterfront and get some interest in leasing the space for, obviously, a very personal, financial interest, but in doing that, we have gotten a couple of questions, like so it's green. So what. This is a really tough market. Tell me what your rent is. And what we have come back and said, is our rent is exactly the same rent. We are competitive with all the other speck office buildings, and that

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are being proposed in Portland, but we're green. The other thing that we have started to do, is stop using the phrase, green, because that doesn't, I mean, the building isn't green in color and it's very confusing what makes it green, so we have started calling it a high performance office building. And people understand high performance in the business world. And it's high performance because it's 30% more efficient, and all of the office buildings that are currently leasing in this market are leasing on a net basis, where the tenants pay their operating expenses. So, if the tenants are willing to directly pay their utility bill it, matters that its bill is 30% less than an existing building, that they are in. And it matters even more if the rates escalate 30 or 40% in a year, which they have just done. So that benefit is getting -- just got much bigger, in real dollars, and the uncertainty of the energy environment is push it go that much higher.

Katz: Your time is up, so --

Naito: Okay. I have just, just going to close with this one comment about the natural center. Mr. Spencer has taught me over three years the meaning of natural capital and the way it translates into these buildings is that we're not just looking at the investment in the building in dollars. We are looking at the investment in the total resource stream these buildings are going to consume, and that's important because a lot of the buildings are going to last 50 or 100 or more years into the future. Thank you.

Katz: Thank you. Anybody else? All right. I will take a motion to accept the report. Do i.

Sten: So moved.

Katz: Do I hear a second?

Saltzman: Second.

Katz: Roll call.

Francesconi: Whether we call them high performance or green buildings, europe is ahead of us in many of our -- and many of our citizens are ahead of us, but because of the leadership of commissioner Saltzman, we, the city of Portland, are catching up, and becoming to understand that we are trustees of this place and we have to pass it on without short-term fixes, but in a way that keeps it for future. I think we are also starting to understand that we consume far more of the world's resources than we should. So, because there is some serious questions about the funding, but susan anderson is addressing those in two ways. One, trying to get more benefits to residential, and two, trying to get commercial to pay more. That's important because of the property tax shift that's gone on the backs of residential so, it's absolutely essential, but I am confident that sunshin on this. And that takes nothing away from the importance of the issue of the four or five issues that I think are central to the city that the city council has done something about in terms of leadership over the last four or five years. Its commissioner Saltzman's effort on sustainability here. And he's to be commended. As a result of that, i'd be in much more aggressive with the fire bureau, for example, on the construction of fire stations. Parks and they were there already, under the leadership of mary, the new operations manager, you are going to see many more green building facilities as we renovate, when we can renovate, the buildings, but also on the maintenance practices of parks of we are going to get beyond the fertilizers, which have given us a national reputation, and with the help of commissioner Sten on, on our water and irrigation system, where we are using brown water now, but we are going to ratchet this up to a whole other level, to the point which susan will solve, we are going to give kids credit, sim and cam to help us develop sustainable practices in our parks and natural areas, so we're stepping up on this thing. And I guess the last thing I want to say is I want to pay, I think it's out of context but I want to pay tribute to our newport director, who said at a city club speech, just last friday, he said the following -- if it is true that the economy is meant to serve people, then the economy must not do certain things. It must not poison the water, foul the air, strip-mine our natural resources, or degrade our quality of life. Recession must not spell retreat when it comes to the environment. And that's the pattern that you are setting, commissioner Saltzman, here, and that I will help you with. Aye.

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Hales: Nice to see Portland at the top of the list again in this area. Thank you, susan, for good work and all of you, good work. Aye.

Saltzman: Well, I certainly appreciate your kind comments, commissioner Francesconi, but it really was the leadership of the, of this entire city council that established the office of sustainable development and the green building division and the green investment fund. We wouldn't be here without that support. Having said that, I do also want to recognize the quality of work in the sustainable development, green building division in developing and executing the green investment fund and the program, and that's rob bennett, who you heard from, the program director, michael o'brien, green building specialist, greg acre, architect, and susan anderson, the director of the office of sustainable development. I hope you have agreed that we really so have a cutting-edge program here and a very successful city investment fund. And it's largely due to their efforts, and I am really quite proud to be the commissioner working with the office of sustainable investment on these activities. Aye.

Sten: This is a tremendous success, and I am very, very excited. I will have to temper my desire to talk for about a half hour of all the ramifications this has because I think it's incredibly important but a couple of quick things. I worked quite a bit on the issue of global warming and there is a sense out there that it is real, which it is, and that it has to be addressed, which it does, only if we want to keep a planet the people can live on, and that's what's at stake, but once you get past that agreement, it gets very mystifying to people, what can we do so stop global warming, and at the end of the day, it's really not as complicated as it looks like. Ates matter of redesigning cities so that people can get around a little bit easier and not drive so much. It's a matter of some individual choices, but then it's primarily a matter of re-engineering how we do things, and technology and this is really the cutting edge, and will be the leader in lead buildings, is incredibly significant because it is not just a matter of this is good for individuals who live and work in these buildings, and it is, but it is a matter of trying to show, and I think in a very constructive, rather than a political soapbox kind of fashion, that the entire thesis that this country is working on that it's too expensive to do something about global warming and these bigger challenges is flat out untrue. You can do these things in a way that is economically viable, and I actually think that if you look closely at this, some of these changes, I am optimistic, are going to come worldwide, and we could have an incredible niche by developing these technologies and actually teaching and selling them throughout the world at the same time, we are taking care of our own health literally by creating buildings that are better to live in, and not to mention, that the price of energy has just gone through the roof, so from a bottom line pocketbook, as bob was saying, it just makes a ton of sense to use existing technology. I think, you know, never has 25 cent surcharge gone so far, and this is just an incredible piece of work. I think it's going to -- I think it could really change the way the country approaches these issues, and so my hat is off to susan and rob and the team, and, of course, commissioner Saltzman and all of you in the community, who actually competed for the grants and used them, and I think that this is really going to change things, and the next phase of this, is really as rob mentioned, taking what we have learned and then making them standard operating practice. We have got just an incredible amount of success through these pilot projects, so I had said a year ago when I work on the housing programs that we needed to show how to do t I think you can expect that in our next round, of request for proposals, we will make some of these features mandatory if you are going to use city money for affordable housing and I think over time, building-by-building we can transform into the place that actually shows you can take on global warm and go do these sorts of things, and I think have a healthy economy doing it. So really, I am just absolutely excited. I could keep going on and on, but I won't. Keep it up, aye.

Katz: Well, congratulations, bob, if you become the first gold, we will keep our fingers crossed, but at least it will be home. I feel very honored that this program has done what it was meant to do. We established the office of sustainable development as a council, and we made this program

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happen. I am now curious as to what kind of products because this ties into another strategy that we're looking at and developing. What kind of products we are not developing here in this community or in the state of Oregon that are being developed in other places. So, bob, you and others and I am going to give that assignment to pdc, as well, to identify where we could possibly over the long run create jobs so that we truly become the urban center for sustainable development or the urban center for green development or the urban center for high-performance sustainable development. We haven't yet landed on what we call ourselves. Maybe just the urban center for high performance development. So, we are struggling with that, but I think that it's very clear that we will put ourselves on the map as the urban center for high performance sustainable development, but to do that, we need to not only attract companies that are actually producing these projects so we can have another targeted industry in this community, and to be able to attract companies from europe that are very familiar with this and have them start businesses here in this community, which is very, very possible, so I want you all thinking that way because I am one of the few people that has money through the Portland development commission for some of these projects and these buildings. I must say that their resources are limited now, too, because of the economy, but the Portland development commission in the construction -- in assisting the construction of some of these products, whether it's affordable housing or office buildings have identified this as one of the criteria, and not only will they continue to identify this as one of the criteria for rfps, but they are also going to change the whole way we design criteria so that we are assured a better design. And to have younger architects or less experienced architects who are maybe more creative and have not had the opportunity to do any designs to be able to come in to the city and actually help build a building. So, the combination of green buildings, which I think will enhance the design elements so far, it appears that they have, will add another dimension and maybe we will build buildings that we can not only stand up for 60 years, but that we can be proud of. So, very pleased to vote aye. All right. Thank you, everybody. Let's go onto our regular agenda. Item 1310.

Item No. 1310.

Francesconi: I don't think we need any testimony on this because we have other items, but this is going to be exciting. It's going to make this park more fun. It was approved by parks but the money came from the pearl arts association and we appreciate it. It has been through an extensive process with the citizens, the business groups and parks to make sure that it was appropriate. We need to have a lot more art and a -- we had some fun in our parks.

Katz: Does anybody want to testify?

Katz: Is there anybody in the audience that wants to testify? Roll call.

Francesconi: Aye.

Hales: Arff -- I mean, aye.

Saltzman: Aye.

Sten: I just wanted to alert the council, I don't know what will come of us this, but we have a deep policy research going on to see whether or not we can make this an honorary event for dogs. [laughter]

Sten: For the arts foundation so I will get back to you with it. If I haven't seen this, it's in the paper today, it's pretty cool. Kind of a bubbler for dogs to say drink in the pearl district.

Katz: on a leash, aye. [laughter]

Saltzman: Did you say leash or unleash.

Katz: Unleash, on-leash, "on."

Item 1311.

Katz: This is a second reading, usually second reading, if there are no amendments, we vote on it, but I understand that there was some discussion about allowing some testimony, so I need a suspension of the rules by the council to permit some additional limited testimony.

Francesconi: You so move.

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Hales: Second.

Katz: Any objections hearing none. Commissioner chair linn and naito.

Saltzman: Do you want an introduction?

Katz: Did they do it last time? Go ahead.

Saltzman: Well, let me just briefly state where we are. This is the second reading of a, an authorization for the city to enter into contracts with early head-start providers and relief nurseries, provide early childhood services through the resolution the city council passed establishing an early childhood investment fund and funding it at a million dollars per year. I was asked in that resolution to come forward with the recommendations to the city council and participate in a collaborative process. That process involved working with commissioner naito and mayor becker of gresham to really identify where respective resources are best applied in the array of early childhood programs, and we conducted that report, and that report led to this recommendation that this is where the city's investment fund would best be focused on these particular services. The county's funding primarily focusing on a lot of earlier childhood services for well babies and things like that. So, this is where the recommendations came from they were also heavily influenced by the citizens' crime representation, programs that are really proven to work, and the relief nurseries and head start has come through on that, and their report is programs that are proven to work well. So, that is what led to the recommendation that I made to you in march of how the money was to be spent, and that recommendation was accepted by you in march, and reflected in these contracts to finally release this money today. I have had discussions with many of you over the last several weeks, and one of the issues that I wanted to announce is that I just had met with our budget people yesterday, mark murray, and I know that the mayor and all of us are working hard to balance a 4 point 1 million dollars short-fall in this fiscal year by making cuts that will be addressing next week -- we'll be addressing next week, and I originally proposed that the early childhood investment fund should take its fair share of that cut, and we did. However, yesterday I did agree to increase that share of the cut so we are taking aid from a \$16,000 cut, we have agreed to take an \$80,000 cut so the fund balance now is \$920,000. I believe this still allows us to get a lot of investment and help a lot of kids who need it, and that's really what this is about, is helping kids get to school and ready to learn and to grow up in environments that are free from abuse. So, we will still be serving over 200 kids with these targeted funds. And I hope we will approve these contracts.

Katz: I will ask the question later go ahead. You have a lot of work today yourselves so you don't need to hang out here.

Diane Linn, Chair, Multnomah County Commission: Thank you very much. Mayor, members of the city council, I will be very -- members of the city council, both of us are here today to support the authorization of the contracts before you before for these critically important programs. I would like to suggest that we consider having conversations in the future, perhaps for the year \$2, to coordinate a little more tightly with the commission on children with families and communities at the county so we can collaborate more aggressively with all of the programs that we support for kids and families. We're prepared to be held accountable as the governmental entity responsible for overseeing social service delivery and planning and policy direction for kids and families. I think that this is the beginning of a very, very rich and very hopeful partnership with the city, between the city and county, and the private entities involved in providing direct service that will benefit the kids of the community. So, we begin a partnership today. We go forward. We work together, every step of the way to collaborate to make sure that the dollars go structurally in a way that really works in a continuum of care for kids at different stages of development. I want to thank very much dan Saltzman for his leadership on this issue. I think I have had very fruitful conversations with each of you, commissioner Francesconi, commissioner Hales and Sten, about the role that the city and county can camera together on working to make these programs work as well as possible. I really thank you all for those conversations, and I look forward to our continued working

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relationship. I'd like to introduce our champion on the Multnomah county board of commissioners for early childhood development, worked very closely with dan and the other members to develop these -- identify these contracts and that's my friend and colleague, lisa naito, and she will address the specifics of the programs.

Lisa Naito, Multnomah County Commissioner: Thank you. For the record, lisa naito, county commissioner. I do want to thank you as a group for stepping forward on this very important issue, which you are investing in our youngest children. I know there have been controversies along the way about whether this is appropriate and which government should do what and I think that's a healthy dialogue that we are having as a community because quite frankly, these are services that have not been recognized in the past as being necessary. But what we are learning about early childhood brain development is that the early years are critical for performing those emotional attachments with a caregiver, for early learning to prepare for school, the end result pays off in terms of reduced crime in, terms of success in schools. It's an economic development issue. It's a public safety issue, and it's a social investment issue for our children, and it's an area that we, as governments have not played a large role in the past. So, yes, we will have disagreements as we go forward about which is the appropriate place and who should do what, but I do thank you for your proposal to take our requests in the urban renewal project in north Portland that, we did support with this request that you make this investment in the human side of it. The partnership, as dan, commissioner Saltzman outlined, that we have engaged in, in the planning process has been extraordinary. We have worked very closely with the cities. I presented the early childhood framework in the cities in east county. We have had support from the commission on children and families, which is the lead organization to coordinate our funding streams from various governments from children throughout the age spectrum. We have had support from the children's crime commission marjorie is here with testimony from former governor roberts and kay and others, showing the importance of these services. The joint planning process formulated a large framework for our goals and how we deliver strategies to achieve those goals for young children, including child care and approved parenting and one of the major goals we identified is increased services for children in high-risk categories. These services, through the head starts, will coordinate directly with our services and in the early childhood arena with home visiting nurses and family support teams, prenatal through age six but a lot of our services go to about age two. It's very critical that we have a continuum of services, no less -- no lapse for the children so there are head-start places appropriate for them, and relief nurseries for the children already identified as having suffered some, some setbacks, and a abuse and neglect, very high incidence in the relief nursery category. The had he-start investments that the city will make will receive a 10% match from the federal government, and I think that will make our applications stronger from our existing head starts as we -- since that's primarily a federally-funded program. As you may know, the relief nurseries are state funded and there's a long waiting list for those services in our community. So, all of this shows that these are critical services that I believe as we implement them are partnership -- our partnership remains critical, that we work closely together to make sure our services are in alignment with where these dollars are directing. I think that is a very positive movement with our new leadership from cathy turner, the commission on children with families. I believe we will closer relationship between the county and the commission and the city and the commission, as well. Some good news is that we're just very close to completing our grant for the Oregon children's plan funding, that again, will be aligned with all of these services, and that we will present to you. I will send you written format about the collaborative process that's gone into creating that grant application, which includes the head starts and it's very much in alignment with the planning work that we started last year. So, I say, I just think that it's, it's a very exciting day. I know that there's, there's some rough edge that is we need to get through, but ultimately, this will pay off so much in the long run for our commitment all together for children.

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Katz: Thank you. Questions?

Francesconi: I guess I just have two. First, thank you both for your leadership. I think we are going to work together even better than ever before in children with families and communities are going to benefit from it. The question to you, is you said in the second year, that you hope that had we collaborate with you on that. Does that mean that in the second year, you would like the money directed to the children and family commission to make the contracts to these providers?

Linn: That's what I would like to discuss, the possibility of doing that. Although again, we don't want to disrupt ongoing contracts and I think that we can meet the goal of very low administrative overhead, that they are providing for these contracts, but to move in the direction of really working through the entities that do the overall comprehensive planning is the way to go. I really support what you are about. I hope to do today, but let's continue to talk about just the right governance structure for the program.

Francesconi: This second question may be unfair, but I am going to do it anyway, and then you can choose not to answer it, as elected officials or anybody could. One of the things we are also trying to do is have a continuum of care of the kids from actually, prenatal all the way through adulthood, and we're trying to have wrap-around service that is we have been working on through that time. Part of the issue, and I will not get into it now is, what effect, where the city's budget is going to be in terms of parks, providing those services. I guess my question to you is, are the after-school, the programs going to make it through the county budget process? In order to provide that service for those kids, as well?

Linn: Well, I am very happy to answer that question, actually. As you know, commissioner Francesconi, I have a very -- I am a strong proponent of the after-school supports for kids who are working their way through school and in a difficult environment where we expect high academic achievement, and at this point, I have confidence that there's no cuts proposed at this time to the sun-school, after-school support for kids in the after-school programs. Commissioner naito provided leadership to catalog all the programs. Part of our real challenge is getting a handle on what exactly is going on out there and make sure that it's align and had coordinate and had we will be making some aggressive moves to do exactly that, and we will need to work with you every step of the way.

Katz: Let me follow up on that. Commissioner naito --

Francesconi: Wait. Can we give commissioner naito a chance to respond, if she chooses to?

Naito: I would be happy to respond to that. One of the commitments of the board that we have made is to try to hold all our early childhood programs that are existing homeless, from the budget cuts, as well as the services in the school age. That's not to say that some of us that are interested in, I think, maybe as a whole board, of looking at those array of school services, and aligning them in a way. We need to increase our health care services in the schools. In the mental health services, that's just very clear, that there is expansion in the health arena but the mental health services in the schools need some attention, so there's areas of focusing but in terms of dollars, we want to keep the dollars that we have, and in fact, grow them, if possible.

Katz: Okay. I wasn't going to get into this. [laughter]

Katz: Commissioner naito, you and I sat yesterday and heard, you know, stories with regard to law enforcement from both the federal, state, local sheriff's, d.a.. And you are going -- you, all of you, are going, as well as us, are going to have to make some very critical decisions that could really impact the quality of life is that in play with everything you just described why don't you respond to it.

Naito: We have looked at some initial proposed cuts from both the district attorney, the sheriff's office, and the community justice, probation, for juvenile services. They have been the segue team, they are calling it, from the chair's office that's gone through those lists. They have identified the potential cuts. With the closure of the moth-balling of the.

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Katz: Right.

Naito: The sheriff is looking at building capacity by double bunking in the inverness jail facility. There is the district attorney's budget so far is held harmless. We did some cutting last spring of his position.

Katz: So the issue of that is --

Naito: That's not an issue. Off the table.

Katz: Good.

Linn: And the only major change in the department of community with family and services, we are not affecting any of the juvenile programs that I am aware of. There is one small turnaround school that I think that we will have to revisit some really at-risk youth that have been refer there had by the juvenile department so, that's one that's on the table but I think that we look at pulling that back.

There would be potentially some delayed implementation of some of the mental health proposals that have come forward. I don't think that we can delay. I know that commissioner lynn would like to move forward on those. Chief kroeker, I heard it loud and clear, he is very concerned about the lack of resources in the mental health arena, and so I am very committed to looking at a solution, and that may be something in between the expansion of the jail bed capacity, how much, and whether we can find other cuts to make in lieu of the mental health delay, implementation, but all our current services, other than the moth-balling and some positions that have already been vacant, the sheriff has already done some cutting. I believe next week, we will have a policy discussion about the criminal justice system as a whole, and make sure and we would like to share that information with you and get your input on, how do these proposed cuts work with your budgeting process, as well.

Katz: Good.

Linn: If I could just add, in a broad stroke, I think that commissioner nato touched on this, that what we are really going to do is look at how we retain the integrity of the entire public safety system, and again, we are connected with you at the hip around that, what you do affects us and vice versa, so we are going to look at it from a policy perspective and be sure the cuts don't undermine any critical piece that far continuum in the same way that we would like to do it for children and families.

Katz: I appreciate that because I think that both commissioner naito and I were kind of taken aback by what could have been just a devastated quality of life situation. There may be people in the community that would support not doing prosecution of it, but --

Naito: I was going to ask the staff to get out to the committee leadership, the list of proposed cuts and then the ones that have now made it through to the next stage because those are fairly limited.

Katz: Okay. Good. Thank you. I wasn't going to bring it up. But if we are going to -- all right. Thank you. All right. Two minutes for -- we just had a brief conversation, why don't you --

Saltzman: I recognize and I am very thankful for the fact that many people here today to express their support for the early childhood investment fund. And in the interest of time, we would like to have at least one person from each organization, if they so choose, to come and testify, but I thought that, those of here, with the support, includes many families and children who benefit from these programs, maybe they could all just stand for a second.

Katz: Thanks. So, if you want to testify on the organization, we are going to limit it to two minutes.

Katz: Okay.

Hilda Welch, Oregon Association for the Education of Young Children: Mayor Katz, mayor Katz, commissioners, my name is hilda welch and I represent -- I am a citizen of Portland, and I have been for more than 30 years. But, I also represent the Oregon association for the education of young children and we are the largest professional development organization in this state, and are an affiliate of the national association for the education of young children, which is the largest

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professional development organization in the country. I am here today in support of this bill for a number of reasons. And I have letters for all of you, which I will leave here, which state what I am stating, and that is something that you probably already know. That the evidence is very clear. Head start does have a significant impact of children and families. Its programs have been instrumental in helping children to reduce the need for remediation in school. Increases the stability of family life and later job effectiveness. It is currently, also, lowers drop-out rate, juvenile delinquency, and stability. It currently, early head-start currently serves a very small fraction of the community which needs it. We also have, as you already know, very limited services for children and their families suffering from abuse and neglect. The issue is, we can invest now or pay later, and I absolutely am delighted this issue is here. I have been in this city for, as I said, more than 30 years, and never before have the needs of young children been seen as primary. They are. Funding these programs, this program would help to make the city, I think, a much more livable place, and is really part of the needed services that this city and county is providing.

Katz: Thank you.

Kay Toran, Volunteers of America of Oregon: Good morning. Mayor Katz and city commissioners, I am kay toran, volunteers of america of Oregon. We are one of Oregon's largest social service nonprofits and I am here today to ask you to continue to support the early childhood initiative that this city has, and its wisdom and thank you for whatever support you are able to give this morning. I am not going to repeat any of the comments that have already been made because I think that everybody has been eloquent and passionate about the need for this continued support. But, I want to make this one point, that the population of children that we are serving in the family relief nursery, if they don't get our ongoing support, the ongoing intervention, they go down from the bottom. This is our most highest -- the highest risk population of children that we serve, so I encourage you to stay the course, stay with this population, and be there for the long-term because they will become productive adults if we stay with them throughout their lives. Thank you.

Katz: Thank you, kay.

Deborah Murray, Associate Director, Children's Center of Portland: Good morning, mayor Katz, members of the council, my name is deborah murray. I am currently the associate director of peninsula children's center in north Portland, a large nonprofit child care center serving some of the highest needs families in north and northeast Portland. I am also a member of stand for children, a growing grass-roots organization of over 200 members. I have lived in Portland all my life, and have been part of the early childhood education community here for the last 30 years. That means that the children who were in my first head start class are now 34 years old. Current research suggests that if i, as their teacher, their parents, our education system, and our city infrastructure did a good job, those children are now happy, healthy, contributing tax-paying members of our community. If we failed those children, chances are that some of them are now straining the resources of our city and state as part of the criminal justice system, alcohol and drug abuse programs, unemployment rolls, and homeless shelters. Western cities including seattle, san francisco, and boise, idaho, are awakening to the fact that early childhood education and child care programs for their youngest citizens have to be part of a city infrastructure. Every bit is important as fire protection, police, parks, water, and sewers. Early childhood programs such as the ones under consideration today are proactive, prevention-based and have demonstrated the long-term financial returns that should be the benchmarks of responsible fiscal policy. There are people here today who have spoken specifically to the good that can be accomplished for the children of Portland by the allocation of the promised funds to early head-start and the relief nursery system. Please listen carefully toll what they have to say. It's up to you to help us make sure that today's children grow into tomorrow's good citizens. Thank you very much.

Katz: All right. Anybody else from the organizations? Come on up. Meanwhile, as I am looking at this ordinance, everybody, and I want to get it out of the way, but unless it was amended,

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somewhere where I wasn't here, it should be the bureau of housing, community development is authorized to execute contracts, correct? And that's not -- is that -- that's not the --

*****: I agree --

Katz: Yeah. And it probably ought to be up to a million, just because we're not out a million, so I need --.

Hales: Need a motion to suspend the rules?

Katz: Hold on for a second.

Saltzman: The ordinance we are passing says we are authorized to enter into contracts and we're attaching a draft, or a sample of one of the contracts. I believe if we pass the ordinance, we have made the commitment, talked to them that they will administer these contracts and it will all be reflected in the final language.

Katz: One second. I just -- all be reflected in the final language. I don't want to let this language go for another week, so help me get out of this. Since it really ought to be amended, yes, no?

Harry Auerbach, Office of the City Attorney: As to your second point you don't need an amendment because the ordinance already says not to exceed a million dollars. As to the first one, the ordinance as drafted directs the commissioner or authorizes the commissioner of public affairs to execute the contracts and if that's not the commissioner in charge of housing and community development, then no. You may or may not want to change that. The commissioner is authorized to sign the agreement.

Katz: Well, no, through the bureau of -- it's now -- the bureau of community housing and community development is going to be doing it.

Auerbach: Okay. The draft that I have in my book indicates that the council will direct -- direct the commissioner so, if you want to change that to, the bureau of housing --

Katz: Yeah. I want to change it but here's the problem. Then i'd like a suspension of the rules to get -- suspend the rules to get this and vote on it even though it's a nonemergency. One second, one second.

Auerbach: I don't really even think you need to do that because you are not going to change the title of the ordinance, so you are not going to need another --

Katz: All right. Do I need to suspend --

Auerbach: Just a motion to amend a substitute bureau of housing and community development for the commission of public affairs and the council --

Katz: Okay. Community development is authorized to execute the contracts. Can I have a motion on that?

Saltzman: So move.

Katz: Any objections? So ordered. And I don't need to hang onto this for another week. I don't want to do that. All right. Sorry we just got into -- that will be then deflected in the contracts, folks, that you don't have in front of you, I don't think, yet. Go ahead.

Michelle Walters, Early Head Start Families Center of Portland: My name is michelle walters and I am a head-start parent and a staff member at early head start, families center of Portland. I first came to head start at mt. Hood community college head start in 1998 when I was a single participant, going to school full-time and working full-time. I became very involved in head start and they gave me the nurturance and support and encouragement to help me achieve my goals. I became, just in december of 2000, the national head start parent of the year and I hold that honor gratefully and I owe that all to head start. My children have been benefited significantly from the services that they have received. My son now 61 in first grade and doing very well. My other son, who is 2 years old, he is in early head start, benefiting from those services a great deal. I am here to ask your support to, to fund the initiative, and with those proactive services that head start offers, we would hopefully have to use less of the reactive services that the city appropriates for now. Early childhood is everyone's responsibility and our children, are all of our responsibilities, and

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when my children become dr. Jordan and dr. Jason, they would have the city to thank for that, in part, so I thank new advance for your support.

Katz: Thank you. Congratulations.

Debbie McCah, Director, Portland Relief Nursery: Mayor, council, my name is debbie mccah, the president of the board of directors for the Portland relief nursery. I am here this morning to urge you to support the initiative for early childhood. Your support of our program allows us to extend our home visitation programs. For all of those dollars, for every one dollar you give us over the next 20 year, we will save you \$7 from all the studies that have been shown across the country that have been very well documented with control groups and everything else. We think it's a very wise investment for the city, and we support your efforts and we will use your dollars wisely to serve those children well.

Katz: Thank you, debbie. All right. Anybody else from the agencies? That's it. Those are the last two. I counted. Did I count wrong?

Saltzman: Do we have one from each agency?

Katz: Go ahead. You are all right. Okay.

Rick Nitty, Executive Director, Neighborhood House: Thank for you providing us with this moment to speak. My name is rick, the executive director at neighborhood house in southwest Portland, and before I say something, I just want to hand this flyer out to you because it has a graph on it that I want to refer to. I am going to make a statement on the affects of the economy and in addition, the, I guess the effects of september 11 are going to have a great impact and are having a great impact on the level of poverty within the city of Portland. Southwest is considered primarily an affluent area but we do have a sizable population of low income families. If you look at this chart and you can disregard the rest of it. He -- the rest of it, we use this as a pitch, but you can see the growth of the food box that is we distributed over the past 12 months. In september of 2000 we distributed 116. By august of 2001, it was 212. This past month it was 248. Poverty is growing, and one of the best ways to help prevent and fight poverty is the head start program. And I brought with me today, leslie weaver, the past president of our parent-policy group to give a little more.

Leslie Weaver: Hi. Thank you so much. First of all, I would like to say that I did start out as a parent, and as a parent, at the time that my youngest child started, I was finding out my other two children had learning disabilities. My youngest, of course, was 2, too young to test, but they kept with this in mind, kept working with her more. Now, my daughter is in second grade. She just got tested. And her learning disabilities are very small, which, if she had not had this chance, 10-1, she would have severe learning disabilities, which is what my other two daughters have. So I think that the earlier that you can get these children help and the families help, the more that you will help the community.

Katz: Thank you. This is the final two.

Jeane Pace, Director, Sacajawea Head Start: Mayor and commissioners, my name is genie pace, and I am director of Portland public schools head start. This early childhood investment effort supports your own council's goal in connecting for kids initiative, assuring our kids are good readers by third grade. We have got a demonstrative positive effect in meet that go goal. Our former head starts are better readers at grade 3. I want to thank for you considering this investment in the future, and our kids, and I would like to introduce juana morales, one of our parents.

Juana Ylorales: Hi. I am one of the parents, and my daughter, she's 7 years old. She went to head start, and she is already in first grade. She's now learning to read. She's doing a lot better than other students that didn't go to head start. So, just wanted to say that. Head start really helped my family a lot. With me, I am going to -- I went to ged classes. I couldn't do that before, because I didn't have child care, but head start has helped me to get my ged, so I am really grateful for that.

Katz: Thank you.

*****: Thank you.

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Katz: Okay. Everybody, we're at the point now for roll call. Go ahead.

Francesconi: I want to briefly, very briefly explain my philosophy on this issue, then very briefly explain why I am voting against this, and then very briefly tell you why I think that despite that, we are moving in the right direction and one -- in one important regard. The first thing I want to say is that I agree that in a recession, which we are in, poor families and especially poor children are the most at risk. I also believe that these programs are very effective, especially as Kay said, for high-risk kids we need to serve, the relief nursery, head start are terrific programs with track records of which we need or. I also believe the city has a broader role than just infrastructure in terms of supporting children and families. I also believe, like the YMCA says, it takes strong kids, strong families, and strong communities to really take to be an appropriate kind of city that takes care of all their children. The reason that I cannot support this is that there is several. One is, it's not proper management where you have two governments doing the same thing. It's much more difficult for accountability. Number two, it's not fair to the city taxpayers who are going to see a loss of city services and then they are paying for something that's out -- outside of the charge of the city, in my view. And number three, it's not fair to our own city workers who are asking to do more and cutting in areas, but those are important reasons, but that's not the main reason. The fourth reason is, folks, we're taking programs from other children in order to fund this when the reality is, we have to work together to provide the kind of continuum we want for all of our children. And here, you know, sometimes it's hard for us in government to say no, and sometimes it's hard for you to understand the tradeoffs that we have to make. But, yes, we have a \$4 million budget shortfall now that we can handle to the point where I was going to support this for one year, but next year, we have a 15 to 23 \$23 million shortfall in the city's budget. What is that going to mean to the children of Portland? It will mean we will close two swimming pools. It's going to mean that we're going to close the summer playgrounds that serve 19 different neighborhoods. It means we could close the whole community school's program. It means that we're not going to be able to maintain the school -- the school park's facilities or the schools, or for parks. I wish that I were not telling you what is so. But, in my best estimate, as parks' commissioner, I am telling you what is so. And I wish it wasn't so. Because you have made powerful messages here. The question is, does the city have a role in these areas in the past? You know, it was 1937 that Dor this. Thea Lynch decided the city did and founded community centers, after-school programs. Now that we have to charge this outrageous fees for kids already to support the city budget. And frankly, I don't want to give up on a park's and recreation system. I don't want to go to just a pure park system. I believe that the 200 kids would be well served by these programs, but I believe that we serve thousands of kids in our other programs that also need to be served. On the issue of the government and management and responsibilities, here, I guess, I will just conclude by saying where I think we need to go and there's some cause for optimism here. I think we should have done this for one year. I think that we need to strengthen the children and family commission at the county. I think the money really belongs there, creating a duplicate procedure in housing and community development, that makes absolutely no sense when the county already contracts with the relief nurseries that we are now funding so you have two reporting systems. Makes absolutely no sense. But, I think that we should -- what we should do is have the early childhood libraries focused at the county. Have parks, after-school support for schools focused at the city, have a strengthened children and youth commission with members from this council. I think commissioner Saltzman should be there. I admire his leadership and his advancement of this issue. I think that I should be there. I think that Diane Linn should be there. I think Lisa Naito should be there, and I have already suggested all of that to county commissioners this past week. Then we have a focus to make the tough choices. I also think, and these were gracious county commissioners, that this is somewhat of an insult to the county, whose responsibility it is to be the social service agency and to do this. Do I think it could be improved? I do, absolutely. Do I think that we can work better together? Yes. Do I think that there's a role for

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the city in supporting children? Yes. And then maybe we can help make the tough choices between mental health care for kids, health care for kids. Smaller class sizes. These are all things that are valuable as your programs. The question is, who provides it. How do we provide it. How do we advocate for it and how do we get more resources? That's the conversation that I will look forward to working with you on. I admire the work you are doing. It's the question of -- how we get where we need to be. And three-year contracts, we can't fulfill. I don't even think that that's fair to you as providers. So for all those reasons, I am sad to vote no.

Hales: Well, I am going to support this as I have all along, and there are obvious reasons about kids that I will talk about in a minute, but I think that actually this, this little skirmish, or momentary turf-battle over who is going to pay for these needed community services for me, once again, raises some larger issues that I think that we are going to have to face, and frankly i'm not sure if we, as a community, we are prepared to face them or not. This is going to sound -- stay with me, because this will sound a little disconnected, but this issue reminds me of our -- the request that we got, mayor to, help with the public schools in Portland. In early in our term. The city actually had surplus money in the general fund and the schools were in trouble and we were asked to help and we did. And you and I supported that and I still think it was a good decision, although we heard some of the same criticism about the appropriate role of city and county government. And that's why I think what maybe looks like a skirmish or sort of a, maybe even a plight exercise in pushing a check back and forth across the table is really -- a polite exercises, in pushing a check across the table, and I am not sure that we are prepared to deal with them, and that is that we have creaky and ineffective ways, mechanisms of paying for public services and public works in the state of Oregon, including right here. And remember how we got here in the first place, not because of a qualitative decision that these programs needed more help and that should the city help, the chairman of the Multnomah county board of commissioners came here and said, you are forming an urban renewal district which will reduce revenue flow to the county and we would like to you make commitments to respond to that. That was the approximate cause of this discussion. Now, that again exposes this very creaky way of making -- of paying for public services and we have just been getting by and applying chewing gum and bailing wire for a long time, and I am prepared to apply one more in this case. Another seemingly disconnected example, those who go back to the east side after this discussion will either ride, walk, or drive across Portland streets until you reach the edge of the bridge. The Multnomah county bridge until you get to the other side and a Portland street once again, that makes no sense, either. Just like paying for schools out of the general fund budget makes no sense so we have been getting by. The economic downturn that we are now going into is going to expose maybe more clearly than ever, the least more clearly than has been the case in my time, the fundamental weaknesses in this system of paying for public works and public services. And I don't know, again, if we, as a community, or as a state, have the capacity in these new times to address those questions. This is partly mechanical and partly political. I think from the period that started with the election of ronald reagan to september 11, we had a den gracing of public services and the public realm that was so pervasive in this country, and including, perhaps, yesterday's passage in the state of Washington of yet another tax limitation. I'm not sure yet if we are out that far phase and whether we can say, there's some things we need to do in common to have livable and safe city with healthy citizens. How are we going to pay for those things and whose job is it? But as usual, in the getting by mode, we spend most of our time arguing about whose budget is going to come out of and not about the priorities, not about the quality of life, and then arranging the resources to do that. And again, this is a big, big issue that I have just built on a little tiny moment here and maybe that's an illegitimate construct but I think that we are going to have to get at that question. In the meantime, we have got to make investments that make sense on a short-term basis and investing in kids on both the short and long-term basis is a good investment. I'll apply this dose of chewing gum and bailing wire to a bad system for a good cause but i'm going to keep

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raising the question, are we ready to look at the big questions, the big picture or not? I'm not sure today is here and now. I will vote for this today and hope we can get to the big problems together in the near future. Aye.

Saltzman: Well, I think that the issues that have come up about, you know, who should be administering which program and who should be funding which, you know, there are interesting academic debates to my mind but not really true debates that govern how we are spending this money. There's a misperception out there that the county is giving money to head start and early head start. The county is giving money to the relief nurseries, the fact is, they are not. This money is going directly to these agencies to expand the number of kids they can serve. And while these debates about who should be doing it or who should be administering it are all well and good, it undercuts the whole effort to really recognize that children are all a priority to city commission, to county commission, to the school district. Who among us doesn't have a picture with us of children on our reelection brochures. We have got to give voice to these things and got to give resources to these things. We can't continue to have the discussion about who ought to do what. And then in the meantime, less than half of the eligible kids in Multnomah county receive head start services. 3% of the eligible kids receive early head start services. A fraction of the kids at high risk for abuse and neglect receive any kind of service from the relief nurseries. So, I think, you know, I am very comfortable with my step -- if I step back and look at what's the vision here, when I took this office, and I know that in serving in this office, it's all too easy to sort of balkanize and say, is it my dollar or your dollar or the county or city dollar. I guess I worked my way out of those debates by sort of stepping back and taking a breath and remembering, you know, I ran on a campaign of commitment to kids and the environment and we saw both those issues here today. But, if I look back, what is the city vision and our citizens want us to do? The city vision behind this is clearly every child shall arrive at school ready and able to learn, and every child shall live in a family free from abuse. And do our citizens want this or care whether it's a county dollar, city dollar? No. The february 2000 davis and hibbits poll, the city conducted, identified services and projects for child abuse and domestic violence as the number one priority they want to see more resources go to. They don't condition that by saying it's not really a city service, should be a county service. They say this is a priority. They identify us. They don't understand county, city, distinctions. They look to us as elected leaders, county and city, and they say, there is something that needs to be done, do it, and this investment fund is one small step in that direction, increasing the number of kids receiving services, and it's an investment fund that the city is applying directly to the existing community programs that work, and that's another important difference. These will make a difference in the lives of the young children, and I am very proud to support this investment fund. Aye.

Sten: Well, I am very pleased to support this, as well, and a lot has been said but just a couple of quick points. As I look at how this argument came about, and it is an important argument, and when you are a chime of crisis, and we are. Our budgets are getting cut. The nation has all kinds of soul-searching to do and redefinition, and I think for me, you know, it's a moment in time where we have got to find a way to work together with the county, with the nonprofits, and we have got to take what we can out of this tough time, and when you are in crisis, I think you need to refocus on what matters, and what matters, really, is the future and that's, that's accomplished with these programs. It doesn't mean that the city can then jump around and fund whatever sounds great because we do have to be straight with our missions and there does have to be some rhyme or reason to what citizens expect. It is all property tax that funds all these things, and I would defy anybody in this community to give me in, one page or less, why each government gets the amount of property tax it does. It's all very, very strange and convoluted because it has been passed by a series of initiatives, as well as a series of governmental actions. Again, we have to have our responsibilities. The reason that I see this fitting into our responsibility is relatively straightforward. We made a decision, which the county commission supported to put a verge urban

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renewal district in place in north Portland. Urban renewal districts cap property taxes for a set amount of time at an amount before the value. When you put those districts into places that are already developed, the natural increase in property taxes that would occur in that area goes into the urban renewal funds, rather than to the city or the county and the state, and the school district. In the long run it creates more property tax value. Studies are very, very clear on this. If you invest in it, you grow more property tax and everybody wins. But in the short run, some of the taxes that would have gone to other places don't go there, and so for that reason, I think it makes perfect sense. Urban renewal funds can only go to bricks and mortar. Only go to physical things that are really good, but we also need to offset that a little bit with an investment in services. And these are the key services that will make a long-term difference so just makes sense as you look at it, and in terms of the split between the city and county, we have got to keep working on it. Resolution a was a really good idea. It was passed while I was in high school and doesn't have anything to do with the current tax structure so what we have to do now is take a look at how do taxes flow now. What are the needs in the community, and in this time of crisis, when we are cutting services, how do we really focus in on those key things that are not enough but really make a big difference. From my vantage points, I notice inarguable that these fit the definitions, the current economic structure based on choices we made that the county had only an advisory role in, fit the community's needs and they fit the heart of what we ought to be focusing on at this moment in time when we all need to come together the most. So I hope that we can do that, and my hat is off to all of you for actually doing the work, and-in this little bit helps, and I believe it is very appropriate given all the circumstances that led to it. Aye.

Katz: I am going to vote no, too, but I need to also give the explanations. First of all, I did ask tim grew to put together this white paper for not only the city council but the county commissioners on urban renewal. Because it was apparent in my conversations with some of the county commissioners there wasn't a very clear understanding, and I am not sure how clear the understanding is even at the council, as to what this council -- well, the majority of the council did several years ago in choices of how we deal with urban renewal funds, and we took an option 3, which is divide the taxes, I am not going to explain it here because even if I could, I am not sure that anybody would understand. But, that option was a clear option that we took that, in fact, provided an additional \$20 million to Multnomah county and a total of \$64 million for local governments and schools that otherwise they would not v so, I just want -- I want to have that that conversation again with the city council so that we don't keep coming back with this, you owe the tithing to Multnomah county because you created an urban renewal district. Second of all, most of you know it was my office that brought the city schools agenda forward, and for those of you who know my legislative history, head start was always on top of the list. The city schools agenda that you all said yes to, and that we went to every school board within Portland presenting it, included additional school funding, which the coalition of school funding was able to get from the legislature. It also included additional resources that we decided to give to the schools during those years, and if you look around, we don't have money now for schools. Head start was our goal to make sure that every child received head start. Sun schools, we wanted to expand sun schools to every school in the city of Portland, that's not been done even today. And mentoring, which was reading program, the smart program. The round table, which I am on, and I think commissioner Francesconi with me, supports third grade reading. So, the city has taken a lead. Has made a commitment. Can't do it all, and isn't going to be able to do it all in the future. Now, I just want a budget together that the council will be hearing, and hopefully will approve. It had \$4.1 million in cuts. I did not cut this -- well, let me say, I didn't cut this program by \$80,000, thanks to commissioner Saltzman's discussion with my office. But, I had to make major reductions in other programs. Major reductions for those particular programs. But, it was doable, and so 920,000 is in my budget for the first year for head start. I did not -- and for all the other programs that you heard

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today. They weren't reduced any further than that. But, I have to tell you, other programs were reduced to make room for that. Drastic reductions. Another couple of officers not funded, a couple of more positions left vacant. Projects delayed. But I made sure that we were going to maintain the core business of the city, and I think that I can say that with a straight face. Next year the situation could be very, very different. We are either at a \$6 million or a \$30 million. That's the span, depending on what happens with the qwest litigation that currently is going on. We know the additional resources that's going to be required for a collective bargaining agreement. We don't know yet what the recession is going to do to our business income tax, so there will be a financial issue next year. I can't commit a million dollars for this program for next year, because I think that this council is going to have to revisit what their core business is. And the core business of this council, the core business of this council, according to our charter, is public safety and parks. Primarily, the core business of this city. Now, we want to change it, and then we need to go and change the charter. But, right now, that's the core business of the city. Let me just add another issue. We are in a recession. During the recession, we ought to be looking at spending every dollar that we can for capital projects to assist people in having jobs. During a recession, you ought to be spending your dollars for as much of economic development that will create jobs as possible. And that is a core business of this city through our urban renewal agencies. The urban renewal agencies also receive some general fund dollars. I cannot cut those dollars because during a recession, those dollars need to be spent to get people to work. Or, at least if not to work, getting them retrained to work. We are also at war. And I cannot sacrifice the public safety needs of this community. If you look at all of the calls that the fire bureau and the police bureau are now responding to, real or nonreal, when 9-1-1 calls come into 9-1-1, the bureaus respond. In the last couple days, we had a major high alert in the city. Those are very expensive. That's overtime. We don't have the resources to continue spending those kinds of money if we are going to continue funding everything else. So the council, next year, and hopefully that work will start toward the end of this year, early next year, are going to look at what is our core business. What kind of a strategy do we need to develop as a community for the city council. So, the million dollars or \$920,000 is in my budget for this year. This is an ordinance for three years, and I can't support that. No. All right. 1312.

Item No. 1312.

Katz: All right. Commissioner Sten?

Sten: We did not prepare a presentation. Mort is here, if there is question. Due to the much documented problems that are beginning to turn around but there is still lots of work to do, we have not done any shutoffs of water in close to 20 months, and so as a result of that, there are quite a few accounts that are very past-due. The majority of these accounts are accounts that never experienced a billing problem and we have not been able to get the person to respond. So, on a very limited basis, we're beginning what is actually our historical process, which is at a certain point in the process turning over the past accounts to a collection's agency, so it's about as simple as that. It's, it's a situation that we also, of course, the first letter that goes out will tell people to make contact with us. We are certainly working with people to arrange payments but we need them to make contact and begin or else we will have to take this more drastic step. Of course it's not fair to people who do pay the water bill to allow those that don't to not have some pressure put on them so, that's where this is going.

Francesconi: I do have just a couple of questions.

Katz: Let me, let me -- before you -- is anybody here want to testify? Do we have a signup sheet?

Katz: Let tom and then we will go to questions.

O'Keefe: Tom, from the community action network. It's unfortunate what's happened in this system, and bills have been sent out six months late, up to a year late, and now it's time to go after people to get the money. The vast majority of these people are either going to be unemployed or low income, fixed income. These are families. Seniors, single mothers and so forth. And probably

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people already hungry. They probably already have their sleepless nights because of the recession and so forth. Why are we paying bill collectors 24 cents on the dollar, which has been printed -- 24 cents on the dollar to go and how soon these people. Why don't we look at some alternatives and maybe offer a type of amnesty program, where you will take the 24% off the billing, and provide them an interest-free payment schedule before you start sticking bill collectors on them. As you know, bill collectors, they can be pretty aggressive, and you know, they can be faceless, emotionless, non-stop, strong armed, threatened threatening, and to me, they are nothing but bounty-hunters, and I am concerned about the city getting -- hiring on agencies when it's the city's job to do this in the first place, instead of farming this out to people that could be too aggressive. I think that we should watch out. I don't think that we should be going after any seniors. I think that we should be taken off the list right away. I don't think that they need to be getting phone calls in the middle of the night or at any time. And I think the council budgeted in to give relief to 13,000 people for -- who have low income, to get 30% off their billings. But yet, only about 5,000 people applied for that. Because nobody knows about the program. One of the people that distributed that application is called "reach." I called them up and told them to send me an application because I wanted to give it to the people that provide meals on wheels and so forth, when they go and give the boxes out, to put the application in the boxes. They would -- I would -- I had to go into reach, which I did not because I was mad, to receive the application. They refused to mail it to me. There is other agencies out there dealing with the seniors and other low income people, that didn't -- that I equaled up, never even heard of this application. But, yet that money was budgeted in. If that 13,000 slots are not used up, what happens at the next budget cycle? And you only use 5,000 of a slot. You are only going to budget in a 5,000 more if you continue that program, remember that program disappeared for a couple of years. So, I have a big, hard time. A lot of this problem is -- part of the reason that this problem was caused was because of the water bureau. And the problems that they had with this software, and it upsets me in a way. How can we never hear about corporations having this problem, such as pge or Portland natural gas who service a million customers, and, but yet we have states that have the problem. Our state does. We had it through dmv. The city has had the problem, and it goes on in other cities. Governments have this problem. I recommend that the state or the city put together and call up intel and some other people. Put a little group of some of these wizards together so when the next city needs some advice about how to look at new systems, they can go to this committee and get some input so these types of things don't happen in the future.

Katz: Thank you.

Sten: I will ask mort to come up, and I will start by sharing with the council. I think people know this but maybe reiterate for viewing audience, that at this point, we have had billing problems for about 20 months. Nobody, no customers are being charged interest. None have been charged late fees and nobody has been shut off during this whole period. Probably the most unfortunate and unexpected consequence of this strategy, which I think has been the right one, not to charge interest or late fees has been about \$20 million in water bills are past due that never received a bad bill. And so, in part because we have been taking -- we haven't been sending reminder notices and in part because the shut-off mechanism has not been there, and in part because I think that people have been, you know, for good or bad reasons, taking advantage of the fact there is no interest or late fees. Over half of the past due accounts are not ones that received a bad bill. We're going to be working with everybody and at this point, there will be no, no fee paid to the collection agency if the person makes a contact. What we are sending in the first letter is getting in contact with us, arrange to make payments. It will be a straightforward letter but at some point if people don't pay their water bills when they receive good bills, it's only fair to the community that we take action. So I understand exactly what his arguments are but those are not the ones in this situation and we will be proceeding very slowly on these issues.

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Francesconi: Just a couple of questions. Only on the collection, nothing else. There will be a later time to talk about the rest. So, on the issue of the reminder notices, and I did read the whole packet, and I saw the reminder notices, would they get, under this system with the collection, and I think that you have now sent out some reminder notices, would the public be -- get the same number of reminder notices that they would have before collection if it had been a functioning billing system?

*****: Good morning. What we are doing now is --

Katz: Identify yourself for the record.

Mort Anoushiravani, Director, Bureau of Water Works: Good morning. I am mort, director of the water bureau. What they are going to be getting, commissioner Francesconi, is for a period of time because of the backlog of the delinquent accounts. There is going to be a larger number than what we have had historically. However, the first set of accounts that we are going to be sending to collection agency are the final bills, the people that have moved in and out and the businesses that have moved out, so they are going to be the ones that will basically be contacting them. And then also, as commissioner Sten mentioned, if we are able to make contact with them, we can still make some form of a payment arrangement with them, as well, and there won't be any -- there won't be any fees paid to the collection agents. The 24% is only for the people that really have to seek out and search out and find and you know, basically try to collect from them.

Francesconi: So I take it that the individual account, likely will have gotten the same number of reminder notices before collection?

Anoushiravani: Yes, and they are actually, what we are also doing, let me actually set the context a little bit. We did actually have this service before the situation we have. This is basically continuing business practice that most utilities and anybody who does billing has in their business. And some of those people would have received the problem is, for example, the final bills, obviously, because people have moved. We don't have forwarding, you know, location for them to, to send them reminder notices. For example, a number of them are from returned mails, so we have to have somebody else to track those people or the business down, if you will, to be able to basically contact them and --

Francesconi: Well, and my next question or area is, what percentage of the total water billing do you have to send to collection?

Anoushiravani: Previously, it was a very, very small percentage. It was less than 5%. And currently, there are a large number of them right now, if you will, during the few thousand dollar range. And then the other thing is, actually we are not going to be turning everything over to the collection agency, either. We are also going to be trying to make contacts ourselves with the group of those people, too. But, right now under this scenario, we are looking at several thousand accounts that we are going to be contacting them. Also, once we made cack, if they would like to make payment plans and things like that, those are also available.

Francesconi: So several thousand accounts will be turned over to the collection agency?

Anoushiravani: Yes, and my last question --

Francesconi: My last question, the 24% charged, how does that compare to before and how does that compare to other bids that we receive?

Anoushiravani: Okay. Actually, that is very favorable. And what we did, actually, we looked at the entire package that the state has, and they had several different collection agency on that contract, and we also made contact with a couple of other collection agencies, and sought their bids, if you will, and we had the purchasing department actually work with us and they basically confirmed that this is -- this is actually very, very competitive. For the amount and the type of the work that they have to do.

Francesconi: And was that similar to what we had before?

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Anoushiravani: Yes, yes. In fact, if I am not mistaken, what we had before, it's basically graduated scale, if you will. I have to double-check it, but I think that the high end of it might be 28%.

Francesconi: Okay. Thank you. No more questions.

Sten: And the fee is zero if after the first letter the customer makes contact with us. Just if it escalates the whole way.

Francesconi: All right.

Anoushiravani: Right, and we only pay once we collect the money.

*****: All right.

*****: Right.

Katz: Thank you. Are you enjoying your job, mort 124.

Anoushiravani: Real well. [laughter]

*****: With the support of council, we can do even better. Thank you. [laughter]

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

Francesconi: Aye.

Hales: Well, the work that you, commissioner Sten and mort and the staff are doing in damage control here is unglamorous and unpopular, and unavoidable. So, thank you for taking it on, and this is a responsible step in doing all the work that does need to be done. Aye.

Saltzman: This is a good and necessary step. Aye.

Sten: Aye.

Katz: We need to do everything that, that's possible to do before we even think about rate increases. Aye. Thank you. We stand adjourned until 2:00.

At 12:00 p.m., Council recessed.

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2:00 PM

Frank Hudson, Office of the City Attorney: These guidelines are established by the zoning code and state law, and are as follows -- any testimony and evidence you present must be directed toward the applicable approval criteria for this land use review, or other criterion in the city's comp plan or zoning code which applied to the decision. The planning staff will identify the applicable approval criteria as part of their staff report to the council. Before the close of this hearing, any participant may ask for an opportunity to present additional evidence. If this kind of request is made, the council may either grant a continuous or, or hold the record open for at least seven days to provide an opportunity to submit additional evidence. And we'll hold the record open for an additional seven days to provide an opportunity to respond to that new evidence. Under state law after the record is closed to all parties, the applicant is entitled to ask for an additional seven days to submit final written arguments before the council makes its decision. If you fail to raise an issue supported by statements or evidence, sufficient to give the council and the parties an opportunity to respond to the issue, you will be precluded from appealing to the land use board of appeals, based on that issue, and one final note, today's probing is up before council on a recommendation so it's not quite your typical appeal but the records of procedure still apply. But again, this is a recommendation from a hearing's order of denial. Thank you.

Katz: All right. Declaration of conflict of interest? Declaration of ex parte contacts?

Hales: I met with him on June 28th this year, it included a number of freight liner people, Michael, senior, vice president, for engineering and technology, and Mark Staller, senior development engineer. I learned about the recent history of the company and efforts to stay competitive through new designs and engineering, and visited the test facility and the site where the wind tunnel is proposed.

Katz: I don't have a conflict of interest, but, or ex parte contact, but I want to make it very clear that I did visit with Freightliner on their transfer of the offices from Canada to Portland and other issues not particularly this particular issue, and secondly, I know -- second, I know that Freightliner personnel were talking to my staff about this issue, but I told my staff that I really didn't want to communicate with them. That I would read the issue and make up my own mind so, for the record, I want to state that. All right. Staff report.

Kate Green, Planner, Office of Planning and Development Review (OPDR): Good afternoon. Mayor, council members. I am Kate from the office of planning and development review. And today, we are requesting council action on land use proposal, LUR --

Katz: Let's -- oh. The Mike. Sorry.

Green: Is that better?

Katz: Is that what you were pointing to me? I thought you were waving to me. Okay. [laughter]

Green: On the proposal, case 0100327, and I just would like to reiterate this is not an appeal. This is a matter that requires final action by city council. I will provide an overview of the proposal, a summary of the requested reviews, and present the hearing's officer's recommendation for your consideration. We will begin with a look at the project site shown here in yellow and orange, which is located on Swan Island. The applicant Freightliner proposes to construct a truck testing facility on the river front lot, which is shown here in orange. This is near the terminus of the Swan Island lagoon. The lot has street frontage on the Swan Island lagoon, it's in the river industrial 2 zone with the river industrial greenway designation. This site plan submitted by the applicant, we see that the proposed facility includes an inlet cone for the wind tunnel component of the testing

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unit. This inlet cone would extend over the shoreline and into the waterway. In order to locate this facility on the river bank, the applicant requested an exception to state planning goal 15, the willamette greenway. The applicant also requests an adjustment to reduce the front building setback from 25 feet to 0 to construct the exhaust system for the truck testing facility up to the street lotline. To be approved, the proposal must comply with the following approval criteria -- 33.850.040 for statewide planning goal exception, and the related approval criteria for a state exception and a greenway exception outlined in the zoning code. In order for the exception to be granted, the proposal must also be consistent with the goals and policies of the comprehensive plan.

And for the adjustment request, the applicant, excuse me, the proposal must comply with the approval criteria, 33.815.040. Here is an artist rendering of the inlet cone. The statewide planning goal exception calls for the proposal to maintain and enhance greenway values of the site and surrounding lands and waterways, that it needs to provide a specific public benefit. Needs to have no significant reduction in lands available for river dependent or river related development, and that it's the most appropriate location for this development in the greenway zone. And as I stated, the proposal must also be consistent with the goals and policies of the comprehensive plan. To let you know what the values are embodied in state goal 15, they are to protect, curve, enhance, and maintain the natural scenic, historical, agricultural, economic, and recreational qualities of the lands along the willamette valley, that's the willamette valley greenway. I am going to give you a brief overview of the greenway values found in and around the project area. Which is identified here in yellow. The nhl and scenic values -- the natural and scenic values, which are shown here, there's the corresponding color shows you where the photo was taken from. This is looking at a high-ranking habitat area directly across this lagoon from the site. Includes unique wetland species. Also, this area was also designated as having significant habitat for several -- I am terrible with that word, excuse me. Several of which are listed on -- as endangered.

Katz: You have got fish species and wapato?

Green: Correct. Also, part of the natural and scenic qualities of this area are public viewpoints that are located at the terminus of the lagoon, at the overlook bluff above the swan island area and from the university of Portland. The historic values in the area, was taken from this vantage point. Swan island swan island.

Green: This is a viewpoint that has the historic activities and development of the swan island lagoon, and it describes that there has been a combination of marine and industrial development in concert with wildlife areas, and in the lower willamette wildlife habitat inventory, it notes that even in an area as heavily impacted as the swan island lagoon, it harbors a wetland hosting a diversity of wetland flora and associated wildlife. Economic values, this area has historically been used for marine industrial operations and of course, freightliner has been a long-time local business providing hundreds of jobs in the region. Recreational, the values in the area include this view from the viewpoint, or excuse me, the boat ramp across from the site. There's also fishing, wildlife viewing and picnicking in this area. The proposal, such as this, come before the community in the public review process, they provide an opportunity to consider and shape Portland's ever evolving relationship with the willamette. At the initial hearing on this matter, the office of plan and go development review presented a recommendation to the hearing's officer to approve a proposal with the conditions -- to improve the greenway values of the river bank and moderate potential visual and noise impacts of the facility. However, the hearings' officer found the applicant had not demonstrated the approval criteria were met. Particularly, with regard to impacts it may have on the amount of lands available for river dependent industrial uses, and other impacts to the greenway values of the area. Essentially, opdr focused their area of concern on river bank

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enhancement and the hearing's officer focused his concern on the impacts it could have to river development -- river related and dependent industrial lands. To let you know, we have continued discussions with the applicant about the river bank treatment. Nevertheless, the recommendation before you today is for denial of the statewide planning goal exception. The comprehensive plan amendment. The hearing's officer made findings that the setback adjustment approval criteria could be met but he did not make a recommendation on that aspect of the proposal. So, before I conclude, I wanted to let you know that there is staff here from the noise office and from the revegetation program if you have any technical questions for them, and if you have any questions for me now or later, I am available.

Katz: Okay. Let's put up the lights.

Hales: Maybe just -- one question. I'm not record is this is not record or not, but do we know the water depth in front of this site? Is that in the record?

Gren: It's in the record. I could look that up for you.

Katz: I think it's deep. [laughter]

Katz: But, no, compared to the probable shallowness of the water on the other side. No?

Hales: Well, somebody somewhere along the line knows that fact and could get that into the record, or at least into my ear while we are talking about.

Green: I will work on getting that.

Hales: Okay. Thank you.

Katz: I remember read it go but I can't tell you how deep it was.

Sten: I didn't quite catch it, did you say the staff had worked on some landscaping and mitigation proposals that, that they obviously rejected or that --

*******:** No --

Sten: Didn't get followed up on?

Green: Subsequent to the hearing's officer's recommendation, we have continued to work with the applicants to determine if there were any solution that we could come up with for the bank treatment.

Sten: And is there some -- did you come up with anything?

Green: We have been discussing some different ideas. I can go into it in more depth now or after the applicants make their presentation to -- do you have a preference?

Sten: Were these in response to what the hear -- to what you hear the hearing's officer? Were these in response to the hearing's officer's -- the hearing's officer's report found that mitigation would be needed for -- to enhance the bank to need these approval criteria, but he didn't make a determination as to whether the applicant's proposal or the staff recommendation was the one to go with, and so that, that question kind of remained in our minds and we were hoping to further resolve that.

Sten: Okay. Maybe we should get to that after the presentation, is what it sounds like.

Katz: Let me follow it. Let me just ask one question. The recommendations that opd&r made, were those -- did you have conversations with the applicant on those recommendations and do they agree with your recommendation? Is this where we have a problem? Forget the hearing's officer because he never even dealt with the issue.

Green: We have not been able to come to any agreement.

Katz: In other words, they don't agree with you?

Green: Correct.

Katz: Then we will wait until the very end. Further questions?

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Francesconi: Well, now, just -- I don't think the issue of trails was central to these recommendations on either side. But, if you could give some thought to that, and if the applicant could give some thought to that in presentation, that would be helpful.

Green: So do you want me to come back to speak to that?

Francesconi: Later, not now.

Katz: Further questions of opd&r? Is this your first time that you have done this?

Green: My third time.

Katz: Okay. Thank you.

Francesconi: If you want to throw in support for the schools while you are at it, too. [laughter]

Katz: All right. Let's hear from the applicant. You have ten minutes.

Francesconi: Who do you work for, mr. Pfiefer.

Katz: We will give you plenty of time.

Hales: His client, of course.

*******:** It is unique. [laughter]

Katz: Okay. We'll start --

Hales: You are not going to use those colors, are you?

*******:** True. [laughter]

Katz: Oh, then i'm disappointed.

Steve Pfiefer: Good afternoon, steve pfiefer here on behalf of freightliner. With me to my left is paul fisherman, environmental consultant and matt markstaller, the representative in the -- and the senior project engineer on the matter. We may be a bit disjointed, we planned on a 15 minute but we will reduce it to ten and pick up questions to -- answers to any questions, with any luck.

Katz: It's not that this is your first time here.

Pfiefer: I will very quickly frame what we understand the issues to be to try and lay out a road map for the testimony that will follow from paul and matt. And you have touched on this already. As you know, there was a recommendation of approval for the exception from opdr staff to be denied, recommended from the hearing's officer. Sole basis for the hearing's officer's recommendation is the question whether it would significantly reduce the availability of lands within the Portland harbor area for water dependent or related uses. For reference, the criterion on that issue, which is one of four issues before you today is, on page 13 of the hearing's officer recommendation, and I will give you these references so you have the hard standards before you. Page 13 is this first issue. Again, the hearing's officer sole basis, and he moved through this and basically, as kate points out, didn't get to many of the other issues, found that the evidence was lacking to allow him to make a finding that it did not significantly reduce the amount of land. Matt will speak to that. I would only offer that you view in context the 16 602080 feet that that loss represents for the cone measured against the lands available within the Portland harbor and willamette greenway itself in that it is a very subjective standard, the word "significant." second issue, and the one which kate spoke to, and I think that commissioner Sten spoke to, as well is, what we viewed below and here is probably the principle issue, and it has to do with the enhancement that might be attached as the condition of approval. The principle standard for that decision before you is at the top of page 8, which is a state administrative rule standard adopted by ldc for goal exceptions only for the willamette river greenway. Again, highly subjective. The use will not have a significant adverse effect on greenway values of the site or surrounding lands. Kate mentioned there is about six of them, bear in mind, this is not whole five, this is the greenway, includes aesthetic, scenic, and economic values as kate properly pointed out. There are four or five other criteria which fall out of the city code, title 33 and the comp plan, but they basically parrot

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this standard, so you are really talking about this, your determination being, what mitigation would be necessary to meet that test, and as kate pointed out there is a condition on the table from opdr and a proposal of a different nature which paul and mat will go into. They are two competing proposals brought for you as a way of achieving compliance. The hearing's officer noted with one of the standards, both those proposals would meet one of the other standards, but he also expressly said it was unnecessary for him to make a decision on that point because he found earlier that we didn't pass one of the earlier thresholds. That, again, I believe is probably the more pressing standard and the one we met with even this morning with the opdr staff on. The last two issues are noise regulations and I know paul is here to speak to that. In two instances, the regulations imposed by condition here would be in excess of the current city code standards, which matt will speak to. And the adjustment is the last piece which we believe is necessary for among other reasons, to improve the pedestrian streetscape of the building at grade. Two other points and then I will pass it to matt. First of all, with regard to esa, obviously, esa is a concern any time we are on or about the river. This is a project which I can happily state to you we took to the esa test early on. We have a core permit for the pilings, the support for the structure and with that, as you well know, we have nim sign off on approval consistent with the esa, and we would point out, based on our version of the enhancement plan so, we have them assuring compliance with the esa based on the mitigation enhancement plan which we have before you. Second point, precedence is an issue. I recognize it. It's always out there. You are concerned and you have got a lot of damaged river front, riparian areas to deal with in the future. We all know that. I would only urge to you recognize what I think that paul will reaffirm, and this is not a precedent for greenway goal exceptions or other restoration or enhancement projects. It's very site specific and I would urge to you take it into account, our proposal, as well as opdr, with that in mind. We are not setting a standard for a legislative fix for the greenway in terms of retaining that -- or bringing that area back to whatever the vision might be. We are literally more site specific and any plan of this type has to be that. With that, I will turn it over to matt.

*****: Okay. In the interest of time, I will only say that this is --

Katz: Matt, identify yourself for the record.

Matt Markstaller: Matt staller. This is our wind tunnel proposal it has several innovations that require it to be located on the waterfront to provide a dust-free, clean air to the inlet, although we have a particular site that now houses one of our model shops to develop new trucks that this ends up being an ideal location for on the site identified. I also want to say that the inlet is screened, and the outlet will be diverted vertically and this is simply a depiction of the equipment inside. The hearing's officer found that he didn't feel that we made a good enough case for it not reducing the, significantly the sites available for river dependent uses, so i'd like to speak to that a little bit now, and all rely on to you ask questions if there are any about function or whatever because we simply don't have time. He recommended an argument that would compare the river frontage that would be required for this wind tunnel to the total amount of fully developed river fronts so, we measure that had off of -- show me the first map there. Off of the willamette valley outlets. Off the willamette valley outlets and you can see all the gray area is the river industrial land available and if you can point to the wind tunnel, it's .4% of that, and if you can see it there, so we would agree with the staff report that it is nearly negligible and therefore, meets this criteria, and that the hearing's officer really suggested the same argument. And we would point out here with our mitigation plan that we only require 100 feet of that frontage, which would leave the other 300 feet available, so that would really only be .1%, and unless there's any questions, I will move on.

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Katz: And what did -- how did the hearing's officer remind me again, I am trying to find it. How did the hearing's officer respond to your argument that it's only what, .1 or .4 or whatever percent of the river front that you would --

*****: I can read it, if you like.

Katz: You don't remember it?

*****: No.

Pfiefer: What he suggested was that if you rely simply on a percentage number, virtually all individual sites would comply because there's no large land holdings in the area that would be of a large percentage. He did go on to say that, really, what I think he said is that recognizing that is one of the most logical ways to approach it. He essentially wanted to make sure that staff didn't overstate the available land supply by including land, which was open space, parks or other things, and not limiting their kind of base mileage to industrially-zoned river front, and then suggested at a minimum, as a suggestion to council, if you opt for the simple mathematical number, what percentage of the overall available land. He did suggest you are more accurate limiting that to the land which is truly available for river dependent, which is the --

Katz: I am not going to interrupt any more. I will give you two minutes.

*****: No problem. I will read it. It is two sentences. Page 14. And if that's enough, I will move on, if not, we have got plenty of other arguments.

Katz: Go ahead and move on.

Markstaller: Okay. Go ahead. So what we would like to talk about is this enhancement plan. There have been some approval recommendations or conditions suggested by staff, and they are based on this oar rule that steve has already recited, but I just want to emphasize, call for no significant adverse effect and not particular grade enhancement. But I will and go ahead let paul fisherman talk about that. Go ahead.

Paul Fisherman, Environmental Services: Paul fisherman, environmental services. Very quickly because these guys have taken most of my time. The does she as matt just pointed out, what I want to focus on is what are the greenway values that are at issue here, and those are natural scenic recreational from the point of view of, of what I have been doing for freightliner, and the test of significant adverse effect, I think we had very well met that. There is no significant adverse effect from this project. And in fact, greenway values will be enhanced on the site, both natural values in terms of riparian functions, scenic values, by the screening effect of native plants that will be installed on the shore, and above the retaining wall. And recreational values, provisions will be made by freightliner for a recreational trail. Next board there, matt. And there's a lot here so I will -- I won't get to all of this, but if you have any questions, please ask me. First of 8-8, we used the design process in the willamette valley bank design notebook that I think you are all familiar with at pdc and bes sponsor and had the other ones have reviewed. This proposal retains about 300 feet of waterfront available in the future for river dependent uses if, that's ever desired. The plan will improve greenway values as we said before. There will nobody net loss of habitat, in fact habitat values will be improved. And we have state and federal approvals. There's a dsl water submerged land's lease in process right now, and as I think steve said, the corps has issued authorization. We met with the natural fishery service, dfl, and quite frankly they had though issues around fish. Their issue was really water quality. Could we do something about that, which is part of the plan to improve water quality on the site. I am going to skip to my last point on the board. Is there an unwanted precedent set here? If there's approval of this project? The answer is no. Emphatically no, because this is a very specific and unique design. A very specific location and site, and the

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enhancement plans of this -- the shoreline you see on the bottom of the photograph, are specific toll this site using the willamette valley bank design notebook, et cetera.

Katz: I have give you another minute because paul, I interrupted you.

*****: Okay. Thank you. Well, I will turn it back to matt.

Katz: Okay.

Katz: Matt, one minute.

Markstaller: I just want to say from our point of view, the plan that's been suggested by opdr is an effective denial because there are too many complications. The building is simply too close to the front of that river bank. It's already settling a bit, our structural engineers are telling us that we just can't do that, and we are not willing to jeopardize the facility. We believe that our enhancement plan meets the criteria so, that's what we would like to do. There are some more criteria that it be finished in a gray finish, the neighborhood association suggested some other treatments, so we are open to whatever might be best for the neighborhood. There have been noise requirements to exceed title 18, and we believe title 18 governs the rest of our property. We know it governs the rest of our facilities down there and the other industrial facilities down there and we see no need to single this source out for any further measures. Finally, we asked for the zero clearance setback from the front to provide for a vertical deflector for the back end of these exhaust cones. We would like to essentially put a box around this thing to deflect everything vertically because we believe that will better serve the purpose. They have granted the building easement but said that the vents had to maintain the 25-foot setback, and with it, without the vents there, there is no use for the building.

Katz: All right. So, we'll come back. I am sure that after we hear all the testimony, we will come back to the approval. The approval conditions. Go ahead.

Sten: Can you just give me a little bit more meat on the bones on the, how the plan will improve the greenway?

Fishman: Certainly. Let me get closer to a mike here. Matt, put that first board I had back up there, if you would, please. As you can see, the shoreline is very degraded right now. What we proposed is a couple of things, and looking at riparian function, the three things that -- three or four things that stand out are really bank stability, water quality, and fish and wildlife habitat. The bank stability will be maintained by leaving the existing wall in there, and water quality will be improved because the existing condition is that the parking lot on the freightliner site goes to catch basins that that go directly to the lagoon. There are no oil and grease traps or anything in those old cash basins. We will replumb that, send it all to a storm ceptor or other approved treatment device, and then discharge the lagoons, so there will be an incremental reduction in contaminants going to swan island lagoon, which is what films really want to see happen. The fish and wildlife habitat, our emphasis in the plan is in two places. One is vegetation on the lower shore below the bulkhead, and matt, put the planned view up there, also, please. On this photo over here, you can see that this is really the site next door to freightliner, and there's cottonwoods growing down low on the shore. We're going to replicate that with cotton woods and other native species, so that there's a -- there's riparian vegetation close to the water. And we would -- so that would be in this area down here, or as matt is holding the board, this area down here. Right now, you have blackberries, basically, that provide very little habitat value. The fish and wildlife habitat value is large wood, leaf-fall, insect-fall habitat for birds and small mammals, et cetera. We are also going to take out the asphalt and put a planting scheme of native plant, shrubs and ground cover to provide some upland habitat in that area that can be used by birds and other critters. The -- should I talk about scenic values at all or --

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Sten: Sure.

Fishman: The -- I wasn't sure if your question got that far. The riparian vegetation -- matt, put the rendering up there, please? This shows if that lower shore is planted, this is probably, you know, within ten years or so of planting, the ultimate condition is these are existing trees now on the site next door, would be cottonwoods, ash, willow, alder, et cetera, that will top out, you know, where these trees are topping out, so you really get a complete screening of a lot of intake as well as the existing building and parking lot on the site. So scenic values from across the lagoon -- scenic values from across the lagoon, either the wetland or boat ramp area, et cetera will mask all this far stuff with that native vegetation. And then finally, recreational value, I mentioned freightliner has talked to the city parks, the commissioner about a potential trail that might hook into some other trails around swan island, et cetera, and there will be provisions made in the freightliner plan to get a trail through here with probably an easement granted to the city on that, and also, you know, talking to the people who fish for bass and blue gil and stuff, right now, it's not a site that anyone would go to fish, but if you add this riparian vegetation, it might attract some people, some recreational fisher to the site. [laughter]

Pfiefer: Depth of water and trail location.

Fishman: Depth of water, there is something in the record. There are some cross-sections that actually the, that the area immediately at the base of this slope where it goes into the water, it goes into the water and then it comes back up. There's a lot of deposition around the old remnant pilings there, so at the very, very shallow out there area, where those old pilings are, there used to be a area for a dock there many years ago, and then it gets deeper toward the center of the lagoon, but right now it's a very shallow area.

Markstaller: Well, let me jump in here, we did depth soundings and it's part of our supplemental report, and as I recall, maximum depth clear across the lagoon is 14 feet. It was 11 to 14 feet at the time we took the measurements.

Fishman: Commissioner Francesconi, the trail -- we have met and talked with staff at parks bureau, parks and recreation, and there have been two things talked about. One is a trail that would come around the end of the lagoon, and potentially some way to get it out to the lagoon avenue, or the most recent conversations, I think, are a way to get the trail across the front of the property. There might need to be some supported or floating section around the intake or under the intake cone that would then hook into a landward section you but that has been discussed and freightliner is perfectly willing to make those provisions.

Markstaller: With the future plans, we are in agreement around [inaudible]

Francesconi: You answered the scenic question. On the habitat side, you know, there was that pretty picture that we saw. Is there any -- are we disturbed -- would you be disturbing any other habitat?

*****: That picture was went their property.

*****: I know, but --

Fishman: Matt, put my other board -- take that board off and let's look at that other one, I think that there's -- yeah, that's what it looks like now, commissioner.

Francesconi: I'm sorry. I meant wildlife. Is there any wildlife, other --

Fishman: That it would be disturbed?

Fishman: There is certainly some species that, that you could find there, just because they are everywhere, you know. Sterlings, those kinds of things, but the existing condition is not habitat that attracts --

Francesconi: But how about across, either noise or anything else?

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Fishman: We looked -- there's a memo in the record. We looked extensively at the noise issue. Would noise impact wildlife or have an adverse impact on wildlife.

Fishman: We provided information on that, and basically, to summarize what we found, and we have looked at noise for other projects in town, in terms of wildlife. This type of project is rated as a project that has no human activity and a fairly constant, or a, an unchanging background noise that wildlife will very, very quickly get accustomed to, so this project is rated as the lowest impact and wildlife will get used to it very quickly, and it won't bother them. The highest type of disturbance to wildlife in this rating that we found in the literature, in several sources are things where there's human activity, and the kind of noise generated by power boats, so the boat ramp across the lagoon from the freightliner site has the highest kind of impact to wildlife because of the human activity and the power boating. So, relative to that, this is a very benign site in terms of noise impacts.

Francesconi: Now, turning to the trail. I mean, there were discussions. I was not part of it, that's why I didn't disclose anything. In fact, I have just been informed during this hearing about the extent of the discussions, and I think that there were two primary issues. One is the trail easement on the north end of the property, to the south of the site, and the other, though, is an actual trail along the lagoon frontage, not just an easement, but the construction of a trail. Can you go that far?

Fishman: And I will turn it to matt, but my understanding is that the trail system, the drawing that we -- that we saw from park staff is, is a concept. It's not an approved or a planned trail system. And so, there's nothing there that we could really say, definitely, yes or no to. And I think what freightliner said was, you know, we will agree to make provisions in the developments so that in the future, if there's a trail planned through there, there will be a way to put it through there. Did they agree to actually construct a trail? There's no plan for a trail that it would hook up to or be part of, so I think the answer is, there's nothing to agree to construct.

Francesconi: So the obvious next question is, if there were a plan, would they build it?

Fishman: I will turn that over to freightliner. [laughter]

Francesconi: Well, this all relates to the criteria and improving the recreational side of the greenway, all very relevant.

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

Markstaller: It's hard to speak to that. We would have to see the specifics, but the provisions for it have been granted. Now, when we had the conversations, it was for a length that would go around the shipyard, and what the parks and rec department told us, that's probably 40 or 50 years off so, it's very difficult to say. The easements in there now but I don't know what the company will do in 20 or 30 or 40 years, when the trail --

Francesconi: We are hopeful it's ten. We are working on a ten-year scenario. By the way, when do you actually intend to build this thing?

Markstaller: We intend to get started right away. We will plan right away and build within a year or two.

Francesconi: Okay.

Hales: Well, I don't want to torture this too long, but, and it's not really a question for them, but frankly, I can't imagine that we would want to build a trail there. I mean, this is an industrial waterfront, and we better hope that there's never the opportunity during our time to build a trail all the way around there because it means the shipyard is gone, so i'm not sure what parks is thinking, frankly. I love trails and I actually use them quite a bit. And i'd like to see some of them be a lot

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more continuous than they are. Like the one that leads from here to the sellwood bridge, but folks, this is the industrial waterfront. Jim, is parks seriously asking --

Francesconi: No, nor do i. We want the shipyard here so we will have to get some clarification on that.

Katz: All right. We got -- a little later, you will get your turn. Further questions? All right. I'm going to want, later on, to hear opd&r conditions, a and b. You have got c, d, and e, right?

*****: Yes.

Katz: And you have got a board on the a and b. It's right over -- it's -- no, it's right over there. [laughter]

Katz: I think, I saw it over there. You don't want to do that now? Okay.

*****: Quick version of why you can't do it.

Katz: Why you can't agree.

Markstaller: Okay. You can see that the site is very steep there. That particular building is about 30 years old. It's settled. Our engineers have looked at it. We have moffat, nickel and bonnie maintain all our buildings. It's settled a little bit, and what they said was it's on sand-fill, and the retaining wall serves two purposes. First of all, it holds the sand up, which is settling already, so they are concerned if we remove the retaining wall that it could simply fall into the lagoon. And the other thing, is it is built on piles, so it relies on a solid foundation for lateral support, and they are concerned that if you move that retaining wall, then it could topple off its piles in a seismic event, for example, that it might undermine the seismic stability of the building.

Katz: Thank you.

Markstaller: It would require additional cut and fill permits, and really, if we are worried about future river, industrial opportunities, leaving that bulkhead would facilitate that.

Fishman: Let me add that matt, put the planned view up again, if you would. The, the difference between, between our proposed enhancement plan and the opdr condition "a," which entails removing 300 feet of the balk-head wall, and using bioengineering and other techniques to regrade the site up toward the building, the difference there in my opinion, you know, in my view, in terms of the resulting habitat values, is pretty insignificant, the difference. And yet, the condition "a" would be a tremendous, relatively tremendous cost in permit and go time-consuming exercise to accomplish. If it, if the feasibility analysis shows in that engineering-wise and geotechnically, it's feasible to do with that building there. What our plan focused on was really getting maximum benefit of habitat adjacent to and close to the water. For fish and wildlife, and by wildlife, I mean those associated with riparian areas. There is no -- if you look at the area, if you look at the big map or anything, which we don't need to pull up right now, but there's no issue here of connectivity for wildlife habitat. There's nothing to connect this to, other than -- move back a bit so I don't blast you with the laser. Other than this end of the lagoon and the other side of the lagoon, which will have continuity with this proposed enhancement. In other words, yeah, there is some wildlife use here, but, but we don't really -- I mean, there is no benefit of getting wildlife into the parking lot. There's no corridor for migration or habitat patch that can be connected to. So.

Katz: We understand that. All right. Question?

Hales: Question about condition -- I don't know if it showed up in the hearing's officer's decision but the staff recommendation included the condition about the pilings, cutting them off. Is that --

Fishman: Again, there's a memo in the record from my shop on that condition.

Hales: What did you say about it?

Fishman: Basically, the bottom line is my recommendation to my client to, freightliner, was until this super fund, the Portland harbor super fund stuff is further along, i'd rather not have them get in

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there and start stirring up sediment in swan island lagoon to remove some pilings that are already cut off at the waterline.

Hales: Cut off at the waterline now?

Fishman: Yes.

Hales: So this proposal was to cut them off further?

Fishman: I think the way it was written was to cut them off at or the 0 foot underlying --

Hales: Is that the grade of the slope?

Fishman: Zero elevation is a term relative to zero meaning sea level. It's the datum used for the site, so, for example, the base of the bulkhead wall is at plus 18 feet above zero.

Hales: And mean low water is about 4?

Fishman: About 4, I think, yes. And in fact, as I mentioned earlier, because the bottom of the lagoon is shallower in that group of old pilings, cutting them off at or below the zero foot elevation, for some of them would mean cut it go off below the top of the sediment.

Hales: Well, maybe I should have declared a conflict of interest, because I don't boat in this particular area but it seems that cutting off pilings just below the waterline in an area populated by recreational boaters is certainly going to provide plenty of employment to our fire and rescue folks. Why would we do that. Create a hazard like that?

Fishman: In fact, we looked at -- these are old pilings that have probably been there 50 plus years. We checked with some experts on treated pilings, preassorted, et cetera, there's no leaching going on from old pilings any more into the water column. They don't pose a hazard to fish and wildlife. And in fact, they provide a tiny increment of inwater structure for habitat for fish and wildlife.

Katz: All right, let me recommend that if there are -- if there is approval of this, then we move on and really discuss some of the conditions because I think that then, we have really critical issues that we need to resolve, or have somebody else come back and do special more work on the approval criteria. Or conditions, as opposed to criteria. Okay. Thank you.

*****: Thank you.

Katz: Three minutes in support of the applicant.

Katz: For those of you who haven't been here, you have got a little screen and time to go and you have got three minutes and when you hear the buzzer, it's time to wind down. Quickly.

Gerald Reckentenwald, Portland State University (PSU) Mechanical Engineer Department: Good afternoon. My name is gerald. Aim professor of botanical engineers at Portland state. I am speaking in favor of this. This project may appear to be one of land use, and industrial development, and I grant you that it all is, but to me, this is, this project is about the development of a unique scientific instrument. A wind tunnel is a scientific instrument as a telescope a scientific instrument. It enables engineers to see things and do things that they simply cannot do otherwise. So, that is how I frame the subject as a specific public benefit. Psu, I represent myself. I work at psu. Our motto is to let knowledge serve the city. We interact with the city, we interact with the environment, as our laboratory, so this is an opportunity for us to work with freightliner. Freightliner has asked us to help with some of the aerodynamic design of the wind tunnel and on into the future to do projects related to their research and development, so I am speaking in favor from that perspective. My expertise is in computer simulation of airflow. That's what I do. The reality is, one simply cannot do computer simulation alone. The science is not there. The computer technology is not there. There is -- this there is some deep scientific reasons why we can just never get there fully from computers. So, one needs experimental evidence. So, in a sense, this is a scientific instrument, which is irreplaceable for the kind of activity that freightliner is proposing to do, which is to enhance the aerodynamics, thereby, improve the fuel efficiency of

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their trucks. So, I see this as the approval, the creation of unique opportunities, in poured, there is simply nothing like this between seattle and san francisco, and the benefit, the public benefit is a creation of a shared instrument. I am done.

Greg Spolek, Chair, Mechanical Engineering Department (PSU): I am greg spolek. I am the chair of the mechanical engineering department at Portland state university. And I am here to ask you to allow this project to go forward. I think you are already aware of the economic benefits of having a facility like this here in the city. What you may not be aware of is the benefits to our students at Portland state university and other students. How could there be a connection? Well, I think that I can summarize it in three ways. One, we want our students to look at this. We'll take them on field trips and tours, and let them see how this works. Can you imagine how jazzed these engineering students would get to stand in that 60 miles per hour wind tunnel and just feel it flowing past their face? And i'm not just talking about our engineering students. We're also trying to engage high school students into engineering. We're starting a project right now with benson high school students to encourage them to consider this as a profession and we would like to involve them in something like this. Number two, we would like our students to use it. Jerry just mentioned we have already talked about having graduate students get involved with the design and actually getting this thing running. But, we would also get students involved in running tests with this thing. We have students who design high-speed bicycles, they design them. They build them. And they race them. And they have aerodynamic fairings around them that they are unable to test. They would be able to test them in a facility like this. We can't provide that now. And three, very important, I think, we want it to be used to make money. We want freightliner to be successful in a very competitive field, as a successful company, they hire engineers. They hire our graduates as engineers. They hire students as student interns into their company. These are good paying jobs and they are keeping those people here in Portland to recover the expense of educating them, the Oregon taxpayers. So, I hope that i've made the point that you recognize that there's a real benefit to Portland state university to having a facility like this here. And I hope that you will allow it to be built. Thank you.

Katz: Thank you.

Lenny Anderson, Project Manager, Swan Island TMA: My name is lenny anderson. I am the project manager your honor, commissioners. My name is lenny anderson, I am the project manager of the swan island tma, and also on the board of the swan island business association and a resident of northeast Portland. I have submitted some written testimony for the record previously and I think I have actually e-mailed this to your staff, but I provided additional copies of it. And one of the points I make in there is the, some geocode that go we did on swan island, and that's the map I provided, and if you look where I circled, this shows the concentration, and this is a few years old, but shows the concentration of employees, where they live, who work on swan island, and I would like to you weigh that in that, in that balancing act of economic benefit, neighborhood impacts. Of course, there is noise and other things, but there's also the fact that a lot of the people who work on swan island live in north and northeast Portland. And I think it also addresses a transportation issue, which is my main obligation on swan island. If people live close to where they work, that's the best transportation solution. So i'd like you to weigh that, the fact that that has that impact in those neighborhoods. I worked for 12 years for boise cascade corporation in research and development on swan island, and I am a real advocate of r and d, and I believe in the larger scope that building a critical mass of r and d in engineering on swan island is really as important for this area as ohsu could be, in the sense that our future is really in the developing new ideas and new technologies and manufacturing is a little more problematic, although we made it through the last

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reduction. Interestingly enough, Portland makes a lot of transportation vehicles, rail cars, barges, ships, maybe even streetcars some day. They could be -- so you have a critical manufacturing mass, and I think that it would be a shame if we left this opportunity to advance the research and development component. Lastly, in my last few seconds, it seemed to me the key issue as I read the hearing's officer was whether this is river related, and I would just offer the observation that obviously, when these statutes were written, no one was thinking of a wind tunnel as river represented, but in fact, it uses the river in a way, maybe analogous to the, to other, what we think of traditional river uses, that gives it a competitive edge, that makes it something that can give not only freightliner, but this region a competitive edge, and as a valuable use of that little hundred feet of the lagoon. Lastly, so, I think it is river related myself, and I hope that maybe you can interpret the law because no one was thinking wind tunnels when they wrote that. And that's kind of your job. Lastly, on the greenway issue, I have inserted myself, and I have run out of time, but I would like to --

Francesconi: Can you tell us about the greenway issue?

Anderson: The swan island business association has a proposal to the bureau of environmental services for a number of greenway links, and what we have on swan island is a facility at the end of the lagoon which has the boat launch, and we also have a half mile river walk along the river, and we are looking to link those. One or two potential routes for that link, which we hope will be not in a matter of ten years but more like ten months, is through or adjacent to freightliner's proposed site for the wind tunnel. Now whether that's the best one, we are looking at going through the pump station, which is right there, as well, at the end of the lagoon. We would like to be able to get from that little kiosk that you saw there in the presentation from the office, the planning office, over to lagoon avenue, so then you are on the public right-of-way, a sidewalk or two, and you are on the river. So, that we begin to piece together some link that is make the river and the greenway both more usable for folks would work down there, but also more accessible to people who live in the adjacent neighborhoods. Thank you.

Katz: Thank you.

Francesconi: Thank for you that last part. I thought that I was -- I was confused and you helped. But the other reason I was confused is because we are having discussions with the port. This is really for steve fire's benefit, about doing some trails, easements, but also connections, even on industrial property. Of course we need the permission of the port. We would need the permission of freightliner but we are moving ahead with that, with the port on some others because we, obviously, value the importance of the shipyards and manufacturing side so, maybe when we take a break here, if we do, if you have type, I would like you to talk to sue donaldson in a little more detail about this.

Anderson: Sure.

Katz: Thank you, gentlemen. Fire phieffer.

Katz: You are against it? Go sit back there, we will call you later. In the wrong pew.

Francesconi: You are sure -- you sure got her attention, though. [laughter]

*******:** Mayor Katz, commissioners, I would like to first thank you for the opportunity --

Katz: Identify yourself for the record.

Britt Cornman, Freightliner: I will. My name is britt cornman, I work on swan island for freightliner. I am a production worker. I install brake chambers, slack adjusters on the brakes after they are installed on the axles and prior to them going on the chassis. I also represent over 945 members of the international association of machinists and aerospace workers as the chief stop steward. I am here on my own time as I took a vacation day to come here. I heard about this

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proposed wind tunnel yesterday when I read about it in the Oregonian. I looked up your agenda for a today on your website, and got the land use review number from that and tried to locate that file online but couldn't. So I called the office of planning and development review, were very helpful. They informed me that I would have to come down in person and get the different notices. I was successful in getting the notice of public hearing before the city council. The staff report, recommendation to the hearing officer and the recommendation of the hearing's officer. I know you are busy, and what I am here for is personal. Our union represented employees have the toughest decision to make a couple of weeks ago to vote, take concessions, and start co-paying our insurance benefits so that we can possibly preserve our jobs for the time being. Economic times are not favorable for any of us. We have had massive layoffs, as you well know. Freightliner is proposing to build a wind tunnel on swan island to improve the aerodynamic drag of our trucks. This facility will not directly create jobs for the people that I represent. However, indirectly when the company is able to increase the miles per gallon of fuel usage in our trucks, the customers will buy ours before they do our competitors. It's my understand that go wind tunnels of this type are nonexistent. I know for a fact that when we were working on the century class truck it was sent to germany for testing by daimler benz engineers at a facility there. Our competitors use one on university campuses and do not accommodate full sized trucks, so they use scaled down models. To test most trucks, they mug to a company, such as boeing, that has one that's big enough to accommodate it. This is very costly and time-consuming. By having one right there beside the test facility, it will enable our company to cut down on time and cost. Therefore, I think that it's in the best interest of all of the people I represent in the local economy to allow this to go forward. I hope you fill the same and will approve this. Thank you.

Katz: Thank you.

Bob Alexander: I am bob alexander, with the Portland development commission. Mayor, commissioners, as you know, we spent a good deal of effort to trying to retrain freightliner within our community and manufacturing facility. We believe that this research and development facility is an important component to the engineering segment of the headquarters' facility and it's continuous in Portland. The issue before you -- there was a letter from the port of Portland that I believe was passed out, talking about some of the issues about the economics. Others have testified, perhaps more eloquently than i, about what the previous uses were in this site. This letter does talk about the fact that this was previously an electronics firm, location in this area. It was not a river-dependent use, initially, even. That it doesn't work for any of the port's purposes, that they would have to be dredging the lagoon out and we have heard previously the problems with the dredging of that facility or of the lagoon itself to accommodate other marine uses. So, we have an area that's really not suitable for other economic uses. It seems to be particularly well suited to the wind tunnel, itself, and research and development, as it relates to freightliner, immediately adjacent, and in addition, we have had -- I think you received in testimony some support from the interstate urban renewal area, co-chairs, sheila holden, paul where they had discussed the benefit to the interstate urban renewal area for such a facility, as well. And we believe that all of these components add up to the fact that for approval by your council today of this application, and also would appreciate your consideration of some of the cost factors involved in certain of the recommendations, which would be in effect, a denial of this building going forward. So, I appreciate your consideration.

Katz: Thank you. Questions? Okay. Gentlemen, thank you. Let me just say, sir, on behalf of the council, how much we understand the issue of reduction of wage and acceptance of health care premium payments, how important that was to the union and the position that you took, how

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significant that was, at least from our opinion, to having freightliner stay here in Portland, even though there potentially may be further reductions, at least their future here, hopefully, because of what you and your colleagues did, is much sounder than it was the day we met with them. So, we understand those sacrifices. We hope that at some point you reach an agreement to get back your wages, but we appreciate --

*****: Thank you.

Katz: Please pass that on, on behalf of the council, to your colleagues.

*****: Thank you.

Katz: Anybody else sign up? Okay. The opposition. Principle opponent. All right. Less than principle opponent. [laughter]

Hales: Glad you didn't call her an unprincipled opponent. [laughter]

*****: Now, come on.

Katz: That was a joke. [laughter]

Katz: All right, sir, why don't you go ahead.

Eric Eidler: Good afternoon. My name is eric, and I would like to thank for you this opportunity, mayor Katz, and fellow councilmen. I am a resident on the bluff directly in line with the intake section of the proposed wind tunnel, and I will say as I did in the original hearings that i'm not necessarily against the project. I understand the economic benefits and I understand freightliner is a strong corporate citizen of Portland. However, I remain concerned about potential impacts of the project, if proper controls aren't put in place on the front end. My concern is specifically about potential noise impacts on the residents of the bluff, as well as the restored habitat, itself. The noise office is also noted this in their potential concerns, including a recommended lower limit that is out there already for the city. And an earlier comment, I question the comment saying this is the lowest type of impact property because if I understand a wind tunnel, it will be turned on and off, which might be the most disruptive type of impact as compared to running constantly. And I do note that the plan for a wind tunnel, from the original plan was to run it at night when energy costs are lowest, which might have the largest impact on noise on the bluff or on swan island, as well. I also note this is an experimental project. There other like facilities that exist, no trimmings to validate the effects when it is put in place. And engineers can only estimate the impact or the effect of sound that this project may have. My concern really is on noise creep on the project creating a long-term issue on the quality of life issue, safe for the bluff or for swan island. That might not easily be remedied after the fact. The green, if greenway exceptions are granted all I am looking for is some comprehensive noise plan up front, which would insure basically that they meet the requirements that were there upfront. I would think that this would include the recommendation of a lower decibel limit, as well as potentially some type of testing after the fact to make sure that when it is up and running and we have really got it, that we can see what the noise impact is. The hearing officer recommended one test that, that, at an undisclosed location, and that might not be at the right time or the impacts of clouds or overcast or other things could have some impacts on the noise to the bluff, as it axe ways up the hill. My concern is that the studies say it should about a 40 decibel worst case scenario on the bluff, which really wouldn't be noticeable but if the city allows 50 or 55 decibels, which would be noticeable, like a busy street there, or a street with constant traffic, that as the investment is maximized for its potential, we can creep up to that level and all of a sudden, we have got a constant hum in the background so, I just would like some, some acknowledgement of that up front that this project might not be there if these other exceptions weren't granted. The only other comment that i'd have is I would like to state that in terms of river dependents, that this project isn't necessarily a river dependent project, about it is a

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most efficient, efficient use for the river as compared to building a pond or something where they can get the same effect, so it's the most cost effective place for them to build it, per se.

Katz: Thank you. We will get to the issue of noise at some point, I think we will get to that point. Okay.

Jeanne E. Galick: My name is Jeanne, and I live at 7055 southwest Virginia. Nobody can deny the importance of large companies, like Freightliner to our city, and it's encouraging that they are searching for ways to improve fuel efficiency, but what I don't think is good is when one potential improvement may be achieving a real -- may have achieved a real harm to the environment, and that is exactly what will happen if this is approved, not so much the wind tunnel, but the location of the wind tunnel. This is really not a small project. It is going to sit out 60 feet over the river, which is really kind of the width of this room. It's large. And the losses are many. The losses would include noncompliance toward regulations. This proposal does not meet state goal 8 or 15, and I don't think that it meets the greenway exception criteria. And there are losses to credibility. The proposal runs counter to the council-approved river and renaissance goals. It could undermine public confidence in our city's commitment to cleanup the river and restore it to a healthy state. It would undermine current efforts to convince other businesses to pull back from the river and open it up for cleanup, habitat, and public access. And it will blunt grass-root efforts to restore the river environment, if standards and regulations are not uniformly enforced. There are also losses to our public amenities. The adjacent public boat and viewpoint will be degraded. And it will destroy any hope for future recreation or public access to this section. And then there's losses to our environment. It will compromise one of the very few off channel sites left on the river for habitat. A site with great potential for fish habitat. And I will note, that from what I understand, that the city's approval was made with some primary and perhaps, incomplete data. And it will be a major obstacle to building a continuous greenway trail along this riverside. There are potential problems, also, with turbulence and noise. I believe these losses could be devastating to our efforts to restore the Willamette River. Trees and plants are not adequate mitigation for the loss of the riverside site. The Freightliner wind tunnel is not dependent on the river. It could be placed elsewhere, and I urge the council to help them find an alternative site. One that will -- I can't even read that. One that will meet both our economic and environmental goals.

Katz: Thank you. Questions?

Hales: I guess a question, since I can't ask the hearing's officer, he made the same argument. Maybe I can ask you, this site is zoned, heavy industrial. What are some river-dependent uses that you think should be approved for a site like this? Don't most of them involve dredging, construction of docks, help me here. In other words, if -- isn't there a catch 22 that says, you know, you have got to be river-dependent but then you have to do things in the river like build jetties and docks and other construction, so what's approvable here?

*******:** Well, what is approvable here would be, from what I understand, it is more river front. It is not be placed anywhere else but on a body of, but on a body of water.

Hales: A moorage, like a dock facility?

Jeanne: Yes.

Hales: So, it would require extensive dredging to get ships to this site. Wouldn't that cause greater environmental harm than what's being proposed here?

Galick: It might, perhaps. But I also think when you turn over these sites, there is no potential for improving them, if we don't look at other uses for them. It doesn't have to be a river-dependent facility there. It can go on to other things. I mean, one thing that I really find objectionable about this wind tunnel is that it doesn't have to be built here. And when I look at what the city is trying to

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do, is to get people to move back from the river when they -- when they can, when they don't have like a boat, dock facility, I mean, boat dock facilities don't have any options, commissioner Hales, but they do.

Hales: Right.

Galick: And why do we continuously say, okay, we can continue to compromise the river. We can continue to compromise these things so what if it's a super fund cleanup area? I mean, at some point, we have got to bite the bullet and say, we have got to make improvements here.

Hales: Okay. Thanks.

Katz: Okay. Anybody else in opposition? All right. You have five minutes to rebuttal. That's how you get to your 15 minutes, mr. Phiefer.

Phiefer: Thank you, mayor Katz. I'm not sure that we have any rebuttal, per se, and I don't know that we need to take the five. I would leave that to paul and matt. I mean, this really, truly isn't much of a legal issue from my perspective, the criteria are fairly general, they are subjective, you have got some interpretation to make, obviously, but I would, again, ask matt or paul to offer anything that they might want to in response to what has come up I have a few things to say. First I want to say this facility is important for freightliner. It will be built somewhere. There are plenty of alternative sites, unfortunately, none of them are in Portland. We've got sites all over the country. And other available opportunities. We want it here flexion to our current engineering facility. It will become an integral part of the design of every new truck and the development of existing trucks. There's an immense public benefit outlined here. We have submitted more. The result of the project is a net improvement to the greenway so, we believe that it meets all criteria that are set forth, and we appreciate the help that has been pledged by the city of Portland and indeed, given to us up until this point, and we do -- would appreciate your help with this, not with anything out of the ordinary or nothing that cannot be justified with the language of the code but what we need from you is an approval for this project on this site with criteria that we can actually construct a facility, and those criteria would be a river-bank treatment that we have specified that meets the criteria and would not jeopardize the structural integrity of the existing facility. We need the title 18 noise regulation in place, and I would just like to read -- specify a few things. First of all, it is a very comprehensive ordinance. Not only does it involve an overall noise level but also devised it into ok active bands so, the base levels are more restrictive than the higher levels that don't propagate as far, and also a concern that it be operated at night. There are different conditions for operating in date or night, so the title 18 takes that into account, as well, and I want to read the policy statement of title 18. It says that it is the intent of city council to minimize the exposure of citizens to the potential negative physiological and psychological effects of excessive noise and protect, promote, and preserve the public health, safety, and welfare. It is the intent of city council to control the level of noise in a manner that promotes the use, value, and enjoyment of property, conduct business, sleep and reduce unnecessary and excessive sound in the environment. We operate factories on the environment. We are always concerned about that, and those do comply and this will comply, as well, but we didn't can't see any justification for further requirement.

Markstaller: Matt, specifically in title 18, the two issues that are in the conditions that I think you have indicated there's a problem with is number one, the noise ordinance, and paul can correct me. I think he's here, if need be, the noise ordinance title 18, as well as deq standards are applicable to noise sensitive proper, which is, essentially, occupied properties. As we understand the conditions it would apply the noise level, the maximums, not to be exceeded to unoccupied properties, note the bank opposite the wind tunnel. The tree area you saw on the east bank. Secondly, it imposes,

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as I understand, we understand the condition, a maximum decibel level of 5% less, or i'm sorry, 5 db less than imposed elsewhere on the island. Is that true?

Markstaller: That's what they have asked for the five db less than imposed elsewhere on the island. We said we agree it should, measured at unoccupied properties because eventually those properties will be occupy and had we plan on operating this well into the future. What we don't see justification for, is the further restrictions on the noise levels, they also.

Pfiefer: So, the reduction of the five db, but only that one.

Markstaller: Exactly.

*******:** All right.

Markstaller: Finally, the zero setback. We would really like that so that we can provide a better facility that we can deflect that air up, rather than exhaust it horizontally. There are many facilities downtown where there are vents that go right to the sidewalk. Big buildings. There are no applicable regulations, and we don't see -- we don't see justification for requiring the vertical vent, that will be 35 feet in the air directed upward to be further back on the street of the building there. And paul, if you have anything?

Fishman: Just very briefly. I wanted to, because some of the questions I think can be addressed by looking at the willamette river bank. It's a tool, I am reading from the cover, it's a tool designed to foster creativity and innovation and developing an urban river's edge that improves conditions for fish, wildlife, and people. And the trick here is to balance the use of an industrial site with these environmental considerations, which I think is what we have done.

Katz: Thank you. Thank you, gentlemen. All right. Council, what's your pleasure? We have staff from opd&r, we have noise -- is paul here? Oh, there you are.

Hales: I am ready to make a motion but there might be questions about the -- people might need to get asked before the motion.

Katz: Why don't we -- why don't I ask the question, what's the council's feeling in terms of approval of this project, and then if the council feels that this is where they are going, then we can deal with the conditions.

Hales: Well, my motion would be to approve the application on all three fronts, that is the exception and the comp plan amendment and the adjustment, and to accept the applicant's enhancement plan. Because i've been persuaded here and what I have seen in the record that that enhancement plan is adequate. So, that doesn't -- that will require -- that's got to be a tentative decision, findings have to come back because at this point, we have a hearing's officer's recommendation, with a different set of conditions, saying not that enhancement plan, this enhancement plan, and if we take that motion, is that staff will have to work with the applicant and come back with that. So people may want to mess around with that more than that.

Katz: Let's spend a little time. Is there a sense by the council that they are willing to accept the application, but want to spend a little bit of time on the conditions of approval?

Sten: Yes.

Katz: Is that yes?

Katz: Yes.

Francesconi: Yes.

Katz: Okay. So half of the motion is accepted. Let's work on the other half. So, those of you who have concerns about the approval of conditions, why don't we before I opd&rs, is bes here? And paul, why don't you come on up.

Katz: Let's open it up to questions of our staff people on the conditions.

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Sten: I just wanted to get -- excuse me, a sense on -- they are essentially testifying it's not feasible to take out the bank, or the wall, and the conditions that opd&r recommended. What, a, your response to that, and b, are there any other -- it sounds like there is beginning to be some negotiation that got stalled. Are there any other things you recommend we take a look at this point?

Green: Sure. This might be an opportune time to offer up a new concept that we developed to respond to some of the concerns that the applicants had raised about the original recommended condition. And this, this response was, was, or excuse me, this, this recommendation was generated with consultation with the folks from bes, revegetation program and folks from the endangered species program. So what you have before you, which i, see if I can bring up. Is the applicant's proposal to retain the existing wall there, and plant plants above and below the wall. On the right-hand side of the screen, there's the initial opdr recommendation, which is to remove the entire wall and sleep the bank back and vegetate it. The third alternative that you see there would allow the wall to be retained removing only the top 10 feet, from 34 to 24 feet, which is equivalent to the amount of the wall that they would be removing to construct the wind tunnel facility. This allows the tieback represented by that dashed line in the square in the bank to remain, which would help to assure additional stability of the bank. This also calls for the site to be regraded and planting provided, and these appear to be able to be done at slopes that would support a vegetative treatment. We -- this condition also would call for plantings of a density that is used in the revegetation program, and otherwise, it's relatively similar to the initial proposed condition by -- in the opdr staff recommendation. It does allow for slightly reduced survival rate of plants, again, more in keeping with the bes revegetation program work. And unfortunately, that individual from that program had to leave but she explained to me that their plant numbers are generated based on reference sites along the river, and that they have been doing this work for the past five years, so they are very confident that their numbers are reasonable for getting the level of restoration and enhancement that we're looking for. So, we briefly discussed this, this morning with the applicants and they can respond to it with their own words, but my sense was that they were still not comfortable with this concept. That involved any alteration to the wall. So, does that help answer that?

Sten: Yeah.

Katz: Let me jump in on this one. River renaissance is not a criteria to be used, and river renaissance does talk about the prosperous working harbor and the importance of the economy to the river, and that's my reason. One of my reasons for approval. However, river renaissance does talk about a clean and healthy river, and habitat and restoration, and in fact, in industrial areas, we are working -- let's put the lights on. In industrial areas, we are working with the port, and other industries to try to restore the banks in very industrial areas, and we have had an incredible amount of cooperation to make that happen to the extent that it's possible to do, including grain elevators and car facilities. So, I need to better understand why the company may not be willing to do something a little bit more than that. So, that's where I am at right now. If there is really a reason, and I haven't heard it yet. So I will leave that part of the discussion to commissioner Sten to continue.

Sten: Well, I want to talk to freightliner next.

Francesconi: Can I raise a process question, just for a minute, and maybe the answer is -- would it -- is there any value, and the answer may be no, because I can't tell how much discussions have gone on. Clearly the council is sending a unanimous signal that we want to have this built in

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Portland, and then now the question is, what conditions should be appropriate that would allow it to be built but would also --

Hales: This is not a project application, folks. I mean, jim, I mean, I don't think that we should get into technical negotiations. We should either make a decision in favor of this or make a decision --

Francesconi: Can I just finish for a second because you might be right, commissioner Hales. So, is there any point in having this held for a week where you talk with the other side about these kinds of things or would that be fruitless? And I guess I would like the answer from both sides and is commissioner Hales right?

Katz: Well, I can say that we have been, and would continue to be interested in trying to find a solution, but we have not -- we have worked at that, and we have not been able to come to any agreement. We have now offered two options, and nothing else has been offered, and both of our options have -- objections have been raised to both of our offerings.

Katz: All right, commissioner Sten?

Sten: Well, I wanted to chat with freightliner.

Katz: Before we get freightliner up because we are going to come back to this. Noise. I live on the northwest side. I do have to tell you that at night, on a variety of evenings late in the evenings, there are sounds that come from the industrial area. I don't know what cumulative impact another sound level will have to the noise, that reverberates to neighborhoods, and I would suspect that the noise in north Portland is even louder than the one in the number of the, but we both get the industrial sounds from the community. You can take up to so much and you sometimes, you know, hope and pray that about 11:00, there is some stillness in the air. So, help me understand the argument that was made with regard to noise.

Paul VanOrden, Noise Control Officer, OPDR: Okay. Well, I approached this from the perspective that within title 33, one of the greenway goal exception notes, section 33, 440.360 mentions in section 5, that the intensification of existing uses or change in use must be limited to the greatest possible degree, so that such lands will remain compatible with the preservation of the natural, scenic, historical and recreational qualities of such lands, so take that go into account, when planners are looking at these type of issues, they often ask for comments from the noise office, and I said that from a, a reasonable amount of attenuation of the noise from the facility, five decibels is just above -- it's a change that's just above the perceptible at 3 3 decibels, the average human being can start to notice a change in the sound level, or the sound intensity. So, requesting that this applicant take actions to lower the noise by 5 decibels was not from an engineering's perspective, radical request. The reason I was requesting it, is we have historically -- we haven't will a large quantity of complaints but we have had a long history of complaints from the swan island area that are very difficult to trace, but that are within the sound spectrum of what I would expect to emanate from this facility. So, in looking at the project, the 5 decibels lower from what the city code normally requires did not seem to be an unreasonable request in their process of engineering this facility to try to be a part of the livability of the community in limiting the impact on the community.

Katz: Thank you. How about the issue of night versus the day. You didn't address that, did you?

VanOrden: Well, my concern there, obviously, and I do understand the necessity to try and save - - work towards saving money in their facility by operating at night, but night is obviously the worst case scenario for the community, as far as operating this facility when the ambient noise level drops, obviously, as we would all expect, and a noise that's base intensive, like the wind tunnel would be expected to be, would emanate into the community and be more audible than it would be

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when the background noises are present, like the highway and other noises that are more intensive in the daytime.

Katz: So what was your recommendation with regard to the use of the facility at night?

VanOrden: Well, I didn't take a stand on that because I felt that from an economic standpoint, part of what I am asked to do as the city's noise officer is balance the economic needs and the community's needs and I felt with taking into account this 5 decibel decrease that we could account for the community's needs, as well as the freightliner needs to operate at night.

Katz: Thank you. I don't know about the rest of the council, but I strongly would support the hearing's officer's recommendation of 5 decibels below, if you think that that can be -- that's doable during the construction of the wind tunnel.

VanOrden: I do, and actually, I might add one other minor suggestion that I found to be very helpful, and in projects this far nature that would not add a significant cost to the project. One suggestion that I would offer is that freightliner do notification within about a mile radius because in looking at the facility, I am assuming that, and calculating that that would be the furthest distance this sound would really be any potential impact on the community. Notified the neighbors of when the facility goes into operation, and set up a hotline at the facility where neighbors can call in to find out if the wind tunnel was in operation on a given night. The reason why we do this is historically, the complaints in swan island are very difficult to trace, and neighbors who have concerns could call the hotline, find out if the wind tunnel was in operation, it would assist the city in narrowing down whether or not it was possibly the wind tunnel and if it is the wind tunnel, our perspective has been to work with noise makers, we don't simply go out and move forward with enforcement so it would be a tool for resolving possible complaints and also accounting for the concerns that were here today by one of the neighbors up on the bluff.

Katz: Further questions of the noise officer? Thank you. Questions of opdr. Freightliner, come on up.

Markstaller: Should we just address what was said.

Katz: No, I am going to turn it over to commissioner Sten.

Sten: I am interested in your take on the compromise solution for the bank treatment.

Markstaller: Um, we met and talked about that this morning, and it really is substantially the same as the original treatment, and doesn't do anything for us structurally. It's the same, same slope, simply the -- what retaining wall would be removed is buried. So it just doesn't help us get anywhere. It's no easier.

Sten: Well, it looks a little different to me so, maybe I need a little more.

Markstaller: Maybe we can get the graphic back up.

Sten: Well, let me ask you, think about that, it's because they are keeping the wall -- well, it's because they are cutting off -- well, yeah. Look at that and tell me.

Markstaller: The grade is the same, instead of removing the wall, the wall is just left below the grade. So, it still has the same grade there.

Sten: So the grade is -- if the wall is still there, but the grade changes, you think it's structurally compromised?

Markstaller: Well, yeah. Because the slope is still the same, so this will retain anything underneath that grade but there is still --

Hales: Creates a new slope.

Markstaller: Creates a slope above it that can still slide right out. The foot of the slope ends up very close to the building, and it's just not good engineering practice to run a river bank right up to a building. In fact, and I don't have the reference on this, but I built my home on the willamette

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river five years ago and the requirement was to locate the foundation 25 feet back from the top of the grade for those reasons.

Fishman: Matt, let me jump in on this. The concept presented this morning to us by opdr would need a lot of investigation in terms of engineering feasibility, geotechnical impacts of doing this. Let alone the, you know, how to actually do this and have the result being this, what's a nice drawing of a bunch of trees and shrubs, et cetera. Let me start at the building. The building, I believe, has a basement. I think that there's some questions that will be raised if we remove the top of the retaining wall. Does that somehow compromise the structural stability of the basement? The bottom of the building? I am not an engineer, just raising questions that freightliner would have to ask.

Sten: Did you guys -- on the hearing's officer's piece, did you submit some geotechnical evidence to the hearing's officer to support?

Markstaller: We submitted one from our engineer that addressed it, generally. In their recommendation to do it.

Sten: Okay. Well, how about, the issue on the wind tunnel, you are pulling the wall out on the wind tunnel?

Markstaller: We are pulling the wall out, but then we are replacing it back further, so it will all be concrete and armored underneath the wind tunnel for the reasons that we want to leave the bulk there.

Sten: Thanks.

Hales: How about the noise issue.

Fishman: You know, i've been thinking about this literally for several hours a day for the last year while we applied for this, and it never occurred to me, the residential property is further away, pretty far away from the facility, and the industrial noise level requirement will be more difficult for us to meet than the residential property, so I think a compromise that can serve everybody, and I don't know why I didn't think of this earlier, if we lower the decibel limit by five db at the residential properties, and leave it at the current standard at the industrial properties where it wouldn't bother anybody. Does that make sense to anybody? It seems like --

Hales: See what paul thinks of that.

VanOrden: That would probably suffice.

Katz: Would that take care of the situation I just raised?

VanOrden: It's an odd scenario in the sense that [inaudible]

Katz: Would it assist the properties in north Portland? [inaudible].

Fishman: Let me add that the, you know, when we look at a project like this, we look at the proposed project, in this case, the wind tunnel. The objectives of the applicant are to construct a facility that they have specifically designed to be a low-cost facility, otherwise they can't build it. Our goal was to design an enhancement plan for this property, that was -- that would be effective environmentally, but would not become a major project onto itself, in terms of cost and time and permitting. I don't see anywhere a compelling reason to do this, versus what we have proposed. In terms of ecology, fish habitat, wildlife, et cetera. I don't see the compelling reason to go into design on a project like this that is a much more intensive design project, that probably will require permits from division state lands and the corps of engineers to do work, which is probably going to be removal and filling below ordinary high water to accomplish this project, that will increase the cost and the time frame on this project without seeing some compelling reason environmentally to do this. We believe strongly that the proposal we have adds an increment of improvement, a great increment of improvement to the existing habitat. And I am kind of perplexed.

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Katz: We will explain it to you later.

Fishman: Okay. Thanks. [laughter]

Sten: Let me ask you, I think we are pretty close on this thing. If you can't answer this -- you have got a job to do here, but I would think that you and the other side would see what each other was trying to do and trying to accomplish. Are you really saying that there is just no reason to do the things that bes is doing or are you saying it's too expensive and the reason isn't good enough to put up the cost?

Fishman: It's some of both, commissioner. I always try to look at cost benefit and when I say benefit, I don't mean just the dollar benefit. I mean benefit to fish, benefit to wildlife, et cetera, benefit to scenic values. I think we are accomplishing what this accomplishes, you know. This probably --

Sten: If couldn't wasn't ap issue, what's better about that design.

Fishman: This design?

Sten: Yeah.

Fishman: I can't say that I see anything better about this design. Truly. There are probably more plants, so the nurseries get a bigger sale. I don't know. You know. We have some discussion about the planting densities that kate has talked about. I think those are --

Sten: You had more credibility with me when you said that our people aren't crazy. I mean. I don't think our people are just proposing things --

Fishman: Commissioner, this is a concept, and I have designed concepts exactly like this for different sites.

Sten: Clearly, having less of a slope, is an -- and I am pushing on this for a reason because we have got to find the right compromise on these things. Clearly having the slope there now is better for the building. But, as a natural biologist, you know, isn't the slope they are proposing better from a natural standpoint, and so, to say that there's no benefit, is -- I was with you 100% until you told me the more expensive design had no benefit. But --

Fishman: I am not sure if I said no benefit. What I meant to say, if I did say that, is that the benefit doesn't justify the kind of effort that it takes to design --

Sten: So what's the benefit?

Fishman: Pardon?

Sten: What is the benefit, in your opinion, cost aside was the question, what will be the benefit of having that different slope from an ecological standpoint?

Fishman: I don't think that there's a benefit for, from having a different slope. He can logically, okay. An argument has been made or statement has been made that this provides more connectivity for wildlife. As I said earlier, I am not sure what the connectivity is to, all right. I certainly don't want to encourage wildlife to go into the parking lot and out onto the lagoon avenue.

Hales: Bingo.

Fishman: So, as far as I am concerned, the goal here is to get vegetation on this bank that has a functional value for fish and wildlife related to the water. Okay. My discussion with national fishery services and of and w, they volunteered, I didn't pose the question, they volunteered that when they looked at the site, and by the way, we showed them the same plan you are looking attitude, when they looked at the location of the project, they basically said, you know, it's not an area that has much value for fish. We're not too concerned about it as habitat. We would be more interested in seeing some incremental improvement in water quality by doing something with that parking lot run-off. So we're talking about, we're talking about the difference between our

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proposed plan and this proposed plan in terms of some incremental benefit to fish and wildlife. One is, if there's a difference, it's not a significant difference. You know. Incrementally. The -- putting this slope in, which is going to be a 2-1, at best, does not provide additional flood plain habitat. This is a river flood plain system. The vegetation at the top of this bank doesn't have a whole lot of impact on the functions of the lagoon, which for fish, are fairly marginal anyway, according to nyms. So it doesn't make a lot of sense to me on this particular site. On other sites, I have design designed things like this, myself.

Sten: Okay.

Hales: Another way to ask the question, and I think you answered it by referring to what's at the upland here, different than many other sites would be, yes, is this. Are there any species that would be better off by easier access to the parking lot? I mean, putting that a little pejoratively but we use this word "habitat" generically, and you, as a biologist, have to look at it more specifically. So I think you answered it by saying there is a parking lot at the top of the slope. Are there any species that would be better off if they had a trip from the waterfront to the parking lot?

Fishman: And I don't see that benefit.

Katz: We're split here, so you are going to have to be patient. All of you will have to be patient here. I'd like to bring opdr, and argue this -- you recommend t you have been working with them. Why do you think -- you heard their argument. Why do you think that your proposal, a, is doable. I think I can answer why I think that it's better, but I am a little -- I am concerned about whether it's really doable for this particular case.

Green: First off I would like to point out a few things that may not have been brought up already. And that is that the proposal from opdr in the second recommended condition call for removal of all of the paving that's currently in the greenway setback area. Will this work if I stand?

Katz: No, let paul point to it for you. The wireless mike is on the table.

Green: Okay. Well, I would rather stand over there, but --

Katz: There is a little mike right over here. Is that the one you are pointing to, karla?

Green: Oh, I can use that. I would prefer that. Okay. Their proposal includes removal of existing paving in this area, and our proposals call for removal of paving, much greater amount of paving. It helps reduce impervious surface that helps to improve water quality. Our proposal will provide - - well, first off are this whole question about where is -- why do we want any landscaping at the top of the bank. That is the basic -- do we want landscaping at the top of the bank, that is the basic fundamental of this zone, have a vegetative bank along the entire willamette river in the city, that's what's called for in the greenway chapter is it have, from the top of the bank, 25 feet back, a vegetated area. These often do lead to parking lots and other industrial sites so, the real interest is to create habitat from that point to the water, and to the other side of the river, so I just would like to make sure that that point was clear. So, this -- these proposals that we have -- we're presenting will, will create that habitat area from one side of the river and connect that with the other side of the river. What we're talking about is a river corridor of riparian corridor on either side of the river.

The second alternative that we've put before you allowing them to retain the wall, based on conversations with our geotechnical engineer in our office, he does not believe and he's been to the site and there's a memo in the record from him, he does not believe that that would lead to any compromise -- that that would compromise the building in any way or the balance of the site. In fact, he thinks that it might actually reinforce that wall because additional material would be included on the riverside of that wall to help better stabilize it. And again, the level of plantings that we're calling for are, are along the lines that, that the revegetation program is using, and so those have been put in practice elsewhere in the city and seem to be successful.

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Katz: Will your second proposal require fill permits -- permits for fill?

Green: Most likely there would be requirements needed for fill because they would be altering that side of the site, whereas now, they are proposing to basically put pockets and stick plants in the fill, the rocky shore that's there now. So, there would probably be additional permitting requirements.

Katz: And the reason for not taking off the concrete along the edge of the wall?

Green: The concrete?

Katz: Right.

Green: I'm sorry?

Hales: What do you mean, vera?

Katz: The green swath.

Green: This area?

Katz: You wanted that to be extended, correct?

Green: Correct.

Katz: And the reason given for not extending it?

Green: We weren't provided with a reason.

Markstaller: I can answer that. Well, we didn't get to that point because we never got beyond some way where we could leave the wall. We would be amenable to extending the vegetation, say to this point. The problem with moving it clear over here, is that it reduces the required parking spaces below the level required by that building, and we can rely on parking across the street for that building. However, that really makes -- it's against company policy to remove a building from marketability on its own, so it presents challenges.

Katz: How many parking spaces are you talking about?

Markstaller: I don't know. I didn't --

Green: There's like three on the plan.

Markstaller: Well, there's a requirement based on the parking lot design to get around the end, so it would remove some of that middle row.

Katz: Three? You are going to sit here and argue on three?

Markstaller: No. Let me repeat that.

Fishman: The traffic pattern has to get around this bank of parking.

Green: And it appear that is there's --

Green: If you come here, you will have to lose some of these, as well as these. To get the noise, traffic around the parking area --

Markstaller: And we wouldn't argue over --

Katz: Let her finish.

Green: I was going to say that it appears that based on the scale of the drawing that there's approximately 20 feet there. And that's the current aisle width that we use in parking areas to help maneuvering that, so it appear that is there would be sufficient space to continue to use that area to maneuver while losing one, two, three parking spaces, and they can reconfigure the size of the stalls because we now have new standards that allow for smaller sizes so they may be able to restripe and keep that same number or even have a greater number of parking spaces than they currently have.

Katz: Okay. Yes.

Fishman: Can I respond to some of this?

Katz: You folks don't give anything at all.

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Fishman: No, no. I am going to give something. First of all, I think I am correct, and I was looking for Steve Pfeiffer but I think that I'm correct, because this site is in the Swan Island Planned District, we're not subject to the Greenway standards.

*****: Correct.

Fishman: So we're not -- Freightliner is not required to plant that area above --

Katz: We know that.

Fishman: Okay. So that's why it doesn't show on there that it's all being planted. If this parking issue can be resolved, we have talked about extending that parking further to whatever direction that is, Matt, to the left, extending that native plant section between the bulk-head wall and the building to the left along the parking lot. The point I want to make is, and I come back to, is when I look at a project like this and I look at what's the benefit of the proposed enhancement, how do we quantify that? Okay. The only mechanism that we have right now to quantify that is to look at the aerial extent -- yes?

Katz: Everybody historically who build on this river asks the same question, and that's why we are where we are today on the Willamette River. We trashed it. We asked the same question, one industry after another industry after another industry, and nobody cared. And now we're going to have to be spending millions of dollars to restore the river and to restore the banks and I know this is an industrial area. But, we're also working with industries to help us do that where that is possible. And you will see sites along the river in industrial areas where the industries are willing to work with us, in fact, they are working now with planning and OPDR, thinking about how they can continue their industrial use of the river and still maintain some semblance of restoration of the banks.

Fishman: With all due respect, your honor, that's what -- that's exactly what we have proposed. It's a matter of whose plan is better. [laughter]

Katz: If, in fact, you can and are willing to extend the swath of plantings all the way across, and lose three parking spaces, I would accept that.

Markstaller: Your honor, we are willing to do that. With the reduced requirements, and it occurs to me now that we might be able to count some of that as parking lot vegetation and move the front of that over a foot or two if we don't have the spaces to maintain that required spaces for the building. So, we would be amenable to extending that swath across the front of that property.

Sten: One last question. This is what I am trying to get at, is the difference in the argument, and I am basically find it -- I am where the mayor is, I find it compelling that probably that the complexity versus the benefit and cost of taking down the wall, I mean, I think our staff is arguing for kind of the ideal thing, which I agree with, but I am convinced that the complexity of doing that isn't worth the benefit. I am also convinced that extending the swath makes perfect sense, and I think that maybe restriping could even solve the problem.

Fishman: That will be great.

Sten: Although I hate those tiny parking spaces.

*****: It encourages smaller cars.

Sten: I think they are better so I do support them, they are just hard to pull in and out of. Are we in agreement between, and I apologize for not having this technical detail memorized. Are we in agreement between your plan and the OPDR plan in terms of density of vegetation you are going to plant? Slope being not the question now?

Fishman: We need to discuss that further. The density that was, that's in the existing condition, a, we felt is a number that's, that we can't support. The -- what we heard this morning is that there is a different density from condition a, which is a thousand trees per acre. That comes out, I believe, to

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one tree for every 7-foot by 7-foot square. I won't plant something that dense because it's not going to work. So, we can probably get to some agreeable thing. Now, the revegetation folks in the city have been doing there for five years. I've been doing this for 35 plus years. If we want to argue credentials or whatever, that's fine, I am willing to do that. But it's not productive.

Fishman: What I am saying in our practice, where we do enhancement, restoration --

Sten: I understand, but on things like density of plants, either you guys agree or we argue credentials. And we argue --

Fishman: I am willing to agree to something that we believe is reasonable.

Sten: I have got to make a choice, which I feel, of the three of us, you them and me, I am clearly the least qualified but I am trying to understand what the argument is between.

Fishman: I will say that we will try our best to get to something that we can both agree to.

Sten: I am just asking, the question was, are you in agreement and it sounds like the answer is no. And I didn't have any next step.

Katz: Did you want to add something?

Margaret: I was going to say, as kate mentioned and both paul and matt have mentioned, we had discussions this morning. But we didn't get really into the discussion of density, other than where the differences were because we were hung up on the wall. And as noted, the wall does re, removal of the wall brings further complications in terms of additional dsl and corps permits, so if we start from where freightliner is in terms of their proposal, leaving the wall, I think we can go back to the conversation, perhaps, on what is an appropriate density for planting, and what area around the parking lot should be incorporated into that. We just didn't get to that because of the wall.

Sten: That's all I am getting at. I don't -- that can't be a deal-breaker. Was just trying to understand if we agree or not.

Hales: And again, I am prepared to make a motion and I want to encompass some things in that motion but this is not a project application. You are not applying to build anything. Complying for a land use --

Sten: But we are presented with two different --

Hales: But they can negotiate some of this stuff later.

Sten: But he have two sets of requirements that they didn't agree on so I have to know what I am voting on.

Hales: We have to do it now, susan says?

Katz: Excuse me? Susan?

Green: Conditions need to be found that the approval criteria are met. It cannot be met without conditions that outline the enhancement work -- and I also --

Hales: Got it.

Susan Feldman, OPDR: Susan feldman, opdr. We need the plan, the revegetation plan as part of the conditions of approval because as paul said, the greenway planting standards don't apply here. So, we're looking at this as a mitigation for council agreeing to waive our greenway goals, the -- change the comp plan and address the state planning goal. They need -- we need to justify in our report how we are allowing this, and very specifically how we are kind of mitigating for any, you know, compromise to our greenway goals, so that's why it really has to be part of our decision. So, we could -- are we willing to come back next week?

Katz: That's --

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Francesconi: I would recommend we come back next week to refine it but I think that commissioner Hales can help limit the scope a little bit here. But, then we shouldn't, we shouldn't have a final vote until we come back to work out this issue.

Katz: I think it's very clear that we agree this project should go forward for a variety of reasons and we don't need to go through that right now. I think there is also the -- go ahead.

Feldman: Steve pheiffer recommended a two-week continuous, and he might even be able to come up with some --

Katz: Where is he?

*****: He had to leave.

Katz: All right. But, I think that as you listen to the conversation, we have spent a lot of time on this notion and this document, and our vision for what we think the future of the river ought to be, and it doesn't preclude industries on the river but it does allow us to work with industries to do the best you can. If the wall is too difficult, and becomes a real nightmare, you notice that all of us sort of backed off. But there are some other issues that can be addressed that are very reasonable. So, if it's going to take two weeks to get to agreement, leave the wall alone and begin to pit gait so that you can -- you can write findings that make some sense, then, I think we'll all be in agreement.

Hales: Let's do this in two stages instead of in three. My recommendation would be we make a tentative decision, and we, we request that it come back in two weeks with findings that reflect that and if we get it right, we don't have to do the continuous decision findings routine. So I would like to try to encompass this discussion in a motion and see --

Katz: Then you need three weeks?

Hales: Then take three weeks, but let's try to narrow the issues, if we can.

Katz: That's fine. As long as you can work out the details and we all accept them.

Hales: Let me try that, and then I also -- we may need some reaction from the applicant or the bureau, but my recommendation would be that we approve the application for the goal exception, the plan amendment and the setback adjustment and that that approval be subject to conditions, refining the applicant's recommended mitigation plan, and again, that gives them the opportunity to go and mess with the scope of the area, revegetated and further -- we can worry about the words. Applying this requirement for interface with residential properties that they achieve a reduction below the standard. I think I got those words right. And then I want to also include some language in the findings requiring the applicant to, in the future, or to, to grant a future trail easement for when a trail -- when and if a trail is constructed but again, I want to get some reaction from the applicant about that. What I thought I heard you say was that was acceptable to you, and if that's a consensual act, we won't have to talk about it any more because frankly, I don't think that we have grounds to ask you to do that but if you are willing, we can put it in as a condition, fine. So, landscaping to be further refined. Trail easement to be included in a 5 decibel reduction to be achieved with interface to residential properties. I think that's it.

Katz: Can I just ask for the, for the noise officer to also work with the applicant on the notion of notification so that we can identify what the noise issues might be, if that's -- okay.

Markstaller: There's -- can I be clear on this enhancement plan is this is that basically this plan, extending that top green swath to the edge of the property and then the only question being vegetation schedules?

Hales: Yes. From my point of view, yes.

Katz: Is that enough for you to make some findings?

Green: The applicant, it will be the applicant's responsibility to prepare those and we will review them.

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Sten: We don't have a vote of the council yet, but my answer is yes, with the caveat, kind of that once we are out of the, the one side versus the other, which is the nature of the way we have to do these hearings, if you guys could just think about the idea of trying to achieve the goals keeping the wall there, if there is other things to the two sides upon some more reflection look like they ought to be modified, other than just density, I would be open to that. I guess I am saying, we have kind of got a pretty clear scheme. Take a look at it. Figure out the best way to do it, and that may include some other minor things. If you guys can see that I want to give enough room in the conditions. And want to allow for negotiation if it makes sense.

Hales: One other footnote. This may not be necessary but you mentioned it in passing, and that is if, there is so many catch 22s buried in this issue that, I think we maybe finally digging our way out of them. But if our additional landscape idea causes you to go out of compliance with our parking requirements, I want to include council's understanding that we will grant an adjustment to the parking requirements, so I don't think that we're going to have that problem but if, in other words, you know, you are damned if you do and damned if you don't, I think that we should say no, less parking would be fine if it was for the purpose of achieving the landscape plan.

Francesconi: I am going to second that. That was a big motion, all of that. And in seconding it, and we don't need this part of the motion, I guess I would also like staff to talk about the issue of trail access, and it seems like the issue of -- he's trying to get a bike pedestrian path there, and if you can actually build it, that will be good. If you can't, you can't. And you may not be able to but I would like staff to at least talk to freightliner about that issue. Okay. Go ahead.

Markstaller: There have been two trails proposed. One that would go along the waterfront in continuous of a trail that would go around the peninsula and the other one would connect the lagoon to lagoon avenue along the wind tunnel there, and we're pressed up against the property-line. There is simply not room to accommodate that request. If I could explain in 30 seconds why it seems like we don't want to move on this. I represent freightliner. I work for freightliner and have been in charge in this project, and whenever i'm asked to make compromises to accommodate requests of opdr, then I take that back to the company and see what we can do. And what I am really interested in doing is getting an approval with conditions that they will actually build it because as a company, we have got other options and they have to look at all the options with all of --

Francesconi: That's what the council is trying to do.

Katz: We understand that.

*****: Good, thank you.

Francesconi: We understand that.

Green: I wanted to mention that there are other conditions in the other recommended conditions in the staff report that we haven't really touched on, and I am wondering if it would be valuable to go over those now or --

Francesconi: I am not including those in my motion. I am taking the applicant's submission and supplementing it with these questions about the landscape plan, trail easement, and 5 db, not including things like cutting off the pilings and --

*****: I am talking more about things regarding the treatment of the appearance of the wind tunnel cone.

Hales: I am not including that in my motion.

*****: And the facade of the addition --

Hales: I was aware of that discussion and not including that.

Katz: Sorry, say that again?

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Green: The facade treatment for the requested setback adjustment along the street, lotline. We're asking for it to be articulated facade treatment like they are showing on their drawings but it's not really documented in their planned drawings. It's not shown as the same as it is on their elevation drawings and we think if it's going to be at the property line, we don't want to have a blank line wall there, so I am just asking if there was any --

Francesconi: What was the first one again?

Green: The first one was regarding the finished treatment on the wind tunnel inlet cone.

Francesconi: Is there a problem with that?

Markstaller: We have no problem at all. The concern we have is the neighborhood association, when I met with them and discussed this, they suggested that we might find it -- find a disguise treatment for it, or a decorative treatment.

Francesconi: But what was just suggested here. Can you agree?

Markstaller: We have no problem at all.

Hales: I thought the recommended one was a specific color?

Markstaller: Yes, it is, a specific color.

Hales: I'm not going to do that in the land use approval. I'm not going to vote for that.

Katz: But you are willing to do it?

Markstaller: We're willing to do it.

Hales: Willing to do all kinds of things but I am not willing to put it in the land use approval.

Sten: Well, some of us might be so, let's talk about it.

Katz: You are willing to meet the neighbor's desire?

Markstaller: We're willing to talk with the neighbors to see what we can do that falls within the planning guideline.

Katz: That ought to be part of the discussion. Is that all right?

Francesconi: Yeah, if you would.

Katz: What's the second item?

Markstaller: The other item has to do with the location of the exhaust vents coming out the roof of the building and as I mentioned already, the articulation of that.

Francesconi: How do you feel about that?

Markstaller: The exhaust vents, keeping them 25 feet back, the adjustment doesn't do us any good because the exhaust vents are the furthest thing out in the wind tunnel. They will be 35 feet in the air directed vertically. We don't see how that could possibly cause any kind of trouble.

Sten: I was convinced of that.

Francesconi: Leave that one out. Anyone else --

Katz: Any more?

Green: The facade, the west facing facade along the street lotline, whether it --

Katz: You want windows?

Markstaller: We want an articulated facade as they identified on their elevation drawings, not a flat wall.

Francesconi: I don't care. What do you think, sir?

Markstaller: It's not a big issue.

Katz: They want an articulation. We're into design. If you can do that and make it a better design, if it's not going to hurt the project, it's going to enhance it.

Francesconi: So you can do it?

Markstaller: Yeah, we can do it.

Francesconi: Let's put that on it. Anyone else you want to mention?

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Green: I just want to -- if you are going to have the noise control officer come back, he could speak to whether the 5 db --

Katz: He's not coming back. We agreed to that.

Green: Well, there's something in addition to the decibel levels that has to do with frequencies, and so I don't know if he would be incorporating that information, as well, and I thought that he could --

Francesconi: I am not interested in that one, myself.

Katz: I need a clarification before I vote on the frequency. Paul, come back here. Is this the on and off or --

VanOrden: No, what we are talking about in this case is the pitch of the sound, so the actual, more or less the -- whether it's base or high pitch so, in adjusting the 5 decibels for the baseline level, we also adjust --

Katz: Then I am not interested in that. Okay. I think we took care of that. I think we took care of that. All right.

Francesconi: We are procedurally in a funny spot. You don't want to include these in your motion?

Katz: We are going to do --.

Hales: He agreed -- I am not going to vote for a land use decision that has a color specification in it. Now or any other time. I don't want to go there.

Katz: But what we said was work with, work with the parties to get to some agreement.

Hales: If these folks are willing to agree --

Katz: And that's all we are saying. I am on your side on this one. You can work it out, but we wanted to make sure that you understood that that was something that we would be interested in having you work through. We're not going to identify the color.

Markstaller: We are willing to take any color.

Fishman: Can I ask a clarifying question?

Katz: No. Later. There's a motion and there's a second. Roll call. It's a tentative finding. And coming back in three weeks.

Francesconi: It's obvious, goes without saying, we need major investment in this city, especially if it's of the nature for the next century, so knowledge can serve the city, I think it was said here, and if it can serve our economy and our people keep this vital in the economy, that's good. Having said all that, it is important that we treat our river with the respect that we have not treated in the past. On the fact that this meets the endangered species act, is very, very important to me. I do want to say that this is going to be a very site-specific finding, using the words of the applicant, actually, and that there's not a significantly adverse effect and that there's sufficient evidence to that fact. That will not significantly reduce the sites available for water uses, according to our 6600.004.0022. And I guess last thing I will say, I appreciate us trying to get here in a way that we can have us, have an important employer in the heart of our city, one who respects our environment. Aye.

Hales: Well, I think this is an important case, although it is unusual. I don't think we will get another wind tunnel case. But, it's an important case not just because it is a -- it's a vote of solidarity with freightliner but because it calls the question of whether we are going to be able to have an industrial waterfront. I asked some teasing questions of gina earlier, which frankly, she couldn't answer, and that is if someone came in and proposed a truly river-related use, let's say they wanted to unload ocean containers on this site, they would have to build a retaining wall all the way across the property, pave it, put in cranes and dredge 30 feet of contaminated sediment out of

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the river. You and I know that you can't do that, so i'm not sure what river related uses means today. But certainly, this is an appropriate use for this site. And we have to answer the question of the policy level, as well as on a case-by-case level of are we going to have an industrial waterfront and if so, what kind of industrial functions can work there. I don't have all the answer to say those questions. But my goodness, if we can't allow an industrial function that withdraws air from over the river, imagine if they needed cooling water, say, today. Something like that. I don't know if we could even site a lot of the existing industrial businesses under our current rules. So, if we can't do this, i'd submit we can't do very much, and we have got policy issues that we need to address. It's nice to say warm and fuzzy things about the river and to talk about habitat, but we have got to figure out if there is any place that you can put a crane and loading dock and a ship any more, and if not, then we have got all kinds of opportunities for waterfront gentrification or reestablishment of vegetation, but we're not an industrial city any more. So, and i'm not going to build that whole case on this one. This is a peculiar animal, but the question is, what sort of waterfront uses are we going to have in our heavy industrial district, and I think that this is a very appropriate one. Aye.

Sten: Well, yeah, I think this is a very interesting, exciting project. I think you have done a really nice job designing it, and I think that it is really important that we kind of work together around the edges of how can you get the most, you know, and it was interesting when you said, well, we might have extended the green treatment except for your parking requirements, which make the building unmarketable so that's something that can easily be fixed. I think we can allow this, so I think that the rhetorical question if we can't allow this, what can we allow isn't really relevant to be honest because I think that it is allowable. As I look at what's going to happen on the river front, I could be dead wrong but my analysis is not that we're short on industry on the river for lack of places to put cranes. I see lots of those being sold. Because there's no industry coming there, in terms of terminal one and others. There's lots and lots of space on the river. We just don't have a great strategy what to do with it, and our past use have cost us collectively a couple billion dollars minimum, so what we have got to do is design industrial users that do work with the environment, that work in terms of the global economy, and that, that look to our next niche, and I don't think that any of us has got it right. But, I work pretty hard to try and figure out how can we rebuild the river and I think that fit this in. I think the trick to -- the endangered species act is I have looked at it for the last four years is that there aren't cookie cutter approaches that apply to every site on the river that will restore the habitat missing at this point, we have got issues with kind of an what kind of industry can we put on it. We have zero habitat left for fish so the balance isn't right on all kinds of fronts. But, to get it done I think what we have to do is find the places and I agree, pushed on paul pretty hard because I generally agree with him and I think that he's very good on these issues in that we have got to find the places where you can get the bang for the buck, so the ross islands and the other places that have a place to transform. For me this is a good mix, a good place to put - - I haven't realized until I heard the psu folks talk how significant this is, I am not familiar with it. And to me it seems like a very significant project. Teamed next to a major employer who has worked pretty hard when it doesn't have to. Worked very hard to keep jobs here along with the union that's made big concessions so to me it's the right level of partnership and the argue we are really having isn't can you or can you not do this. But while you are doing it, how can you maximize it at the reasonable cost, the other goal is restoring the environmental function that is we collectively, not freightliner but we collectively have ruined over the last century, and frankly, the biggest cost of business right now is, is paying the cost of those mistakes, and we don't want to replicate them. These are enormous bills that have to be made for past mistakes and they are not economically good decisions and I think that with this project, freightliner, you have really, you

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know, set a great example and it's a good, clean, you know, project that's been set up in a way that works and, you know, I think we are trying to get it right and make it as good as possible and I appreciate your approach to it and you know, hope it actually does get built here and that, you know, to the extent that we have -- I don't think that we do, but to the extent that we have anything left in the deal that really is problematic, as opposed to let's try and make it as good as we can, we bring that back and talk about it and get it fixed, so the message is, let's build this but -- so let's get it fixed and so the message is, let's built this. I don't think this is a project that could go many places on the river but this is kind of a unique little spot and I also think that the hearing's officer said, this gets to what do they say vests what we think. And I think he erred by a nose on saying it isn't river dependent because theoretically you could put this other places but not other places that are really available and zoned industrial in this town. And I agree with commissioner Hales you wouldn't really be turning this -- this is not a barge site or anything else, so I think it's a good use and you have done a good job of trying to balance some pretty tough concerns, so it's -- I have really no reservation at this point. Voting aye. Thank you for good work.

Katz: I think it's all been said. I just would like to add that when I saw this coming through the pipeline, I said, oh, my goodness. Because it was at the same time that we were working with freightliner to see what we could do with the Portland development commission to assist them in staying here and meeting some of their needs, and this issue did come up very briefly in our conversation. Our conversation concludes, we will not discuss this particular project, but as I was going back to the office, I was very concerned whether we could meet some of the conditions that all of us have worked very hard on. This is -- this is a, a legitimate place for a wind tunnel. It is an industrial use. We have all agreed to that. What we were trying to do in the last hour was try to see if we can mitigate some of the use and make it as environmental friendly as we possibly can. And this is what we are going to be doing with most of the industries that want to add or locate or expand, and I really appreciate the work that you are doing. Don't be impatient with us. We are trying to do what our goals and visions for the city are, and in addition to making sure that you are here and that we can assist you in whatever way to make sure that you can stay here. So, I hope this gets built. I don't think that the conditions that we have placed are onerous, and if I think that - - during the next three weeks, working with your team and especially steve and his team that's been involved in working these conditions out with a lot of clients, will come out with a win-win situation for both the city and for freightliner and all of us. So, thank you. I also want to thank -- oh, they left. The Portland state university testifiers. This was the best testimony I have ever heard from Portland state. It was concise. It was on point, and they ought to be congratulated. And for opdr staff, I know this was a little difficult for you and -- but I appreciate you raising some of the issues. That was a little difficult for you, I think, to make a recommendation, but you did and you identified some of the things that we could do to mitigate this project, and I want to thank you for that. We will be back in three weeks. This project will be a go, and we will move on. Aye. Thank you. We stand adjourned until tomorrow at 2:00.

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

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Francesconi: Here.

Sten: Here.

Katz: Mayor's present. Commissioner Hales, commissioner Saltzman are on city business. Okay, 1413.

Item No. 1413.

Katz: I'm not going to say anything. It's thursday. We only have three of us here, so we'll listen.

Gil Kelley, Director, Bureau of Planning (BOP): Okay. Gil kelley, director of planning. With me is liza mickel. Liza is a historic resources planner with the bureau, extremely competent, but a little nervous today because it is her first appearance before the city council.

Katz: You shouldn't have told us. It's going to be really terrible.

*******:** I know it.

Francesconi: But the three nicest members of the council are here today.

Katz: Sweetest.

Francesconi: Sweetest, okay.

Kelley: liza's been the project manager on this project, which has been designed on the part of the king's hill community for at least the ten years since the designation of the district on. This is a follow-up to that designation. It is a set of design guidelines that make more specific the rules that already need to be followed for development review for projects inside the district boundary. Liza will explain how that works in a moment. We've tried here to craft some guidelines and some examples for carrying them out. That will ensure compatibility of new structures and additions and so forth with the character and desired character of the district. That's their primary purpose. They are not adding a new -- a new permit or new process requirement. Essentially they're asking that these be the guidelines or criteria for fulfilling obligations already present under the zoning code. So with that introduction, I would just add that the public has been involved with liza, we've had a number of workshops, and they have helped to actually craft this particular set of guidelines which results in what we feel is a very good proposal and urge your adoption of it today. Liza?

Katz: Okay. Why don't you start and tell us what we have in front of us.

Liza Mickle, BOP: Okay. I have -- good afternoon. I'm liza mickle with the bureau of planning. My presentation will provide a broad overview of the project to develop guidelines for the king's hill historic district, including, as we see here, a summary and recommendation, project background, project time line, character of the district, some issues we've addressed, and a brief introduction to the three groups of design guidelines. The landmarks commission recommends that the city council adopt the lines. The commission believes that these proposed guidelines will respond more appropriately to design issues in the king's hill historic district than the general guidelines now in place. The district boundaries are shown here. The district comprises an area of approximately five by seven blocks. There are additional maps in appendix c of the document which you probably have as appendix a. You can peruse those. Neighborhood interest in creating a historic district dates to the late 1970s when the king's hill area was identified as a potential historic district. The king's hill community of property owners residents, volunteers, and historic preservation professionals collaborated to reach that potential. After a 20-year effort and some funding support our goal was realized with the local designation of the king's hill historic district in january of 1991, following a city council hearing. And the district was listed in the national register shortly after. Guidelines used for the district since '91 are a modified version of a secretary of the interior standards. And as you know, design guidelines are the approval criteria used in

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historic design review process. We began work on the project in the fall of 2000 and have sponsored four public workshops and a hearing, the landmarks commission since then. We've also regularly attended public meetings of the goose hollow foothills league board and planning committee to provide overviews of the project. Now i'm going to show you some slides that review key characteristics of the district from the perspective of the national register context statement, which was written to create the district. These characteristics are important because the guidelines build on the character of the district. Characteristics include the mix of single and multi-dwelling residents designed by noted architects, formal gardens, landscaping, street trees, views, and retaining walls along elevated lots. In spite of all the building styles and the decades of construction between the 1880s and the 1940s, which is the historic period for the district, there's a lot of commonality in building characteristics. Specifically there are consistent characteristics across a number of categories, including style, height, scale, materials, massing and setback. Sighting features are also important characteristics. Many of the lots are elevated and often incorporate walls, concrete steps, and paths. Another important characteristic is landscape. The district's streetscapes are characterized by large trees, elevated lots, mature plantings and formal gardens. Landscape elements help to blend the newer buildings in the district with the historic buildings to give a strong sense of cohesion. All the elements and characteristics i've touched on create a composite that's the urban character of the district. These elements include the very mix of building forms and styles, sizes and materials, the design, placement and competition architectural and landscape elements. The streets and sidewalks. The views of the city and so on. In a compact area like king's hill, it's often impossible to see one defined feature without seeing another, and often right next door. As mentioned earlier, the king's hill document and proposed guidelines were formed by the historic context statement and guideline documents previously produced by the bureau of planning. They were also informed by workshop discussions. This slide show some of the issues identified at the public workshops. These issues are ones that have been addressed throughout the document in various guidelines. The design guidelines before you today are grouped into three areas as shown here. Area character guidelines recognize the unique historic characteristics of the area and they encourage new development that respects these characteristics. Pedestrian emphasis guide lines address design issues and elements that contribute to visual interest along the public right-of-way. And project design guidelines address specific building characteristics and their relationship to the district's historic character. That pretty much concludes my presentation. In closing, we're asking you to adopt the king's hill historic district guidelines and I will be very good to answer any questions you might have. Thank you.

Katz: Okay. Questions?

Kelley: I would just make one other point, which is that I said this does not add a new requirement. There's actually a view requirement now under the zoning code that has some generalized standards. This is a way of explaining more clearly and explicitly what is -- what the intent of meeting that standard is. And we've done it in a way that I think provides flexibility on how you get there. Particularly by illustrating the elements of the guidelines.

Katz: And you responded to this letter?

Kelley: Yes, I have by telephone, yes.

Katz: Thank you.

Francesconi: So who's opposed to this and why, if anybody?

Mickle: We have not received any opposition.

Katz: Okay. Let's open it up to public testimony. There are no questions? Anybody here signed up? Is it raining? If it's raining, is that why you're here? You're going to sign up and talk?

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Katz: Come on up. We're going to be here until you all finish. Okay. Who wants to go first?

Steve Hohf: Thank you. I'm Steve Hohf. I'm the resident of King's Hill. I also was on a group of neighbors called Friends of King's Hill Historic District that's been active in the neighborhood for about a decade. And I'm on the Goose Hollow Board also. It's been my pleasure to work with the Bureau of Planning staff, especially Liza Mickel and Cielo over the last two years over the development of these guidelines. We really appreciate the grant that was made by the State Historic Preservation Office and then the federal matching funds that really made this whole thing possible in the first place, and then of course the expert staffing of the Bureau of Planning. Over the last decade there have been times when the King's Hill neighborhood has perhaps been a little on the other side of the fence from the Bureau of Planning with regard to certain projects, certain development proposals. However, I feel that over this two-year period that we've developed these guidelines we've really had a true meeting of the minds and we've come up with an excellent document that allows us to all be on the same side of the fence in approaching future development in the neighborhood. King's Hill District, which is a real treasure for the city, and perhaps for the whole Northwest, will now I think have a great opportunity to develop as it should, namely as a residential neighborhood that mixes single-family houses and hopefully with some new families coming in with children as well as multi-family buildings, and then at the same time to retain the essential characteristic that the district has been very nicely delineated in the design guidelines. So I'm just delighted that we've come to this point and am certainly hopeful that the Council will go ahead and approve the guidelines as presented. Thanks.

Katz: Thank you.

Marcus Simantel: My name is Marcus Simantel. Currently president of the Goose Hollow Foothills League. That includes the area of King's Hill. Steve said it all. I think a good job has been completed here. Liza explained that it really started back in the early '70s, and this sort of a culmination of all of that work. So I would just hope that Council would go ahead and adopt these guidelines. Thank you.

Katz: Okay.

Frederick Cann: My name is Frederick Cann, and I have a little bit more connection to the past than this, and I'm glad we have a receptive audience this time around. I live at 1627 Southwest Clifton, in Portland Heights, but I lived in King's Hill for ten years. When I lived there I was president of the King's Hill Historical Association, sponsor of the historic district, which was approved by the National Register. And we also won the approval of the historic district for which you're approving the design guidelines now. I'm urging you to approve these guidelines because not only because they're a good idea, but they're the product of neighborhood work over almost 25 years. In 1978, the Goose Hollow Foothills League proposed that the King's Hill be made a historic conservation district, obtain funding, and they did an inventory. That proposal for a historic district, however, attracted serious opposition and was ultimately defeated by the City Council in May 1979, and I have a bulletin from the then King's Hill History Project which characterized the event as City Council showdown.

Katz: We'll give you a little bit more time, but this is before our time here.

Cann: Yes, I understand.

Katz: Are you going to give us -- no, no. A little history as to why that happened?

Cann: Well, I don't want to name any names. It was basically some property owner opposition, and they didn't like I think the idea of neighborhood design review, where neighbors would be telling other neighbors what color their house might be or whatever, and it seems that those kind of issues have dissipated. In 1989 the issue resurfaced, and that's when I got involved. We set up a

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nonprofit called the king's hill historic association. Got a grant again, matched that with local funds, and did a nomination for the national register, which was successful, and we also achieved the designation as a local historic district, but again when we came to city council in 1991 we did not know what fate we would have because the same opposition from 1979 had threatened to spend unlimited funds, essential, to defeat us, but they actually -- if you notice there's some gerrymanders in the district, and that was the solution in 1979. I came here, the tables were facing the other direction, though, and we didn't know what the outcome was going to be. The vote was 2-2. And commissioner bogle decided to vote in favor of the district because it was the result of an obvious neighborhood effort, but other human capital was exhausted, and we let the guidelines, which you're voting on today, uncompleted. Now, it's a real testimony to -- a good idea that it's continued on for 20-25 years, and the guide lines have been approved. And I urge you, on that basis, to support them and adopt them. Thank you.

Katz: I'm looking at them. The gerrymandering of the district?

Cann: On southwest madison. Theirs a big gap of homes that really are historic, and we're lucky that the owners of those homes have their own economic reasons for maintaining them in a historic character, but from a political perspective they did not want to be part of the district. And they -- that was a tradeoff that we made, I believe.

Katz: You don't trust us, do you?

Cann: I trust you fine. I'm a supporter of good government.

Katz: But there's another big hole here.

Cann: Up on the northwest. That was one other property owner, who expressed some concern, not so strident I would say, but was able to obtain the same, quote, relief, unquote, as the madison property owners. I would have to say the madison property owners are very fair and direct about their position and they've also been very good about maintaining their properties. So it has not been a problem.

Katz: Good. Thank you. Questions? All right. Next. Can we change the boundaries today? The answer is no. Huh? Come on up.

Jerry Powell, 1441 SW Harrison St., Portland, 97201: Madam mayor, members of the council. I'm jerry powell. I chair the goose hollow planning committee. Briefly, gil kelley said ten years. It's actually been more like 25 years. It's a long time coming. Thank you for meeting with us now. Actually the neighborhood started seeking protection for a unique assembly of buildings. Partly it's also a zoning problem. We have yet to -- to address that. You will probably see this again. The process that brought us here finally is a very public process. It was a -- it was a very inclusive process that the planning bureau presided over. We appreciated that process very, very much and want to compliment the planning bureau for its keeping the faith basically and you folks approving the funding that made this possible. Thank you.

Bob Arkas, 1905 SW Market St., Portland: Madam mayor, commissioners, hearing for opposition, maybe the best tact would be to say nothing, but basically my sole purpose for being here is basically to thank staff, thank the community programs that we've had. There's been a lot of input as been mentioned by the kill's hill residents, so I would simply urge passage. Thank you.

Katz: Thank you. Questions? Fred stoely.

Alfred Stoepli, Secretary, Historic Preservation League of Oregon: Yes, mayor Katz and commissioners, i'm alfred stoepli, architect f.a.a., and i'm secretary of the historic preservation league of Oregon, and chairman of its preservation action committee. And I just want to express the support of the preservation league of Oregon for the adoption of these guidelines and I would just very briefly like to add a comment or two about guidelines. I understand that these are being

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proposed possibly as a model for adopting a similar guidelines for other neighborhoods in the city and I think that could be a very useful process and outcome from this effort. Preservation guidelines are not a cure-all. They're intended to be a way so that any reasonable owner and developer can come in there and hopefully get a right -- get it right the first time without a lot of controversy. They also are -- when they don't work, why, it's because they become very rigidly and inflexibly enforced in communities, such as they either forestall or -- development or possibly the introduction of fine architecture in terms of being -- trying to get a -- a fixed style or quality that sometimes doesn't -- doesn't work very well. Times is times and people change, and I grew up in the neighborhood, so i've had a personal interest in it for a long time. For instance, when the vista apartments, court apartments, were built there in the late '30s, that was one of the most awful things that ever happened to the neighborhood at that time according to the people who lived there. And of course, they're part of the landmark and are considered to be exemplary work by a master architect. That's just one example.

Katz: The ones up on vista?

Stoehli: Yeah.

Katz: They were beluski?

Stoehli: Yes. They were terrible. They were felt to have the same impact on the neighborhood, lowering the quality of the neighborhood of a the vista st. Claire apartments would have if built at the same time. That was the feeling at the time. It was a very much more residential neighborhood then. You have the streetcar barns down there at 23rd and burnside instead of the uptown shopping center, for instance. That was the way it was. That was the feeling at that time. That's one the problems of getting older and having an institutional memory. [laughter] so thank you very much.

Katz: Thank you. Questions?

Moore: That's all signed up.

Katz: Anybody else want to tell us a little bit about history? Okay. Gil, do you want to finish up and then we'll move this to second.

Kelley: I just wanted to respond to commissioner Francesconi, asked who was against this, and we really haven't received any testimony in opposition to any feature of the guidelines. I did receive one letter personally of a citizen who's recently acquired a residence in the district who simply was expressing a concern about generally more and more regulation in the city, not objecting to any specific component of these guidelines, but wanted to go on record with me about that. Did he move from salem to Portland to seattle to Portland?

Katz: Did he go from --

Kelley: I haven't tracked his residential histories, but I have spoken with him directly.

Katz: Let me ask you a question, because I pursued this. I guess i'm not crazy about compromising geographic lines to -- to satisfy some political problem that shouldn't be a problem. Is this still -- had you redrawn the lines, sir, would this still have been a problem?

Stoehli: Is the question, had we redrawn the lines --

Katz: Had you included those properties within the district, would we have opposition here today?

Stoehli: I couldn't tell you about today, but we certainly would have a lot more opposition. I'm not sure. I don't live in the king's hill district. I'm not exactly certain.

Katz: Okay. I guess the question that I had -- have serious question, do we have the ability to clean up the geographic boundaries and include properties that should be in that for historical reasons currently are not?

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Mickle: I think you'd have to go back and rewrite the nomination to justify that.

Kelley: It's a different process.

Katz: It's a different process.

Kelley: Different process. We'd have to go back to the secretary of the interior.

Katz: It's like a big wall yesterday. Okay, thank you. No? Okay, everybody, this passes on to second and we stand adjourned. Adjourned until next week. Thank you.

At 2:30 p.m., Council adjourned.