



CITY OF
PORTLAND, OREGON

OFFICIAL
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **15TH DAY OF JANUARY, 2003** AT 9:30 A.M.

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

Commissioner Leonard arrived at 9:42 a.m.

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

Item No. 29 was pulled for discussion and on a Y-5 roll call, the balance of the Consent Agenda was adopted.

		Disposition:
COMMUNICATIONS		
22	Request of Charles Heying to address Council regarding the public process of the Open Reservoir Replacement Project (Communication)	PLACED ON FILE
23	Request of Cascade Anderson Geller to address Council regarding the cost of fast-tracking the Open Reservoir Replacement Project (Communication)	PLACED ON FILE
24	Request of Joseph Angel to address Council regarding safety issues of covering Washington Park Reservoirs (Communication)	PLACED ON FILE
25	Request of Valerie Hunter to address Council regarding public discussion before burying the open reservoirs (Communication)	PLACED ON FILE
26	Request of Steve Reinemer to address Council regarding the cost of fast-tracking the Open Reservoir Replacement Project (Communication)	PLACED ON FILE
TIME CERTAIN		
*27	TIME CERTAIN: 9:30 AM – Amend Code for Transportation System Development Charges (Ordinance; amend Code Chapter 17.15) (Y-5)	177198
CONSENT AGENDA – NO DISCUSSION		
Mayor Vera Katz		

January 15, 2003

<p>28 Confirm re-appointment of Ingrid Stevens to the Portland Planning Commission (Report) (Y-5)</p>	<p>CONFIRMED</p>
<p>*29 Apply for a \$300,000 grant from the National Institute of Justice, Office of Justice Programs to research using spatial analysis tools (Ordinance)</p>	<p>REFERRED TO COMMISSIONER OF FINANCE AND ADMINISTRATION</p>
<p>*30 Authorize temporary increase in principal amount of line of credit for local improvement projects (Ordinance) (Y-5)</p>	<p>177188</p>
<p>*31 Authorize short term subordinate urban renewal and redevelopment bonds (Ordinance) (Y-5)</p>	<p>177189</p>
<p>*32 Contract with Norris, Beggs and Simpson for building management services for the 1900 Building Condo (Ordinance) (Y-5)</p>	<p>177190</p>
<p>Commissioner Jim Francesconi</p>	
<p>*33 Execute an Intergovernmental Agreement with Metro for the Springwater Corridor Three Bridges Section (Ordinance) (Y-5)</p>	<p>177191</p>
<p>*34 Authorize contract and provide for payment for construction of the Alberta West Streetscape Project on NE Alberta Street from NE Grand Avenue through NE 15th Avenue (Ordinance) (Y-5)</p>	<p>177192</p>
<p>Commissioner Randy Leonard</p>	
<p>*35 Grant a temporary revocable permit to Integrated Regional Network Enterprise for telecommunications services and establish terms and conditions (Ordinance) (Y-5)</p>	<p>177193</p>
<p>*36 Contract with Portland Business Alliance for crime prevention services in the downtown area of the City for the period July 1, 2002 through June 30, 2003 and provide for payment (Ordinance; waive Code Section 5.68) (Y-5)</p>	<p>177194</p>
<p>Commissioner Dan Saltzman</p>	
<p>37 Accept completion of the Columbia Interceptor Isolation Structure, Project 7007 and authorize final payment (Report; Contract No. 33767) (Y-5)</p>	<p>ACCEPTED</p>

January 15, 2003

<p>*38 Accept and authorize execution of an easement for the West Side Combined Sewer Overflow Tunnel, Shafts, Pump Station and Pipeline Project granted by the Portland Development Commission and authorize total payment of \$50,000 (Ordinance)</p> <p>(Y-5)</p>	<p align="center">177195</p>	
<p>*39 Authorize grant application for revegetation activities and fish and wildlife surveys to the United States Fish and Wildlife Private Stewardship Grant Program for up to \$450,000 (Ordinance)</p> <p>(Y-5)</p>	<p align="center">177196</p>	
<p>*40 Authorize a contract with Parsons Brinckerhoff Quade & Douglas, Inc. for professional design services and payment for the East Side Combined Sewer Overflow Tunnel, Project No. 5516 (Ordinance)</p> <p>(Y-5)</p>	<p align="center">177197</p>	
<p align="center">REGULAR AGENDA</p> <p align="center">Mayor Vera Katz</p> <p>*41 Intergovernmental Agreement with the Housing Authority of Portland for a Liaison Officer to address crime issues in Housing Authority of Portland properties (Ordinance)</p> <p>Motion to accept the amendment to remove the phrase “in the Central Precinct” from the Ordinance title: Moved by Mayor Katz and seconded by Commissioner Leonard and gaveled down by Mayor Katz after no objections.</p> <p>(Y-5)</p>		<p align="center">177199 AS AMENDED</p>
<p align="center">Commissioner Jim Francesconi</p> <p>42 Accept the Spring Garden Park Master Plan as proposed by Portland Parks and Recreation as a guide to the future improvement of the site (Resolution)</p> <p>(Y-5)</p>		<p align="center">36118</p>
<p align="center">City Auditor Gary Blackmer</p> <p>43 Revise City Elections provisions to update and clarify procedures (Ordinance; amend Title 2)</p>		<p align="center">PASSED TO SECOND READING JANUARY 22, 2003 AT 9:30 AM</p>

At 10:53 a.m., Council recessed.

January 15, 2003

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 15TH DAY OF JANUARY, 2003 AT 6:00 P.M.

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

Commissioner Leonard arrived at 6:05 p.m.

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

<p>44 TIME CERTAIN: 6:00 PM – Historic Resources Code Amendments—Phase 2 Bureau of Planning Status Report (Report introduced by Mayor Katz)</p>	<p>DISPOSITION: PLACED ON FILE</p>
--	--

At 8:16 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.

January 15, 2003

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.**

JANUARY 15, 2002 9:30 AM

Katz: Karla, please call the roll.

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

Katz: Mayor is present. Commissioner Leonard is in transit. [laughter]

Katz: All right. Let's take communications. 22.

Item 22.

Katz: Come on up. Now, I have not seen how many of you were here before, so we welcome you. We are glad that there's an issue that at least has gathered some public interest in public discourse. So, but let me tell what you the rules of the game are. You have three minutes, and you can see the time clock on the monitor. And we will not engage in conversation, as much as sometimes we would like to, we -- that's not the purpose of communications. But we hear you. That's fine, and then roll it up. One second. She has to start the timer. Identify yourself first. Okay.

Charley Heying: Good morning. I am Charles Heying, associate professor of urban studies and planning at Portland State University. I am here to ask you to reconsider your decision to bury the open reservoirs at Mt. Tabor and begin an open discussion about the future of the reservoirs. In 1975, the Mt. Hood freeway was canceled. The freeway would have obliterated all the blocks between Division and Clinton streets and destroyed the community fabric of southeast Portland. Mt. Hood freeway was considered state of the art transportation technology. The interstate highway act provided the national security rationale for construction. In the -- in President Eisenhower's words "in the case of atomic attack on our key cities, the road map must permit quick evacuation of target areas." Those years of cold war paranoia, the argument that we should destroy neighborhoods to increase national security was pervasive. Fortunately, inner city southeast -- inner southeast residents were not convinced by the transportation professionals, nor by the argument for national security. They resisted and prevailed. Money intended for the Mt. Hood freeway was redirected to an intelligent alternative light rail. This radical shift set Portland on a path toward less auto dependence and other innovations that have garnered Portland a national reputation as a livable city. The freeway controversy also helped incubate another civic milestone. The office of neighborhood involvement. There are remarkable parallels between the Mt. Hood freeways and the open reservoir replacement project. Both projects were monolithic and uncreative. Both carried the weight of national security concerns. Both were given professional endorsements as state of the art solutions for safety and security, and if constructed, both would have irreversibly damaged the fabric of the city. We believe the parallels will continue as light rail became an intelligent alternative to paving over neighborhoods, we believe that intelligent alternatives to the buried reservoirs will be found. As resistance to the Mt. Hood freeway engendered a new form of civic participation, we believe that our resistance to the open reservoir replacement project will also inspire a new form of citizen dialogue. One new form of public participation is called the citizen jury. Citizen juries have been used in situations where technical and value judgments are intertwined. Something akin to a citizen jury was used to create the Fremont rankings for the Oregon health plan. A neutral facilitator conducts the process, a question is given to the jury to evaluate. The jury hears presentation, asks questions, develops alternatives and finally, make

January 15, 2003

recommendations. I believe that such a process or some other type of process could help resolve the reservoir issue. But, there this can happen, the council must halt the rush to closure and draw on citizen resources that are before you. The friends of reservoirs are ready to work with you. We are remarkably effective organization, our first meeting drew 170 people. The hands around the reservoir, the poster you saw drew 800. We ask you draw on this treasure of civic empowerment to find a solution that will be safe, sensitive, and intelligent. Thank you.

Katz: Thank you.

Item 23.

*****: I wanted to toast you all --

Katz: Identify yourself for the record.

Cascade Geller: I am cascade anderson geller. Today I am representing the friends of the reservoirs and myself as a citizen. I wanted to toast to all with a glass of bull run water. I know that water is not allowed in here, and I beg your permission. It is one of the best waters in the world, as you know. And we really are very concerned about the safety and the quality of our water. It's, it's a treasure I travel the world over and I am always happy to come back to Portland and have a glass of water. I also moved to the city to be by mount tabor because of the water there. The looks of the water, the quality of that park can't ever be replaced, so I am really begging you from the friends of the reservoir to say reconsider the way that this process has gone. Come back to the table -- I brought these documents. These are documents -- these represent a fraction of the documents that we have been studying. These are people that are from all walks of life. We study, have studied so hard on this issue and other options. We would like to explore them as other communities have. We have found ways that can save a lot of money in this process, and also keep Portland a visionary leader that it is in the world. So, I really hope that you will, you will read the things that I have offered. We would like to have a place at the table to discuss really important issues about water quality and water safety. Those are, you know, the top on our list of things that we are concerned about. But, we also think that we can do a lot with what we have. And we can make the best use of our revenues in times that are very, very tough, and this is a 70 plus million dollars project, not all of the water goes to Portland citizens, but everyone is going to be paying for that project. So, I hope that you will consider using the information that we have. One of the main things that we have discovered is that Portland's water continues to be some of the best in the country. Without doing anything to it. This project, the reservoir project, as I began to research it, I found that it was the tip of a giant iceberg. It's a very, very big issue. Water is going to be on the covers of every magazine, every newspaper around the world as it is today. Was decisions you make right now are going to affect Portland forever in our foreseeable future and into the next generations. We -- we just feel that there's a lot of, of biases in this process that is currently going on. We feel that we can, we can give you lots of information about the biases and also I want to tell you, is the time gone? This is a national issue. I understand the decisions you made in the beginning. And I have listened to the tapes. I have read the minutes. I understand the duress you were under when this decision was made. We all understand that. But, we feel that it's a good time to go back and revisit it in a little more saner way and look at some of the options. I really appreciate it, your time. Thank you very much. These are the documents that we have collected from the community.

Katz: Thanks.

Francesconi: This was a very nice touch. [laughter]

Katz: Item 24.

Item 24.

Joseph Angel: I am joseph angel. Thank you, mayor and council, for providing me the time. This is a perspective from Washington park on our side of the river. I call it "safety dollars and birds."

January 15, 2003

and the obvious is outlined at the top of my memo, which is our water system is a gravity system. It starts at bull run. It has certain elements to it, all of which at various meetings with the water bureau we learned the various projects and what their completion dates were. And I have outlined those completion dates. As it relates to Washington park, it shows that at the bottom of a gravity system, which is the last thing in the line, it will be approximately 10 years before the other elements of security are complete. So, the issue around the, floating covers and whether they provide security or whether we are locking the front door while leaving the back door unlocked, is what I want to talk to you about. As I press the issue with the water bureau about whether the floating covers were actually safety devices, I learned that they were not. I was told by the bureau that they actually would provide a way for the bureau to notice if there had been a breach of security. I don't know how they would know that. And I have a little reservoir here, and in a minute, I am going to demonstrate how that would happen. I don't know if we should spend \$2 million for a notice system. I just think that -- I come from a very poor upbringing. If we are going to spend \$2 million, I want to see it be spent on a permanent solution. And if this isn't really a security system, I want you to ask hard questions before you sign the papers to order it. As it relates to the birds and the animals and all of that stuff, I just keep asking, well, what's happened for the last 100 years? Why haven't the birds been causing a problem for 100 years? I never have gotten an answer that I liked. And then I asked this question -- if safety is such a concern because the mayor knows my son wrote her a letter about the park being locked up at night, and for a few weeks that, it actually was locked up for a while, safety is not that big of a concern when the whole west side of the reservoir system in Washington park, night after night, day after day, sets open and vulnerable to anybody who wants to drive down that road. So, don't waste tax dollars on fixes that aren't permanent and don't provide real safety, and I have given you some ideas of, of what you could do in the meantime because we all are concerned with safety. We simply think that the, it ought to be locked up, like you already have a policy for. That maybe there eight to be canine patrols inside the fence and other patrols outside the fence. And then have a vigorous debate to find out the best permit solutions. The guys on the east side think that you shouldn't bury them. I don't know whether its filter or barrier or, what but find the best solution and follow the flow of the water to do it.

Katz: Joe, your time is up. And since you brought some material. We would like to see it --

Angel: Here is the reservoir for you, and here is bull run water. Oops, sorry. [laughter]

Angel: As I understand --

Francesconi: Let the camera see this, joe.

Angel: As I understand floating tops, they float.

Katz: You are not being helpful. [laughter]

Angel: I don't know exactly -- I have never gone to visit one, but there's this whole thing of notice of a breach. Well, anybody can cut a hole and anybody can shoot a projectile, but also you can pour water down the edge of the floating top because all around the floating top, there is water. Think about these things. Thank you.

Katz: Item 25. What a way to start a wednesday morning. [laughter]

Item 25.

Francesconi: Everybody is a trial lawyer this morning. This is good. [laughter]

Valerie Hunter: Good morning. I am valerie hunter. I live in southeast Portland. I am a physician and a member of the friends of the reservoirs. In my practice, which includes breast cancer screening, I deal with risk factors every day. I have observed that most people seem to regard any risk as absolute. However, there are many risks that are so small that despite the fear that they cause in people, they must be carefully compared to competing risks and to costs before any action is taken. In medicine, we try to base our decisions on outcomes' research, not on fear.

January 15, 2003

The anecdote to fear is education. We're all concerned with the safety and reliability of the water. But what are the real risks? And more importantly, what are the competing risks? What are the real benefits and what are the costs the American Water Works Association, itself, in a memo published in May, 2001, states that biological warfare weapons are very ineffective in water. The best way to deliver these weapons is through the air. Witness the subway attack in Tokyo in 1995. Think about the baseball dome in Seattle and how much more effective that would be. The memo goes on to point out that a back-flow attack is a more likely scenario and indeed, this is one that could be accomplished from any household in Portland or, indeed, many households in Portland, anybody that's hooked up to the distribution system. If this is correct, and the 64-75 million we are talking about spending to bury the reservoirs will not buy us any real, real increase in security. The proposed burial project will take three to five years to accomplish. In the meantime, Mr. Dennis Kessler has told me that he does not, himself, have the disinfection in his home. The city has issued no "do not drink," alerts this. Implies that Mr. Kessler and the city do not perceive an immediate threat to our water. What are the immediate threats? The immediate threats are outlined in the vulnerability assessment and in the infrastructure master plan. These include storm and earthquake events which could take our groundwater system off line, or could disrupt the flow of water to the west side, or even disrupt the flow from Bull Run, itself. The master plan also describes \$100 million of construction projects, which are needed immediately to secure the reliability of our system. The reservoir burial project is on the 20-year time line, and I believe appropriately so, with some low-tech provisions to enhance the -- to make the structure's function for 25 years while meeting EPA standards. I am not asking you to abandon your duty to protect the citizens. What I am asking for is that the risks, the benefits, the costs and the alternatives be examined without haste. Because the immediate risk to our safety is similar to that of being hit by an asteroid.

Katz: Your time is up.

Hunter: I want you to slow down. I beg that you sign no contract, -- no contracts immediately. I beg you restore the public process, which is called for in the infrastructure master plan.

Katz: Dr. Hunter --

Hunter: There are alternatives, and I would be happy to expound but I don't think I will --

Katz: Your time is up.

Hunter: Thank you.

Katz: We can't -- we can't raise the volume of that? Okay. Thank you. We have got your memo.

Item 26.

Steve Reinemer: My name is Steve Reinemer, I live in southeast Portland. Since 1986, most of which time I have lived on or near Mount Tabor. Thank you for inviting me, or for providing this opportunity to invite myself. I am here basically to say that I am overwhelmed. In the past few months, I, like endless others, have encountered -- I have encountered, have gone from hearing the city had decided to bury the reservoirs to reconciliation, that all I could do was help design something close to the original. The awareness that there had not been public process and it was not too late to correct this mistake and path. From there, to recognize that there are countless unanswered questions and issues, would lead me to my current state of being overwhelmed. I have lived with other citizens, many who formed a group called "Friends of Reservoirs," which I was involved with. I read as much as possible on what has been printed in the papers on this topic and related topics. The information is overwhelming. Not only due to the amount and complexity and perhaps some spin, but due to the substantial questions and concerns that are raised and the potential impact. Regarding the process, at the critical May 22nd, 2002 budget meeting of the city council, the proposed security package was described simply by the director of the water bureau as "a capital component which is looking at covering and looking at the open reservoirs," end of quote. That ambiguous description seemed to sum up the level of communication and was desired and

January 15, 2003

achieved so far, in my opinion. There's been no true public process on the burial question admitted as much by certain members of council, the Oregonian and anyone who has looked into it. This decision was steamrolled in the aftermath of september 11. It might be seen as a dangerous precedent. This primary concern, improper public process is heightened due to the complexity of the issues. I am concerned, also, about an amended, on related matters I am concerned about an amended contract in the february, 2002, with one of the primary design, engineering companies involved with the project that did not trigger the ordinance process which would mandate it as an agenda item, thereby, allowing for formal citizen discussion with the council. I am concerned about the irregularities in the contract processes with the city bureaus and are, in turn, being audited. The contracts are scheduled to be signed in february and I hope that the, these are not binding or they do not create problems in further exploring public process. I also understand that the public utility review board has been, perhaps, I am active in recent months through no fault of their own and I would hope that this vital watchdog is reactivated and fully empowered immediately. On security and health -- I am concerned, as anyone, but there seems to be many viable alternatives to burial beyond those few addressed. So far, and i'd also like to ask what are the reasonable odds, which has already been addressed, as the Oregonian says, though, perhaps just an ounce or two of common sense could address our security and health concerns with lots of options with low-tech alternatives.

Katz: Your time is up. Thank you.

Reinemer: I just would like to close by saying that I think that mt. Tabor's legacy and the city's legacy, the mayor and the council's legacy and the legacy of the people deserve much better. Thank you very much.

Katz: All right. Everybody, thank you. Consent agenda item. Any items to be removed off the consent agenda?

Katz: 29. Any, anybody in the audience wanting to remove a consent agenda item? If not, roll call on consent agenda.

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

Katz: Mayor votes aye. The agenda passes. Item 29.

Item 29.

Katz: All right. If there are no objection, i'd like to bring this back to my office. I don't think that the grant is available. I need to get some more information. No objections. Anybody want to testify on this one? Hearing no objections, so ordered. All right. Time certain. Item 27.

Item 27.

Katz: Commissioner Francesconi.

Francesconi: Well, our, our citizens and our businesses don't mind paying taxes and fees, as long as they feel those taxes and fees are fair. So, after this, this, now famous case of the, the pizza, mr. Sandstrom on belmont, the council, as a whole, felt we needed to do something to address this situation. So, the bureau and don gardner, particularly, who is here, responded and we found some things that we could do to lower the fee because the way it had been applied was not the intent of the council when it was originally passed. So, we made some adjustments. At the time, though, I also said to the council that when I am, what I am more concerned about in this individual case is the whole system, of system development charges, and especially how they affect small businesses, and so I promised that we would look at the whole system, and that's what we have done and we have come back recommending changes that will reduce it further. Don is here to explain it. I also talked with our small business council because I wanted some input from them on how significant of a problem it was, and what recommendations they have. I think that we are going to have some feedback in that regard. I am going to let don explain it, but the two are one to allow a discount based on transportation, time, discounts that we allow in the central city, also allowing them in our

January 15, 2003

neighborhood business districts, and don is going to explain that. And then the second one is creating a sliding fee scale where the fees are reduced from 3,000 square feet or general floor area up to 5,000, which is a further way of reducing the fee not only for mr. Sandstrom but for all of our small businesses along arterials and main streets. So, I appreciate the bureau's response on this, which was rapid, and don undertook this. And we had some involvement from businesses, but not as extensive as we will do as we continue to review our systems. Don?

Gardner: I am don gardner with Portland office of transportation. As the commissioner said, we have two amendments to the transportation, s.d.c. And the first one allows the central city discount to apply city-wide. The central city discount was based originally on the premise that the level and intensity of development downtown and the transit availability was significantly greater than what's happening statewide. What we are finding is that we do have areas where the zoning is appropriate to allow that type of density and areas where we want to encourage that to happen, such as gateway, so what we have done is we have extended that, what it calls for is, is for a higher level of development than is presently allowed, or not allowed, but exempted, and, in the outlying areas. If you go to the higher level of development, which is a 2-1 floor area ratio, or 40-unit housing units to the acre, you would get the same level of discount as the central city, which is basically a 90% reduction in the motor vehicle trip charge. The second was we originally wrote the ordinance and we understood that there were a number of small buildings in the neighborhoods, and they were exempted up -- more intensive use of the building up to 3,000 square foot building, was totally exempt. However, when you get to 3,001 feet, and you have changed the use, you pay the whole fee. What we have done is because we are starting to find and we found especially the case with mr. Sandstrom is that he met all the intents that we had but the building was 4,000 square feet. So, what we have done is we built the sliding scale that will cover the area between 3,000 and 5,000 feet, so like in the case of mr. Sandstrom, what it would have done is reduced the charge by 50%.

Katz: So if we get another case like mr. Sandstrom and we are a little bit over 5,000 square feet, are you going to come back and make a recommendation for another change?

Gardner: I hope not. I think that the original 3,000 feet, when the process was put together, was led by consultants in the neighborhood and the people who worked on it, the feeling was a, was that 3,000 square feet covered the small buildings. While we have looked at is we said 5,000 takes care of the 50-by-100 lot, with the 1-1 floor area ratio, which is what you see in the small neighborhood commercials, so my belief on this is that we have cover what had we intended to do in the small building, and by giving them the sliding scale it takes care of that. Once you get over 5,000 square feet your impact on the transportation system starts to be fairly substantial. The, the -- a small restaurant of 2 to 3,000 square feet is within the exemption -- the net change is not so great. We start to get at 5, 5,000, 5500 square feet, we are starting to have a fairly large impact. So, our hope is that by doing this, we have caught most everybody. We have talked with the pdc, small business personnel, worked with jennifer on it, so we think that we have handled that. But to give you an example, I think that -- and I have to look at my numbers because I can't remember, obviously. Like in the case of mr. Sandstrom, what would have happened is, is under the original assessment for that building, it was, let's see, 20 --

Francesconi: 35,800.

Gardner: Right. And there was alternative rates. What this would do is it would take for a building like mr. Sandstrom, the charge would be 8,324.

Francesconi: 75.

Gardner: Because we have made a change about, about five months ago, four months ago, we made that first change because we are dealing with the neighborhood commercial areas and in the case of mr. Sandstrom and a lot of the buildings, they have no parking. They don't provide parking. They really are walking or transit oriented, so we made the first amendment, which says if

January 15, 2003

you don't provide parking and you don't have parking available, what mr. Sandstrom's problem was he has a 4,000 square foot building, 5,000 square foot lot, but his area is behind the building and you can't get to it. So he's met all the things that we intended to have happen, which is you are not providing parking. You are on a transit street. You are doing everything, that's what we want to have happen in the small neighborhood commercial areas. So we made the first change, which gave us a reduction. The new thing with the sliding scale then reduces him down. What really happened when mr. Sandstrom was, had a bill of, when we were all done with the prior transit discount, we had him down to 16,000. This new change takes him and people like him down to around \$8,000. So, we think it's substantial and we think what it's doing is what, what our intent from transportation, I think the city's intent is, is to encourage the small commercial areas, to encourage adaptive reuse of the buildings and get them to move forward. The other one on the bigger change, which is the central city discount, is in areas like gateway where the zoning is appropriate or will be made appropriate as part of the town center plans, is that this will encourage people to, to go ahead and use that land to its maximum capability. And since transit is available, it meets all of the same goals that the city had, which is to encourage you to build in such a way that alternative transportation is available.

Katz: Thank you. Questions?

Leonard: I have a question. Where did the dollars go?

Gardner: The system development charges go into the transportation fund used for 36 identified projects, and the way the system development charges in Oregon work is that you must at the beginning of the process identify projects, specific projects, specifically identify what the projects will cost, and then you, you collect your fee, and in your fee, is, it is based upon, our is based upon trip generation, which is how many vehicle trips you generate. That comes into the fund, and is used for those 36 specific projects. That project list is good for step years, I think it's worth six years into it. We have four more years to do and then we will have to go back through the process, again, go back out to the community and identify transportation improvement projects that need to be done.

Leonard: And what impact does this have on revenue for the projects?

Gardner: It's a little difficult to tell on the sliding scale because of the fact that, you know, again, you have to remember that the first 3,000 feet were exempt anyway. We are only talking about the difference between -- we are really talking relatively small buildings. We have identified 45 cases right now that this would apply to when we go back and we would be hearing this, but we haven't run all the numbers yet. On the larger scale, the issue is -- was a question of equity from, from people in the outlying areas saying, why can't I qualify for that. We never assumed that we had that money because this wasn't available. And some of these things, like the town center work and gateway is all happening. What we are trying to do is be proactive, get in front of it, and say, we want these things to happen. We haven't counted on this yet so here's something to, to give you an incentive to develop it at that type of level.

Leonard: I lost you.

Gardner: I'm sorry

Leonard: You said we want these things, I don't know what these things are.

Gardner: We want transit oriented development. We want the areas like gateway to develop as planned and as the community said that they want. And since this is a new incentive, the incentive that's present right now is the lesser incentive, and so you don't build it at that level of intensity. This just gives you another incentive to go a little more dense for housing.

Leonard: Have you saying the dollars are just used in that area?

January 15, 2003

Gardner: No, the dollars, it is city-wide. There is 36 projects, and they are spread throughout the city. And all of the money goes into that, into that pile, and it is used back out for projects city-wide.

Katz: Are you finished how much do you estimate we raised during the last two years?

Gardner: It's about 3 million '3.5 million a year that we raised.

Katz: During the last two years? During a recession period?

Gardner: Well, the last couple of years, development is actually, has started to slow. A lot of the stuff that we are collecting on is projects that were already in the pipeline and people were already going. But, it runs -- I believe it's about \$3.5 million.

Katz: Let me ask the question differently. Those new projects in the last two years, how much, how much were we able to collect? You don't need -- you don't need to answer that now because I didn't give you a head's up, and I am surprising you. I'm just curious to see what the -- how much we generate on these types of projects during a recession?

Gardner: I can't --

Saltzman: Okay.

Katz: And where i'm going on that is, is, have we, have you had the discussion of maybe totally waving the fees under the same type of conditions that we placed on vestas?

Gardner: We have not discussed anything other than the large employment projects, like in the vestas case, and that discussion, I think it has already been put forward by sam, and those cases where you are doing large employment --

Katz: No, I understand that --

Gardner: We have not gone --

Katz: And I just use that as an example. That was -- that's different than what we are talking about today in terms of size. But, just curious how much we are actually collecting from new projects, new development projects that started in -- that started in the last two years. So, if you can e-mail me on that, I would appreciate it.

Gardner: We will figure it out

Leonard: I appreciate that question because that's kind of what my thinking was. And I am not familiar with these kind of s.d.c.'s but I am with those that relate to projects that go into communities that help pay for the infrastructure costs from the schools and whatnot so that the s.d.c. System development charges are directly related to the impact that a development has on a community's infrastructure, and I guess that I was just trying to, when the mayor asked the question, understand how these s.d.c. Charges impact the structure if they are just going to pay for specific projects. I guess I am thinking out loud, so maybe I need to ask, what is an example of a project that these, these go to pay for?

Gardner: An example of the projects? There was the albino overcrossing bridge, which is the lower albina industrial area, to happen. We have a, a project on north mean drive. There is the 162nd and foster improvement --

Leonard: Okay, so could it be argued that these are, these projects aren't directly related to particular fees in other words, in particular -- it can't be argued.

Gardner: The, the development in the city of Portland is so spread all over the city, and that what you have to have is that the, the improvement by law must be related to the, to the development that is occurring and must be new development. It is not to fix the old problems, and so one of the issues with the s.d.c.'s for us is that these funds are only a partial part of the cost of fixing these city-wide problems. And they are directed -- the funds are directed city-wide. The projects are fairly well geographically distributed, but examples would be north macadam, the -- like I say, 168nd and foster, and it must come -- and the fees, the projects must, by law, be in areas that are experiencing growth, which is the case in southeast, is an issue.

January 15, 2003

Leonard: If I could give you some insight. You might think that I am trying to figure out how this particular business, for an example, paying the fee, all it be a substantially lower fee than it was, how does that relate to the fish runout on johnson creek boulevard?

Gardner: It relates fairly closely to other improvements made -- like hawthorne boulevard improvements which has increased transportation service on hawthorne which is within four or five blocks of this particular business.

Leonard: Give me the specific -- I am asking you, transit services provided by tri-met, is it not?

Gardner: Transit service is provided by tri-met but we provide the infrastructure that tri-met drives on

Leonard: Give me an example where the dollars are going.

Gardner: On hawthorne?

Leonard: Let's say, so you know what I am thinking, like in a housing development, for instance, in canby they pay an s.d.c. Charge because there are more people that live there and they bring more kids. They have to build larger schools so there is this direct correlation between s.d.c.'s and what they are paying for. I am trying to get a handle on this particular business, and it's s.d.c. Charge and what it's paying for as an impact of the business.

Gardner: The impact of the business is that what happens is you have to realize that s.d.c.'s are charged to a property, and the use of the property, not the particular -- each property, businesses come, businesses go. They move. In this case, the man moved. What he did is he moved into a building that was a general retail use and he moved in with a restaurant. Restaurants generate more trips than general retail. So, his direct impact is that he creates more trips coming to that area. Those trips are distributed on the system. That money is then used to improve the system. Part of the system is due to growth. And the business, by changing the business and the intensity of the use, you generate more trips. The same example like in canby with the housing development, I go to, to bell -- to belmont, I change the use from general retail to a string of restaurants. I generate more traffic. More people come there, more things happen, and there is more traffic on the system.

Leonard: I get that. But what I am trying to have you do is tell me what it is you do with that money to address that, in that area. The, the impact he's having is causing to you charge him x amount of dollars. What is it you are doing with those dollars in that area to address that impact in.

Gardner: The closest thing I can think of in that area is the hawthorne improvements. Hawthorne is being improved. Hawthorne carries the, the majority of transit -- the hawthorne and 14 route is one of the business transit, busiest routes in town. The people who are going to the business are using all the streets within there. Hawthorne is one of those that was identified. Would we like to fix a lot of them? Is there a lot of things that we would like to do? There is, but there is a dollar limit to how much money that we have, projects were picked based on community input of those things that would have, have the most impact within the city and areas where there were some need for, for accommodation for the growth.

Katz: I think that the question raises the issue of the connection between where the growth occurs, not necessarily on the property but if you have a string of, of areas that, where, it accommodates a larger growth, does that particular street benefit from s.d.c.'s and your answer is it may or may not in.

Gardner: That particular street. The area and the neighborhood --

Katz: The area.

Gardner: Benefits from the whole thing. Because you take, like if you take belmont, hawthorne, that whole area is one really sort of like, like traffic shed. The people who live in that

January 15, 2003

neighborhood, they travel on all of those streets so you make the accommodations where you are going to get the most, the most -- the most benefit from, from making the, the accommodation.

Katz: Okay. Further questions? Go ahead.

Saltzman: I guess one is sort of a, a broader question. This is -- this causes you to measure policy reform or should it be subject to an impact analysis and what I am getting at is, we don't seem -- this has a retroactivity provision of two years so people who have paid over the last two years can now apply for credits, and it doesn't sound like we really have a good idea of what the revenue impact of this is going to be.

Gardner: We have done some, some look at it and we look, we think the revenue impacts will be relatively small at this time. We really are looking for a, something more progressive as far as the larger impact for larger growth. The retroactivity is the same as the other on this one. We are going back through the cases. We are going to notify everybody within 60 days if they are eligible and notify them of the amounts so that they can collect. But, again, until you go through them all, you can't really lay a dollar sum on it.

Saltzman: So, the only -- 3.5 million a year and you said relatively minor. Does that mean, you guess maybe half a million or less in terms of that?

Gardner: We are thinking this is probably around 100 to 150,000.

Katz: How much?

Gardner: About 100 to 150.

Katz: Less than the s.d.c. Fund.

Saltzman: Should this not have gone through an impact analysis? That's not for you really to answer, I guess --

Francesconi: I can answer it. First of all, we decided to do it at the front end of these policies, so my thing, my major policy impact has actually been repealed by the council in favor of sam's. He's revising it. The reason that I thought that not to do it is the only impact, really, is on the pdot budget. In terms of jobs, the other issues, it's going to -- it's going to be less impact, so there is kind of no sense to put it through a process. We are charging less fee, not more fees. That was my thought process.

Katz: You will get back to the information --

Gardner: I will get back to you.

Katz: Okay. Thank you. Testimony?

Connie Hunt: Hi. I am connie hunt. 727 southeast grand avenue, Portland, 97214. My husband and I own the east bank saloon restaurant and company, and we are located in the heart of central east side industrial district. If everything goes okay and we can hang on until october, we will celebrate 25 years in business in the city of Portland. I am here today, however, representing the newly formed small business advisory council. This is a council made up of small businesses like me, business owners from the private sector, it's staffed by the Portland development commission. The Portland business alliance, representatives from several city and regional bureaus, some of your offices, as well, and last, but certainly not least, commissioner jim Francesconi is at our table. We had the opportunity at our last meeting to hear about this proposed change in the, in the s.d.c. systems as it is now. The modifications you are talking about today. And I am pleased to tell you that our council voted unanimously to support these modifications. We feel that this provides the beginning, and I want to just really stress, the beginning of much needed relief to the small businesses in the city and the region. It's an excellent attempt to protect small businesses that might be too heavily impacted. It helps small businesses grow and expand, and it creates much needed geographic equity across the landscape. I wanted to make this very brief. Our advisory council is, as I said, newly formed. We really thank you for the opportunity to come before you today to talk about this issue, and we hope to see you again in the future when we have other issues come before

January 15, 2003

us. We feel that this is our role to talk to you about how things like this will impact small businesses. So, thank you very much.

Robert Mawson: Robert mawson, 123 northwest 2nd avenue in old town. I am here on behalf of the executive committee and the urban planning, urban development planning committee to speak in favor of the s.d.c. Amendments. We are also part of the small business advisory committee and are pleased to be part of that. Apnba represents three dozen business associations throughout the city with an estimated 30,000 employees. More importantly, when we speak about Portland's livability, a critical element of that livability are the neighborhood commercial centers. We thank northwest 23rd but we also think of grand avenue, sellwood, Multnomah village, belmont, et cetera, et cetera. The system development charges were designed to link new development and the pressures created with new development on our systems with the new funding source.

Unfortunately, there is, there has been an unintended consequence. It is burdensome with the neighborhood commercial centers, particularly the older ones and the ones that have been on the wing. When you talk it with zoning and building regulations, construction costs and design flexibility, it to some degree it really puts the older commercial centers at a disadvantage to new development further out in the, further out in the, in the city. We understand that this was an unintended consequence and we will accept some of the burden of that because we, we, perhaps, were not as vocal as we should have been in the planning, initially. We congratulate commissioner Francesconi for bringing this issue forward. We fully support the initiatives that are undertaken. We think that they will help immensely. With that said, we believe that there is more work to be done and look forward to being part of the conversation in the future.

Katz: Okay. Next?

Moore: That's all who signed up.

Katz: Anybody else want to testify on this? All right. Roll call.

Francesconi: Just a couple of things. When we originally created this, the whole system development charge for transportation, we decided based on good policy to give a 90% discount to some downtown office buildings because of transit, because of the importance of this development. These changes are basically to level the playing field some to small businesses out in the neighborhood business districts. Now, the other thing -- the real question raised by commissioner Leonard's point, which, by the way, I think that we need to include in our, our work session with the council on transportation, is how do we fund capital projects throughout the city. Now, there's kind of four ways to do it. One is with the existing money, be more efficient of the capital dollars with the use and spread it over more projects. And a second way is to have our current residents pay. A third is to make sure that growth -- new people also contribute so it doesn't all fall on the backs of current residents. And then the fourth way is the way that we have been doing it and the way that parks has been doing it and the way that everybody else has been doing it, rely on pdc to do infrastructure only in tax increment districts. The problem with that is, it's not fair to those other neighborhoods and business districts that are not in the tax increment districts. Because we need transportation infrastructure. Capital. The question is -- do you put it all in the backs of current residents or do you have new growth pay for it. That's the question. Parks has only now -- I mean, transportation has only a million dollars in capital, in the cip budget, the capital budget and only generates 3 million through system development. That's 4 million for all of our streets and roads and transportation infrastructure and capital throughout the whole city. If you look at pdc's budget for transportation, I will bet you, I don't know the number but I will bet it is 150 million, so we have got a funding problem here. The question is -- how do we address it fairly to small businesses and everybody? That's the issue. And how do we address it? It will be nice if you had a larger pool of money to, to have every system development charge go right to that street. The problem with that is, in a case like this, you get 8,000 from one street. What can you do with that? You have got to

January 15, 2003

pool the money in order to actually develop cost effective projects to effect it. Now, the key is, making sure that there is some areas, so it contributes at least to the area, but to do it effectively, you can't just do it on one street, and that's why, why -- and all system development charges, at least the ones that I am familiar with in the city, operate that way. And I would also believe that that's probably true in canby, as well. So, that's kind of the backdrop. So we want to take -- although it's only 100, 150,000 now, by instituting these changes as the outlying areas develop, it's going to mean less money to transportation, and that's what I think that don was trying to get at. It does mean less revenue in the future beth anne beyond is 50,000 so the real question is how are we going to fund the system assuming that we are doing everything effective with the money that we have? And we will get into this more in our work session as we move forward. But thank you for these changes. Thank you, staff, and thank you, citizens. We are moving to make this a fairer system, which is really important if we are ever going to ask for, for more revenue. Aye.

Leonard: Thank you. I appreciate the work you did, and it's the kind of thing that I am real interested in, that you did, and the kind of thing that I would like to pursue. The only thing that I would say is that I agree that we need more capital to address the projects, in particular, the ones we are given as examples. And I support that -- I don't know that, that -- as I heard this explained and read about it, this is the wisest way to do that because it would seem to me that, that in some sense, we are creating a disincentive for small businesses to, to, to grow or locate here and that might have a greater economic impact by having s.d.c.'s on them at any level. But if we did not, than if we did not so in the ideal world, I would like to see an increased gasoline tax, for example, that would be spread out amongst users and those same kind of dollars you are using now replaced with that source. I realize the political problems with that, but I guess what I am saying is, I just am uncomfortable with how I am hearing this program use its dollars because it isn't the way that I think that s.d.c.'s are traditionally thought of to be used. They are not directly related to direct impacts, so I am enthusiastic in voting yes on this, but I would, I would also probably support going even further at some point. Aye.

Saltzman: I appreciate the work. These look like good common sense changes. My only check mark is I think we need to be more rigorous in any of the changes that come forward about understanding revenue impacts. I just think that it's part of a new rigor that we want to see as part of the regulatory reform and impacts. I appreciate the reasons that commissioner Francesconi said for not doing it. Those are valid reasons. I think we need to look at both sides of the coin, even if it is a change that is -- if it's a change that will have a potential major impact and this doesn't sound like it will have a major impact but we don't know for sure, but if it looks like it has a potential impact, we need to know that, too, and some sort of analysis, just as we need to know what the impacts would be on the regulated community from any changes that we make, as well. But this is - - these seem like good comments and changes to make, and I appreciate it. I appreciate commissioner Francesconi bringing these forward. Aye.

Sten: Aye.

Katz: Aye. Measure passes. All right. Item 41.

Item 41.

Katz: All right. I see a couple of people from the bureau. Come on up. Otherwise you have wasted your time, and I know that your time is precious. So come on up and talk to us for a few minutes. Go ahead.

Rosie Sizer, Commander Central Precinct, Portland Police Bureau (PPB): I am commander rosie sizer, the precinct commander for central precinct and there's a slight change to what's indicated in the ordinance that this is not a program that specific, is specific to central precinct in any way. Tracy burn, the happen liaison officer, simply used the central precinct as the, the reporting --

January 15, 2003

Katz: It's not in the ordinance. It's in our calendar, right?

Sizer: Okay. In your calendar. So, she works throughout --

Katz: It's actually, it is in the ordinance.

Sizer: Through housing authorities, both in the cities of Portland and Gresham, and, and she is prepared two or three minutes of remarks about what she does, if you would like to hear it.

Katz: Let me correct it. So, it would be better read intergovernmental agreement with the housing authority of Portland for a liaison office and to address crime issues and have properties, period.

*******:** Exactly.

Katz: All right. Anybody want to second my amendment?

Leonard: Second.

Katz: Any objections? Hearing none, so ordered. And let's make sure that the rest of the ordinance --

Ben Walters, Deputy City Attorney: I am looking over the agreement right now to determine if it's specified in there. This is the approval of an intergovernmental agreement so we amended the title.

Katz: That's why I turned to you.

Walters: I am looking at the agreement right now.

Katz: Why don't you go ahead. Identify yourself and then tell us what, what you plan to do. We have had this before but I want to hear from you.

Tracy Bertalot, Police Officer, PPB: Okay. My name is Tracy Burn, a police officer with the city of Portland. I've been a police officer for nine years. I have spent my entire career as a patrol officer until I accepted the housing authority liaison officer position this last September. This is my first experience with this type of position within the police bureau. I am very fortunate that my predecessor, Officer Rob Snyder spent the last two years building the framework and establishing contacts within both the housing authority and the Portland police bureau. He did such an excellent job in this position that it made it easy for me to pick up where he left off. As I learned more about the culture of the housing authority organization, I expect our partnership to continue to grow and become more efficient. The housing authority of Portland is committed to providing safe, decent, and affordable housing for those who encounter barriers resulting from income or disability. In an effort to make housing authority properties as safe as possible, I assist with criminal background checks of housing applicants. Once the applicants are housed, housing authority management contacts me when they suspect a tenant or the guest of criminal activity. I then investigate any suspected criminal activity. Often, I find that the precinct officers have already investigated the same person and criminal activity. And in that case, I act as a liaison between the officers and the housing authority. I also respond to neighborhood complaints regarding housing authority tenants. I respond to an equal number of housing authority tenant complaints about neighborhood crime issues. Some of these complaints are chronic nuisance type of complaints, and in that case I work with the senior neighborhood officers at each of the five Portland precincts. My response area city-wide from deep southwest Portland to Fairview, Oregon. My half-time partner is housing authority Gresham liaison officer, Chuck Bellinger. In addition, I meet and work with Portland police bureau detectives, drug officers, parole and probation and police from our neighborhood communities of Gresham and Fairview. My partnership with the housing authority of Portland allows for the most efficient use of our police resources. With regards to housing authority property if a tenant's criminal behavior violates the housing authority lease, they may no longer qualify for housing assistance. If housing authority tenants are impacted by crime in the surrounding neighborhoods, they have me as an advocate to direct police services to the problem areas.

January 15, 2003

Katz: Both of us checked the agreement, and the agreement is fine, other than rosie, you are in charge.

Sizer: Yes, that's correct.

Katz: All right. Questions by the council? Okay.

Leonard: There was mention you work with the --

Bertalot: I'm sorry

Leonard: I noticed you -- hit the button. I noticed you didn't mention that you work with office of neighborhood involvement's crime prevention staff. Is that an oversight?

Bertalot: That is an oversight. I work very closely with them

Leonard: Okay.

Katz: They are probably one of your better partners.

Bertalot: Absolutely.

Katz: May I also recommend, and I know your time is precious, but every other friday, if you can come to the gang meeting, you will hear a lot of issues with regard to housing issues on the properties, and if your schedule doesn't allow it, at least make sure that you give us where we can contact you when the group feels that they want to discuss the housing authority property. Thank you. All right. Thanks, everybody. Roll call.

Francesconi: Aye. **Leonard:** Aye.

Saltzman: Great work, aye.

Sten: Thanks again for your work. This is really what community policing is and I think it works great. Aye.

Katz: Mayor votes aye. Thank you. 42.

Item 42.

Katz: All right. Come on up. Somebody from parks.

Francesconi: As david is setting this up, what we are seeing is the implementation of a policy, we established, we, the council, a couple of years ago to get citizens more actively engaged at the front end of designing our parks, so we have a master planning process, and it really spun out of the southwest coalition forming a parks' committee, which made it a lot easier for us to deal with the neighborhood in an effective way, and this is a product of that partnership, and it takes an able staff person who can move it in a good direction and make sure that, that the citizens are listened to and we have one of those people in front of us, and that is in david.

David Yamashita, Planner, Portland Parks and Recreation: Thank you, commissioner. David, I am a planner with the Portland parks. 1120 southwest 5th avenue. What we are here today for is to really look at another step, I think, in the creation and transformation of a great park system and to one that's even better a lot of times building the park system consists of small steps that we lose sight of, and this is one of those steps, I think, that this is a wonderful contribution to, to really improving our park system. We are here to accept the master plan for the spring garden park, which you have a copy of. It's a 4.65 vacant parcel, and 4.65-acre parcel in southwest Portland. That was once owned by the school district. And the plan was prepared over about a year and a half with the citizen's advisory committee. There were about ten people on it of whom four are here today. And will speak after I will. We met about eight or nine times, and we also had -- excuse me, we had two public workshops to review the plan and to really insure that it was supported by the neighborhoods in the southwest parks committee. And I just personally wanted to, to commend the neighbors for, for their involvement and their commitment to the project. There were a lot of evening meetings, a lot of saturday field trips, and a lot of saturday meetings, as well, and they also were open to, to the range of options that we presented, to meet the recreational needs of the area. Also I wanted to mention that one of the main players in the project hannah davidson is not here. She's actually the one who, who got the whole project going with the parks' bureau and because of work, she couldn't

January 15, 2003

be here but I wanted to recognize hannah for her, for her work on it. As you can see by the aerial, it's a vacant site, it's about 4.5 acres. It's surrounded by residential use. What's interesting about the site is most of the usable area -- it's hard to tell by looking at the photograph, but there's a big hill in the middle of the site, and so the, really the usable area is down at the bottom, which is the south end, and there's a hill with about a 15% slope that drops through the middle of the site to, to a very wet area at the top of the photograph. And it's a very wet area with, with even though it is vacant, there are a lot of springs in that bottom area, as well as on the hillside, as well. So, we had some rather severe constraints to work with. If you remember dickinson park, this is a lot like dickinson park. I brought before the council a year ago. So, what we did in the plan was to put the active recreation areas at the bottom part of the park or the south end so you have the playground, a lawn area, and the hill is mainly native grasses, and the path, again, there is not a lot that you can do with that, and the bottom would be essentially restoration project where you take this wet area, put a lot of native plants and trees, and, and set up programs or, where people can get involved and education programs and replanting. Pretty basic site, and neighbors, I think, support the project and what we have done. I just wanted to close by saying as commissioner Francesconi did, that I think that this is a wonderful example of the city working with the neighborhood and a series of neighbors to create a project that I think will be a solid foundation for the future, and also to, to really support the kind of partnerships that we have between the parks' bureau and the neighborhoods. And with that, i'd like to have the neighbors come up.

Katz: Come on up, neighbors. Identify yourself and you all worked on this project?

*****: Oh, yes.

Katz: We won't run the buzzer then, but keep it within a three-minute time frame. Go ahead.

Jackie Hand, 3142 SW Spring Garden, 97219: My name is jackie, and I live three doors down from the spring garden street. And this morning i'd like to speak about the citizen advisory committee's input into the design process for this park. From the outset, the 14 members of our committee had a pretty clear and consistent vision of what we wanted to happen in this site. And as it happens, it wasn't that much that we wanted to happen.

Katz: The vision was small?

Hand: The vision is relatively small. Our new park is, is currently a large grassy field located on a hillside. And our intent as a group was to honor the spirit of the place with a genus lici. It is wonderful to have such a substantial open space in the middle of a fully developed older neighborhood. Even then at the present state, the park is well used and focus of much neighborly interaction. Yes, we wanted a few amenities, foremost among them, a playground, improved trails, some benches and picnic tables. Also, we wanted to preserve and enhance the seasonal wetland at the base of the hill. We did not want an elaborately designed urban park. The plan that we see this morning does a good job of representing these simple desires. It even manages to satisfy the one area of disagreement among neighbors who answered our questionnaire, some love the tall native grasses, others wanted more manicured turf. This plan manages both with the native grasses and the lower two-thirds of the field adjacent to the wetland and the grass near the playground and picnic areas. And throughout this process, we were ably guided by our neighbor and mr. Davidson and others of the park department. It was a pleasure to work with the city on this endeavor. Now all we need is the funding to make this great space fully functional. Thank you.

Katz: Go ahead.

Chris Breil: My name is chris breil, and I live at 3218 southwest freeman street, which is the immediate neighbor of the park. On the east side. And the, in the 25 years I have listed next to the property I watched the use by members of the community, children who have used the 4.5-acre site to bike, sled, build snow figures and pick wild flowers. Adults have used it to star gaze, view sunsets, pick berries, walk dogs and gather and talk with their neighbors. When the city purchased

January 15, 2003

the property, headed by hannah davidson, a group of us came together to form a citizen's advisory committee to devise a plan that we hoped would enhance the property and preserve its values and reflect the community's vision for the site. To do that, we did a series of, of get-togethers, ice cream social, which brought neighbors onto the site, enabled us to discuss how we wanted to see the site used. We surveyed the entire community. Put together the, the results of that survey and started working with dave and with hanna, again, heading us to create a plan that honored and enhanced the property. Thus, the plan, which is presented today, is the result of a community working together to create a park which provides the small playground for children, access to spring garden streets, walking paths, benches. It protects the environmentally sensitive area at the bottom of the hill and retains the open vistas and natural beauty of the site which is so prized by the community. And in a neighborhood which lacks much open space, few sidewalks or places for children to play and adults to gather -- we are eager for this plan to be realized and hope that moneys will be available in the not-to-distant future to effect this plan. We can't eq wait to see the dream become a reality. Thank you. -- we can't wait to see this dream become a reality.

Katz: Grab the mike.

Gary Gilbert: I am gary gilbert the I live at 3521 southwest dahl court. I didn't prepare any elegant remarks like they did. They pretty much said it all. I lived in the neighborhood for about 12 years now, and at the very outset, we recognize that the park was, was the focus for the neighborhood. It's a great neighborhood. The neighbors have a real comradeship and it's important that we have this, this base that we can go to -- we bring our dogs there, our children there. My children have grown up in the neighborhood and now one is at u of o and I want to thank the city for recognizing that, that, that we want the green space preserved, and, and I am happy that, that, with the work that we have done, and let's hope that we can go forward. If funding becomes available for it.

Katz: Thank you. Slide down.

Lori Hedrick, 8137 SW 35th Ave., 97219: Thanks. I also had no prepared statement. I am lori, and I just wanted to say thank you. Our daughter, I believe she was nine years old, wrote an impassioned letter to commissioner Francesconi and it was nice to see that letter answered, in fact, and in action. I commend the whole city council for purchasing these parcels of land from Portland public schools to save them from development and our neighborhood was deemed park deficient. So, this answers that need. So, thank you.

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

Francesconi: Thanks for all your work on this, and even before the master plan. Thanks for your advocacy to turn this into a park. A brief comment on the past and the future. On the past, my first year or two in office, I did a tour with southwest, and the neighbors and they showed me this, this school property. I said gosh, we want this as a park and they had some ideas. And then the, and then the school lands issue arose then. And then the issue, we were trying to help the school district, the whole council, and we thought that maybe instead of just giving money to the schools, we ought to give something back. So, we gave the schools \$9 million. We purchased five parks, four in southwest Portland, which was very park deficient. Dickinson was one, this was the other. And so it's nice to see the history and how we were able to benefit the, the school district with money that they needed, but we did it in a win for the neighborhood and the city, as well. Now, about the future. There's two things. One is -- how do we now realize, you know, your good work, so you didn't waste your time in all those meetings. That means how do we fund it. Now, parks, like transportation, is very -- it's limited but we have some options. One is system development charges because this is a growth area and some of that money can actually be used to develop parks in the area. Another on the playground side is we put some money in the successful levy and we appreciate your help for playgrounds, so that is a possibility. I am saying possibility at this time

January 15, 2003

because we have to prioritize. At the time that we were considering spring garden, there were neighbors who volunteered to contribute money to developing this, if it ever became a park. One way that you can prioritize your project is if you actually come up with some resources and ask us to come up with resources. So, that's just a little hint. It's, it's a way that prioritizes so that's another possibility here because we have to turn your good work into reality. My last comment is that there is 60 fields out there worth an approximate range of \$12 million that the school district now has potentially on the block. So, we are engaged with them. We really appreciate the school district, the school board's efforts to slow down the process, and to include us in this. And now the question is -- again, how do we help the district, but how do we help other neighborhoods by preserving the open space and green space and in that case, because many of these are flat fields now used for active recreation, how do we get some fields for sports and afterschool activities that benefit our school children and our parks users is if so this is a challenge now in front of us. I have asked the parks' foundation, just like I have asked you for private resources, I have asked the park's foundation to come up with half the money. I have asked the district to waive of the money and I am hopeful the city can do something as well. So thank for your efforts. Aye

Leonard: Thank you for all your good work. Aye.

Saltzman: Thank you, neighbors, and parks, back bureau, commissioner Francesconi, this is a great, soon to be a new addition to our park system but it's got a great foundation in this plan. Aye.

Sten: Well, this is good news. I want to thank commissioner Francesconi explicitly. He led the charge for the lands and a great community process so we will get it figured out eventually and good work. Aye.

Katz: Thank you, everybody. I, I toured southwest a couple of years ago in this particular site was pointed out to me. I want to thank commissioner Francesconi, but more importantly, the citizens. This is the kind of community that Portland is all about. You know, we have gotten a lot of criticism, rightfully, or wrongfully, with regard, why aren't we helping the schools today. We are in a cut mode. We have been in that mode for four years. But, this one way that the council figured out that if we can, in fact, provide a win for, for each of us, we will have parkland, the school will have some money. We can, we have other opportunities to do that, so if we can gather up resources somewhere down the road when the economy improves and the economy will improve, then we will be able to proceed. Meanwhile, thank you, all, very much for your vision and we will be there at the right time to help you. Aye. All right. 43.

Item 43.

Gary Blackmer, Portland City Auditor: Good morning. Gary blackmer, Portland city auditor. The charter assigns me the responsibility of overseeing our city elections process. I am with susan francois, our city elections officer, to make sure that we do things appropriately and that the various candidates and campaign committees also do things appropriately. And we have had a very busy election year. We have had an initiative petition. We have had several levies and we have had an election and filled a seat, which makes us look at a lot of different pieces of the code that the city has previously -- the council has previously approved, and we see things --

Leonard: Do you have the results of that election? [laughter]

Blackmer: I didn't think that we would have too many complaints from a majority of council here. [laughter]

Blackmer: So, to a certain extent, we see a lot of pieces of the code that, that could be clarified --

Sten: Also, that was after he was re-elected.

Blackmer: That's true. [laughter]

Blackmer: So luckily I don't vote on these things so, we look to your able direction.

Katz: Okay, okay. [laughter]

January 15, 2003

Blackmer: All right. In any case, susan, in working with the various groups and candidates saw things that needed to be updated in the code, state law had changed. We had vote by mail was introduced. We had changes in terms of paid petitioners so there are places where the language needed to be clarified. So essentially, what we have done here is to update the current code on elections that the city has. The issues are essentially house keeping, but it's something that we want to do on a regular basis to make sure that we, we keep it up, up to date and that we help people understand how the city's elections, elections process works and it helps us work closely with the county in terms of the actual vote counting and the ballots and so forth. So, to a great extent, this is a house keeping measure, just to go in and make sure that we have tidied it up. So if there's any issues, that --

Katz: Any surprises? Anything, anything in there that would surprise?

Blackmer: There's nothing that we can think of. We work closely with linly from the city attorney's office who put in many hours on this, as well, to insure that we are in compliance with state law, so we have noted on the facing sheet of your exhibit that, the issues and nearly all of them say things like, like just clarity or bringing into conformance with state law, so to that extent, if there is anything there you have questions, feel free to contact susan or linly and they can explain the changes that are here, but our intent was to simply continue doing what we have been doing in the past and make sure that our code was in compliance with those practices and what state law had deemed to be changed.

Saltzman: Is the section on advisory questions referred by council, is that new? It's all underlined.

Susan Francois, Elections Officer, Office of the City Auditor: That's always been in the code but lumped in with the referred measures. They are different so we thought by separating those it would be easier, if it should happen to, follow the procedures.

Saltzman: Just out of curiosity, have there been --

Francois: There were some with the citing of the civic stadium, many years ago so not for about 15 years.

Katz: Further questions? Anybody else want to testify? Fine. Thank you, everybody. This moves to second. And we stand adjourned until 6:00 tonight. Thank you.

At 10:53 a.m., Council recessed.

January 15, 2003

JANUARY 15, 2003 6:00 PM

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

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

Katz: Commissioner Leonard is here. He must have just stepped out. All right. Item 44.

Item 44.

Katz: All right. Before I turn it over, let me remind everybody that in the spring of 2002 I think we had a couple of hearings on this, if I remember correctly. And there was a consensus on the part of the council that they were very interested in not only making the changes to comply -- did I lose -- I lost two. Can we get them back, please? To comply with the state statutes. And we made the changes but the council was very interested, as I am, in the demolition review process for approval and denial. And we asked the bureau of planning to come back to us with some further recommendations that the council wanted to see because members of the council were not willing to go ahead at this time without looking at some incentives. And there are some incentives that we can move forward with almost immediately, and I am going to leave that to, to our panel in front of us. So, the council directed the bureau to study incentives to promote historic preservation and to examine expansion of, of demolition reviewed in more historic resources. That was the direction that the council gave the panel. I don't know what's happened from, from that day to now, but this issue has taken off some other dynamic, and I just want to tell everybody -- I am personally committed to this issue as the council directed bureau of planning to -- and the council, also, directed the bureau of planning to come back with this kind of information. We cannot allow more time to go by and with the potential of losing some historic buildings. Now, there are other issues, and I hope that we can air them out today, but I'm not waiting another three years. How many years have you worked on this?

Cielo Lutino, Bureau of Planning: Three years.

Katz: Three years. And we are not going to study this -- we are going to move forward. We are not going to study this to death, but we do need to understand some of the nuances, and that's why the bureau of planning is coming in with a report for council to ask further questions. So let me turn it over.

Gil Kelley, Director, Bureau of Planning: Okay. Thank you, madam mayor. Good evening. My name is Gil Kelley, planning director. And I am just going to make a couple of brief remarks and then turn it over to project manager on this. Just to remind you that as the mayor indicated, we actually completed a major phase with the council action last June after the completion of those hearings last spring, in which you adopted a set of amendments to the historic resources code that really did a lot of, of clarifying and eliminating of confusing elements and contradictory elements inside the code and that's been helpful. What we left was the major policy issue on the table to work on, and we have taken the direction you gave us to both expand the demolition review process by, by crafting an outline that's in front of you today that we are here really as a mid course check-in because we had like to return in a few months with the completed documents that would be the actual code language that would extend the power of the council or the city to, to deny demolitions in certain cases with certain escape valves built in through findings and criteria, and simultaneously to prepare a package of, of financial incentives that would augment the, the financial incentive that is already present for qualifying buildings for a form of tax relief, which is essentially freezing of property tax assessments at current values for 15 years. And that's a provision that's been useful in the past when property values were rising quickly. It is now a provision that is also useful for someone contemplating a major remodel or upgrade of an existing building to freeze that assessment at today's value. And nonetheless, we wanted to look for additional incentives and you

January 15, 2003

will see some of those in the outline form today, and we have had conversations with the Portland development commission about augmenting some of the ideas that we have had through a preservation fund, which would need to be created or reinstated, I should say. It was there historically in their budget in this coming cycle. So, we are essentially here with the outlines for a proposal that we think follows the direction we got from, from you last June and I'd like to go over with you and a quick reminder of what the importance of this issue, and she has done some, some looking around at other cities and so forth, just forgive you some context for that discussion again. We are happy to answer any questions at the end of our presentation. We would expect you to open it for public testimony, and then at the close of testimony, we will be back and we have set forward in the beginning of the document, and cielo will repeat these, and the affirmation from council on some of the specifics so that we know what to come back with you, with for your consideration. Thank you.

Lutino: Sure. I don't know, karla, if you want to lower the lights, please. Good evening, commissioners. I am going to start by reviewing our previous hearing last June. At that time, the council adopted phase one of this project, which generally addressed technical amendments to the zoning code regulations for resources as Gill said. The amendments established a demolition delay extension review which offered stronger protection to historic resources threatened by demolitions, and elements of the review include the application to resources listed in the national register and a type 3 land use review procedure that includes a public hearing. This review allows time for alternatives to the demolition of the resources to develop and the decision to extend the automatic 120-day delay period is based on the likelihood of a successful alternative to demolition. That review joined an existing review, again, this is existing. It's demolition review. How it differs, the demolition delay extension review from demolition review is in two areas. Their applicant and the possible results. For example, where demolition delay extension review apply to say 1700 national register properties, demolition review applies to a single resource. Last spring, city council briefly considered demolition review but wanted to see more incentives considered and the idea of the demolition motion explored. The mayor convened an advisory group proposed of members from the preservation and development communities to assist staff in exploring the two issues and we met with a number of citizen groups and stakeholders to gather public comments. Foremost for all the groups was the recommendation that the city improve its reservation program overall. Suggested improvements range from updating the inventory of historic resources to reestablishing the city's previous preservation awards' program. Planning values and hopes that they might be addressed more fully by a preservation plan that would guide the city's approach towards the historic resources in a nonregulatory manner. In other words, we agree that a more proactive, out of the zoning code approach historic preservation in Portland needs to be revived. We focus more closely on two issues of incentives in demolition review and most stakeholders agree the same set of resources that access any new incentives should also be subject to demolition review. So, what we mean by that tonight is that national register properties, those that are individually listed and those that contribute in historic districts should be offered the new incentives as well as subject to demolition review. For incentives, the bureau of planning recommending a guide for building coalitions, historic resource, especially those in the register. Second, a revised building code, thresholds that trigger seismic upgrades for historic resources. Again, especially for those listed in the register. And a financial incentive package to assist owners of registered properties. Deferred incentives fall into three categories -- alternative building code, or a, b, c. Financial incentives, and zoning code incentives. We have heard interest in two of these, and you may hear testimony tonight about two of them. First, an alternate building code which some testifiers may refer to as a smart code. Second, an expanded list of conditional uses. For demolition review planning recommends, it's expansion to national register properties, that it be a two-step pros, which I will

January 15, 2003

return to in just a minute, and any economic analysis required during the review be completed by an outside consultant. Now, I want to get back to the two then step process because it revises the current structure for the review. We recommend that in the first review, which would go directly to city council, that the criteria for demolition address the significance of the building and the public policy objectives that would be met by the demolition of the resource. City council becomes the review body in that first review because they have the broadest understanding of public policy goals. Now, if city council denies the request in the first review, an applicant has the opportunity in a second review that would again go directly to city council to argue that retaining the resources not economically feasible. The review structure I have described is used by a number of cities nationwide that have the authority to deny demolition. Okay. Planning proposal differs from the existing proposal for demolition review in three ways -- a suggested different review body, the relocation criteria and disappears while the introduction of public policy objectives comes in. And it separates the review into two steps. Expanding demolition review to national register properties involves tradeoffs that range from increasing the number of regulations that apply to historic resources and incurring costs associated with creating and administering incentive programs. Now, we haven't completed an impact analysis yet since we don't have a specific regulatory proposal at this time. However, the council accepts the staff's proposal, we are going to evaluate the cost in these areas. Okay. I want to enhance our, our discussion of demolition review by providing data, some of which the council requested back in June. This graph shows how many national register properties applied for demolition permits between 1996 and 2002. By the way, that time period was chosen because denial authority for Portland wasn't in effect until 1996. You will see that nine resources apply for permits and they included resources such as Shriners Hospital, the U.S. Steel building, as well as a handful of contributing resources in historic districts. Had demolition review been in effect for those resources, the city may have had an opportunity to either approve or deny the permit. This data gives us an estimate of how many demolition review cases might come up each year. We are looking at 1.5, approximately, each year. Given that the permits were counted during one of the city's greatest periods of construction activity, that average is likely to decrease as construction activity levels drop-off to more normative rates. This next graph responds to a question from one council member last spring who asked -- how many properties have been listed in the register since 1996. And you will see from this graph there's been a healthy increase in the number of properties listed in the last six years. However, I'd like to note that most of that increase can be attributed to projects that have used public assistance to list historic districts, such as the designation of the South Portland historic district. This data may help you see the likely impact it may have on city staff who implement the regulation for historic resources. So, in other words, the city should consider how its own assistance for designating resources affects the workload of the regulatory staff. One final note, you will see from the pie chart that the private sector has also sought national registered listing at a healthy rate, and this underscores that listing the national register is a voluntary action that a property owner takes by state law, we can impose historic designation. Okay. One final piece of data. A 1998 study conducted by the National Alliance of Preservation Commissions and the National Trust for Historic Preservation, it was found that at least 274 jurisdictions have the authority to deny demolition. 195 have the authority to delay, and 76 can do both. Cities with authority to deny demolition include Seattle and Tacoma, Washington, Boise, Idaho, Salt Lake City, Denver, Colorado, Lake Forest, Illinois, San Barbara, California, and Minneapolis, Minnesota. I could go on and list a couple more, a few more. Many more. The authority to deny the demolition of a historic resource is not uncommon for a number of municipalities. In fact, the National Trust observes that while Portland is a good model city in its provision for incentives that promote preservation, it lags behind others in the protection of historic resources. That ends the data summary of this presentation, and takes us into the recommendations to city council offered by planning staff. I

January 15, 2003

don't want to read all of this. You can see these on page 6 of the report. Just very quickly, however, we request that the, the city council direct the bureau of development services to complete in six months a guide to building code regulations and revise building code thresholds for seismic upgrades. Also to request the Portland development commission to develop a financial incentive package for owners of historic resources, national register properties, and for bureau of planning to complete research items, coordinate with bes and pdc to development the resources and develop plan upon the completion upon this project. That plan would address the nonregulatory suggestions that I brought up earlier. Finally, we want to ask a couple of questions for city council. Do we have the right list of incentives and have we identified the right set of buildings to access new incentives and impose demolition review. Should city council be the only local review body for demolition? And are there associated costs that planning or the bureau of development services should explore? And that concludes my presentation this evening.

Katz: Thank you. Did either one of you want to add anything in.

Kelley: I wanted to, to -- yes, I wanted to add two quick things. One is that, that the total number of buildings we are talking about is, is 400 in terms of individually listed and about 1300 in contributing -- in districts. Together, those are less than 1% of the city's building stock, so it gives you a sense of the scale that we are dealing with. The other thing here is that I think that we need to give particular thanks to the advisory group who worked with sholo over the course of a number of months, and represented a spectrum of interests on this question, and I didn't want to let the tongue go by without acknowledging their help in this because it's been quite valuable. As we mentioned, those represented both, both members of the preservation community, if you will, as well as the development community. Not that there is unanimous agreement among all parties about all recommendations but they were quite instrumental in advising us as to the, the, both the regulatory and incentive packages.

Katz: Thank you. All right. Questions?

*******:** If there are any questions, we would be happy to answer those.

Katz: Go ahead.

Saltzman: So in addition to the recommendations in the last two slides, we go to the earlier slide about the demolition review, you are making a recommendation for a denial process, is that -- that's new, right?

Kelley: Well, that's what we heard the council say in June, and what we just wanted --

Saltzman: This particular process you have come up with, that process --

Kelley: Yes.

Saltzman: The criterion -- that's part of the recommendation?

Kelley: Correct. We would go away and craft that language and come back in roughly the same time frame as the completion of those incentive pieces by bes and pdc. Or conceivably, we could come back somewhat earlier and make the effective date effective upon the implementation of the other two pieces.

Katz: We could look into that. Go ahead.

Saltzman: The zoning recommendations, I guess you are recommending expanding the conditional uses?

Lutino: No, we are saying that that's what you might hear about tonight.

Saltzman: Because I guess I have heard from, from some who were on the committee that, that conditional uses are problematic and that it's hard to get banks to want to finance things based on conditional uses. There is recommendations, I guess, for looking at things like, like overlays and things like that, reactions to that idea?

January 15, 2003

Kelley: Well, Steve and Cielo, you were involved in the conversations. I want to say that the conditional use expansion is not part of our proposal, that's in front of you, so that's the most important thing to understand --

Saltzman: The question is, why aren't you recommending anything in the zoning realm of incentives?

Steve Dotterer, Bureau of Planning: I think that frankly the comments that we got from the advisory committee and in the public meetings were that the zoning code had a lot of incentives in it. Many of them not used right now and the incentives that they needed were financial and at the time they come in for development, the permitting process, so those were the most significant incentives so we tried to develop the programs that met that and that could be put in place in a short period of time. That was our goal in coming back with the proposal.

Saltzman: The other question -- I know this is a resource issue, but the issue of, of some sort of an update of the inventory, again, I am told that there are contributing buildings in certain districts that probably, you know, in some people's minds, experts in this area, don't warrant the, the protections that are provided? And I understand that cities like Chicago have recently updated their inventories, didn't sound like too great of an effort but nevertheless, it's work. Reactions to, to that idea.

Dotterer: Based on our experience in doing it the first time around and looking at the other cities, it is a multiyear effort. It is something you couldn't put in place if your objective was to put incentives in place quickly. It would take a long period of time to do that. And so it also is a pretty extensive staff effort but also a pretty extensive public involvement effort, and then it would come back to council in some form.

Kelley: It's probably a good thing to do periodically. We are not recommending that we do it as a precondition to applying additional controls here. One thing --

Saltzman: Is there a reason it couldn't occur simultaneously with going ahead and adopting incentives and things like that?

Dotterer: I guess not. And it was one of the things that the, that the advisory group recommended, is that the city needed to undertake the updating of its inventory because the inventory is, is 20 years old now. But --

Kelley: We would want to look at that question and make it a part of our budget discussions with the mayor because it is a work program, and maybe, maybe other funds, or it may be substituting that for other work program elements that are in the historic preservation work program at the moment but we can, we can look at that with the mayor.

Saltzman: I guess that I would wonder about that, and we can talk about it later, if there is a role that we can get neighborhood associations and business districts involved in that effort, as well.

Kelley: To do the leg work and so on.

Lutino: And I want to clarify one thing, did in terms of the contributing classification in the historic districts listed in the national register, that's something that can happen faster than I think undertaking an update of the inventory because if the, if the argument is really with the classification of a national register property, that's something that can be changed through the national register process, specifically for the district that doesn't need to include the entire city because the classification would need to be changed by the national register, not at the local level.

Saltzman: Okay. Thanks.

Kelley: The other point to emphasize is along with the universe of buildings here, it's a relatively stable population of buildings so that, again, harkening back to the slide in the busiest construction period in recent memory, we had an average of about 1.5 requests per year, that gives you a scale of the workload that we are, we are talking about for the council and for staff, if you were to institute this two-step process, you would say one or 1.5 cases per year, for example. And we feel that that's probably the most efficient way to, to sort out some of these issues about any individual site rather

January 15, 2003

than studying the universe and hypothetically screening or filtering a set of buildings is to just look at those cases that come up. We feel if we have sufficient findings and criteria that would allow you to grant demolition approval, for good reasons, that that's probably the most efficient way to proceed because it's difficult to get into the nitty-gritty unless you have a case in front of you. It's hard to do that with that body of buildings in the abstract.

Katz: Further questions? Okay. Do we have members of the advisory committee? Would they like to come up first? That have signed up?

Katz: Just from the advisory committee. Are you from -- did you -- you don't want to testify? Oh, okay. Well, somebody come and testify on behalf -- thank you.

Peter Meijer, Chair, AIA Historic Resource Committee: I'm peter, I live at 123 northwest 2nd avenue. I am also the chair of the aa historic resource committee and a member of the advisory group. First of all, it -- it is -- I guess as an advocate for historic resources, I will always sort of remind us that this started off with a group asking for more protection, and I think this is a great process to get us there. Second of all, i'd like to thank the staff's facilitation of all this. But, to tell you the truth, the expectations were higher. We actually -- I actually thought that we would get to some real meat and potatoes in this, and that, in fact, one of the goals might be said that, that the end result of this would be to, to miss everybody off just a little bit because then everyone would be giving up something, so, so I guess after this process I was looking for the specific language that had both -- more, more protection in it, but at the same time, recognizing that that pendulum has to be in balance, so the ultimate goal here is to seek that balance between protection and incentives. We are getting there, but I would have liked to have seen that and would advocate that that be the direction that council gives to the remaining. Whether or not it has to be in six months, I think can also be argued because I think that all the tools are actually in place, and they include maybe realan greenspan looking at what the zoning code said in 1994 before it was changed after the, the costco project. So, I think that the tools are there to, to pull up and to get quicker information to put on the table for everyone to respond to. I'd also like to say that the advisory group did, especially emphasize the importance of the inventory, and the reason for that was to set a baseline that everybody understood what potentially could be a historic project. It was of the utmost importance, at least at that baseline be established. And it was considered that the inventory could be that without being linked to the code. It's not really -- has to, to be associated with takings or anything else. It is just simply a listing that everyone at least knew where the base, base starting point was. So, with that said, maybe I can turn it over.

*****: Okay.

Katz: Identify yourself.

*****: I am emotional --

Katz: Identify yourself for the record.

Dan Volkmer, Northwest District Association: Dan -- I was on the advisory committee but I am representing the northwest district association. And yes, I want to heartily support the neighborhood association wants to support and thank the bureau of planning's work, and especially cielo for her tireless efforts. Yes, we need resource protection and we need incentives for preservation. The neighborhoods out there feel that not only should demolition delay and denial be maintained but that it should be strengthened and applied to all historic resources, not just the, the expensive show places. Let's not happen -- let's not have happen in Portland what's currently going on right now in chicago, a series of articles just this week in the chicago tribune have been lambasting the city of chicago for allowing hundreds of historic resources to be demolished. It's true chicago spent \$1.2 million in 12 years inventorying 17,000 of the architectural jewels but the current administration there has not backed up the inventory with protective measures. Their attitude, according to the tribune, is to save the high profile buildings downtown for the tourists and

January 15, 2003

conventionaires, that looks good but they haven't taken the measures to protect the, the humble craftsman, two flats, the grand queen anne, the sacred churches and the body taverns. That once were the stuff of every day life. Here we call those properties contributing. And without them, your historic neighborhoods can turn into swiss cheese. The second point i'd like to make is wanting to find a way for the building and the zoning code officials to be able to peel away the unnecessary hoops and obstacles for individual property owners to, to -- who want to improve their historic resources. We all know -- I have understood that, that the current language now in our code gives us that flexibility, gives officials that flexibility to allow for common sense discretion for these historic properties. The guide to building code regulations that, that are in this recommendation tonight has, has, can unlock that, that flexibility that will allow people to go ahead with their projects. For example, let's go ahead and permit that 880 square foot accessory unit in a 4500 square foot historic landmark even though the maximum square footage for an accessory unit is 800 square feet. That's a zoning issue. Let's let the lady who owns -- who wants to finish off her attic in her 100-year-old condo, go ahead and do that without making her put one hour sheetrock in the other two condominiums that are in her building. That's a building code issue. Overnight, we could convert grumpy, do it without a permit rebels to be loving, always get a permit and do it right preservationists. [laughter]

Volkmer: Exercising this flexibility would buy a lot of good will on behalf of entire neighborhoods for the city and for preservation as a sound public policy. So, just to reiterate, neighbors do want strong protection for our resources and we want to acknowledge that all historic resources including contributing resources deserve protection and benefit from incentives and then let's have a historic resource-friendly interpretation of the building and the zoning codes.

Katz: Thank you.

Meijer: I'd like to add that there is one more tool that, a subgroup from the committee discussed, and it was one that, that staff did present to you that is on the table, which is relook at the seismic upgrade, and in fact the subgroup presented actual changes to that.

Katz: If there is a change of occupancy, they would go into effect but if you just expand the building, they don't necessarily -- with the same occupancy, they don't necessarily have to go into effect. Is that basically --

Meijer: It's probably a little bit more complicated than that.

Katz: I am sure.

Meijer: But yes, we actually put on the table potential changes in those incentives so there is a target there that can be used. And I understand that that larger issue will be looked at in a broader case, as well.

Saltzman: Was that a consensus sus of the whole group?

Meijer: We brought it back to the group and they considered it was a good idea. Whether or not the exact points were the consensus, I wouldn't go that far. I am hearing a little thing in staff production that I guess a bit -- is a presentation that I hope is, is not too great of a concern, which is -- their words are "staff effort and budgetary concerns." [laughter] So, I hope that isn't used as a way --

Katz: Yeah. Don't worry. Don't worry. I haven't educated our bureaus yet. Not to use that as an excuse. Although, it is a consideration, but I don't want to hear about it. Thank you.

Meijer: Thank you.

Katz: Okay.

Katz: You all have three minutes, and for those of you who have not been here before, you will hear a bell or you will hear me, whichever is louder. I can tell you right now, which is louder because the bell doesn't ring very loudly. All right. Go ahead. Somebody. Jim, go ahead.

January 15, 2003

Jim Westwood, President, Parks Blocks Foundation: Thank you, mayor. I am jim westwood. I am the president of the park blocks foundation, a nonprofit civic organization dedicated to Portland's 130-year dream of public open space and pedestrian corridor, which for us means ultimate linkage of the north and south park blocks through what is known as the central or mid town blocks. I want to thank the city and the planning bureau for beginning the process of beefing up our historic resources code. I think it's a tribute to the city, and the citizens that we value are truly historic resources enough to go out of our way to preserve them. The park blocks' foundation supporters, like all citizens in Portland, are people who care about our city and who care about the future starting tomorrow morning and extending until well after all of us are no longer here. We endorse and support historic preservation. The advisory group, which we commend, has worked hard to produce the status report that's before you. We see that there are two pieces to the report. First, incentives for preservation with which we agree very much. And second arc demolition review process with which we also agree in concept, if not in detail. Public incentives are a powerful tool for insuring that historic buildings will be kept up so, that their owners will not need to seek the demolition. And we agree, too, that there are a number of buildings in Portland. This building, the library, the bishop's house, several residences probably, that no owner, public or private should ever be allowed to take down for any but the most compelling reasons. Those reasons don't come to my mind right now. We think, however, that a blanket inclusion of all buildings in the national historic register for demolition review has the status report suggested the code should provide, is, perhaps, probably over inclusive. The more buildings that are ultimately targeted for demolition review and potential demolition denial, the harder it will be for the city to administer the code and the greater will be the burden on the owners of buildings in a city working very hard to overcome the perception that it doesn't care much about business. The park blocks' foundation wants a workable, historic resources code that preserves what we truly value without fossilizing the rest. There's a perception that the park blocks' foundation wants to see historic buildings and others in the central park blocks come down tomorrow. Let me emphasize emphatically, this is not so. We know the friendly owners of the buildings in that area. We know they want to take good care of their buildings while the area around the central park blocks is planned and developed as retail and residential property, and only then should the space be opened up. We would encourage them to agree with the city to a ten-year standstill on any plans for demolition. So, the park blocks' foundation endorses amendment of the historic resources code to include incentives for preservation as well as demolition review and potential demolition denial for an identified population of the truly historic, historic structures we have. We hope to be part of this process that brings back to you in six months, a historic resources code that makes all of us proud to be Portlanders and thank you very much for your attention.

Craig Kelly, 322 NW 5th, #301: I am craig kelly, vice president of our business. Our firm has been intimately involved in the hrca processes, as a member of the private development industry and member of the Portland historic landmarks commission and as an advisory group member, i'd like to emphasize three points from bop status report and one issue of concern. First, lack of promotion and understanding of preservation tools, such as conservation easements, historic tax credits, et cetera, translate into under utilized resources. A city preservation representative who would coordinate and network the interests of the preservation community would provide a great value by channeling users towards available resources and programs. Second, the historic inventory has been criticized as outdated and the update will produce a more accurate list of subject properties for bop's proposal. And allay the fears of many who worry that the demolition review may be applied to an insignificant resource. Third, city of cleveland has effectively leveraged investment feasibility studies, demonstrating to historic property owners meaningful financial formulas for redevelopment. Financing these feasibility studies nicely fulfilled the, the "teach a man to fish,"

January 15, 2003

philosophy. The one criticism that bop failed to recommend zoning accommodations for preservation. A historic resource overlay zone to increase outright uses available within certain zoning districts would help historic buildings be effectively renovated. Elimination of the housing would remove formidable obstacles to redevelopment. We request you direct planning and zoning to eliminate or amend zoning code requirements that virtually force demolition of historic buildings because of inherent conflicts between the structure's intended use and a code mandated use. We endorse the extended demolition review and denial authority. The natural lines of preservation commissions estimate that there are over 2300 communities that have preservation ordinances. The current list of cities with the authority include many small communities, such as, as well as san jose, charleston, new orleans, seattle, denver, to name a few. Certainly there should be safeguards for protected property owner's, and we should expect final policy to insure denial authority is the executed in rare circumstances and where merit is clear. Our history has too many examples where landmark demolition has taken place in anticipation of a vision which never materialized. That's robbing a community of an asset and replacing it with asphalt. We urge you to make any demolition permit for a landmark property, contingent on issuance of a permit for a replacement property. Please ratify the bop's direction and allow more time to finalize details of the recommendation.

Kevin Montgomery Smith, Portland Business Alliance: Good evening mayor and commissioners. I am kevin montgomery smith. I come before you today on behalf of the Portland business alliance but more importantly as an individual and a preservationist. I hope that we can take this opportunity to give the planning bureau direction to energize a historic renovation, to give value to historic property and encourage property owners to list buildings on the national register. In addition, if we can truly craft an incentive program that enlivens the historic rehab, we shouldn't pass up the opportunity to look at these incentives as a vehicle to create jobs in housing. In reviewing the incentives explored during phase two, two concepts come to mind. First how do we get what works? Eliminating sdc's and permit fees for historic reuse is dismissed as too costly for a city facing an economic downturn. First blush, not a bad opinion but how many buildings might be brought back to life if we took this road and how many jobs created in an energized environment. The assumptions concerning this and other dismissed incentives is that the small number of registered properties wouldn't warrant the work required to implement the incentives. Let's step back for a second. Both register properties and the larger set of contributing buildings are in play for demolition review and potentially demolition denial. It was good to see tonight which is not in the document, but that, that all of the contributing buildings would also be, be applied or could apply for the incentives suggested, but the ones they dismissed, they are basing their analysis on the small number that are currently on the register, and not the number that are contributing. So, what would the impact be if the carrot were in line with the stick? Nobody knows. What we do know is that the report recommends taking successful nationally recognized strategies off the table without a legitimate hearing. The legislative concept for a current state tax credit for historic rehabilitation prepared by them presents the cost to the state, the revenue generated, the number of jobs created annually by their proposition and neither the dismissed or accepted incentives in this plan analyze what would really work to improve the economy and preserve our built-in environment. Second, why should we do it if it is hard? The most successful preservation programs nationally are the tax credit programs and the smart codes. Both demonstrated incredible results. Private investment dedicated to rehabilitation in new jersey, grew by 40% in the first year after the new jersey historic subcode was adopted, currently 43 cents out of every dollar spent on construction in new jersey is on rehab projects. Moving west, to rutgers university demonstrated a 3-1 return on funds expended through the missouri state historic tax credit program and the widely applicable neighborhood preservation tax credit program that takes into consideration noncontributing buildings and older

January 15, 2003

buildings that might not be contributing. In addition the program is responsible for the creation of more than a thousand units of housing on upper levels of underutilized buildings. These are real results and would be difficult to implement but the question is -- do the results warrant the time and energy needed to put them in place? I believe that they are, and I believe that we can do it. Thank you. Doug.

Doug Klotz: I am Doug. Portland, Oregon, and I think that this is a good start. I would urge the council to, to direct the planning commission -- the planning department to get this language written and get this adopted as soon as we can. So, specifically the, the demolition review and denial process for all national register listed individual and contributing properties. I also note in reading through the document that there was some talk about, about whether it should apply to just the national register properties that applied -- taken advantage of incentives or all of them and I think it should be all of them. The properties will have the opportunity to take advantage of the, of the incentives and if they don't, they don't but that should not exclude them from, from being subject to the demolition review. And I would -- I would take issue with some who say that, that the national register of properties is too big after list. To get on the national register is a fairly exhaustive process, that there is already whittling down in place to the buildings on the national register, and I don't want to see it reduced beyond that. There is examples on the north park blocks area, for instance. The Cornelius hotel, which is my personal favorite in that area, one of the few, I think the three buildings, the ones in downtown with the roof on the top of them, the Cornelius is one, the Esquire hotel in that area is the second one, the third is the Benson. Used to be one further south that, that was recently demolished. So, and there's, there's other properties like that, that, you know, that maybe not on the register, but perhaps they should be or perhaps they should be on an expanded list. Another step, I noticed that the city, the city should, should, is, is recommending the city should use historic buildings when possible. I would also notes that, note that with the Richard Price out on Southeast 39th, which the Richmond neighborhood was involved in, as was, some people in this room in trying to save that house after the fire department had decided that that lot was where they were going to put the fire station. That was on the city's historic register list. The fire department requested that it be taken off the list so that they could get a demolition permit to move it, and, because of the, of the state law and the city codes at the time, the city said oh, yes, you can get a demolition permit for it. Luckily, we were able to at least save it and have them move to another site with the help of, the help of a person in this room that contributed to that effort. Financially. So, just want to say that this is a good start, but we do need to expand that historic -- revise the historic inventory of the city, even though it has no legal status, and look -- start looking at ways to add some legal status to the historic register -- the historic -- the city's historic inventory, as well as these protections that this document would put in place for, for the national registered buildings and contributing buildings.

Katz: Thanks. Steve? Doesn't make any difference. Your testimony is probably going to all be the same. [laughter]

Steve Janik, Ball Janik LLP, representing Oregon Historic Property Owner's Association: Good evening, members of the council. I am Steve Janik representing the Oregon historic property owner's association. The members of that association own a significant number of historic properties in the central city. Last June, we supported the, the extension of demolition delay to the 300 days, but again, we don't support demolition denial, and I won't go on at length about the reasons. Suffice it to say that we think that the demolition denial can block redevelopment of downtown blocks. The standards proffered to date are unworkable. We think that demolition delay has worked well for decades, and in the public acquisition with tax exempt financing is better than imposing the cost on a private property owner. With respect to the, the incentives' report, we have no objection to the bureau of planning's recommendation to continue working on this for six

January 15, 2003

months. We would have two suggestions. One, we think more involvement by actual owners and rehabilitators of historic properties would be useful in trying to shape and frame and get information about the incentives, and number two, we would endorse Kevin Montgomery Smith's testimony about the type of incentives that would have an impact in furthering historic preservation. Thank you.

Greg Peden, Portland Business Alliance: Mayor Katz, members of council, thank you for the opportunity to speak this afternoon. The Portland business alliance does want to recognize the city staff has worked long and hard over the last year on this issue. However the alliance remains concerned about the report submitted before you today. We have been part of the process over the last year and we think that the fact that we are here today a year later without any really strong incentives is indicative that this is a difficult thing to, to find true incentives at. Second, we think that there is many unintended and unknown consequences that need further study. The best example of this is what I've been hearing the last few weeks about demolition denial process and how it may affect something like the city's reservoir system. I am unclear at this point exactly how that works for a public process for, for something like, like the reservoirs. We want to work with the bureau to continue to study this issue over the next six months, or however long it takes. We have a handful of things that we would like to, we would like you to consider and ask and direct the bureau to do. One is the historic property's owners association develop incentives. Second work with the Portland business alliance on the smart codes that Mr. Smith mentioned. Third is to require that any, any code developments, create demolition denial predicated on an economic analysis model that uses actual buildings as test cases, and we requested all changes be analyzed for the impact on the economy in terms of jobs created return on investments and et cetera. And finally, that the concept of contributing properties be dropped from the list of, of demolition denial options.

Saltzman: Maybe Greg said this -- you felt the, the economic -- you said the criterion -- the criteria under the proposed demolition denial are unworkable?

Janik: Yes.

*******:** And --

Saltzman: There is a criterion about economic feasibility?

Janik: Right.

Saltzman: You don't think that it can respond in a way you have just identified your concerns?

Janik: No. I think our problem with that all along has been the way that would work would be for the private developer to lay out all, lay out all of that party's assumptions about what it takes to make an economically feasible deal, and would argue to this city council that it's not economically feasible. And you are not developers and it puts you in a position of having to, in effect, weigh whether or not a given real estate development project is or is not economically feasible, and it would be very awkward if the developer comes in and says the seismic upgrade cost will be 1.8 million and others come in who may not have the expertise and argue no, it will be 1.2 million. You will also hear an argument the developer says the rate of return necessary to make this feasible is going to be 9.8 or 10.2%. Others will come and argue no, you can get by with 6%. It's putting you then in the position to make those arguments. Make those decisions. And then impose your decision on the private property owner.

Saltzman: What if we had something like Cleveland does where investment feasibility studies would be performed presumably by people who are, you know, certifiably smart in these issues?

Janik: Dan, having worked with people who are consultants on, on economic and investment issues, there's a reason that they are consultants and they are, they are not doing the deals.

Saltzman: I take it that's a no. [laughter]

Saltzman: Okay. Thanks.

January 15, 2003

Katz: Not a snippy no, but a "no." okay.

Katz: Let me just -- I thought planning was recommending that that -- those announcements be done by an independent party. That's what I thought that I understood. We were incapable, though, we do -- we will come back to you after all of the testimony. Go ahead.

Robin White, Portland Metropolitan BOMA: Good evening. I am robin white. Portland metropolitan boma and I am here to express our support for the planning bureau's request for additional time, but to also outline or express some of our concerns. Boma members own and manage office buildings throughout the metropolitan area. Many of which are, in fact, either on the register or contributing buildings. Fundamentally, we don't believe that demolition denial is a wise idea. I believe that the statistics that were presented last spring and then again tonight show that we are not talking about a major loss of these buildings. Of the 1700, I believe that are on it, since 1996, we were talking about one, one a year, possibly. During a time when that was Portland's most strongest market that we have had in quite a while. Trying to write criteria for -- and processes that address historic districts, individual buildings, commercial, residential, and related permutations seems unwieldy and could likely result in a regulatory and administrative quagmire. It was pointed out the city council already has the ability to, to stop demolition through the code revisions that extended the delay to 300 days. This allows the city time to, to complete an economic analysis and if appropriate, acquire the property through condemnation and purchase. In reality, a delay of 300 days could, in fact, sour a deal and/or financing, thus essentially precluding the demolition of an existing building. We are interested in the incentives that make preservation viable, and the bottom line is that at the end of the day it is a question of whether a building pencils, pencils out in redevelopment and in management. Grant and loan programs are good. But, so, too, are the changes in the zoning code, building code, adjustment to the code triggers and process facilitation, but during the last six months, we really don't feel that any of those alternatives have been explored enough to know that they are truly going to, to find a way to make these buildings survive and become economically successful. In doing that, we believe that the bureau has to have a real understanding of commercial real estate economics. And our members would be happy to work with the staff to help them better understand this. I think that, also, as the bureau proceeds, it's important to have substantive discussions with the owners of historic properties about the details of any proposals because they are the people that know whether something is going to work or not. There are a lot of people that came forward last spring and offered their assistance, and quite frankly only one developer was on the advisory committee. Those are the people who are going to know whether something is going to play out in real life or not. And with that, we would offer assistance in any way in helping the staff to accomplish something that works for everybody.

Katz: Thanks.

John Czarneck, Chair, Portland Landmarks Commission: Good evening. I am john czarneck, 2742 northwest xavior street, president of the Portland landmarks commission. Thanks for the continued opportunity to comment on the amendments. The commission met last monday and came to a couple of very specific recommendations. First of all, understanding the, the appreciation of the hard work that staff and the advisory committee have, have done over the last six months or so. There are two concerns. The first is that, that specific zoning obstacles to preservation should be removed. And that is among those are the minimum housing density requirements as they apply to a, adaptive reuse of existing historic structures, and the other related one would be the, the, the requirements for setbacks in those same instances. The, so that we support continued looking at the zoning code as a, as a, as a way to, to remove obstacles. Not so much as incentives but to, but to lighten the burden of, of historic resources owners. Secondly, the -- we feel the two-step demolition review process outline on page 25 and described by staff should actually include the landmark's commission as the first public review body. That sounds self-serving probably but what we are

January 15, 2003

trying to do is, is we feel that, that property owners shouldn't necessarily have to go to council as their first step. Sometimes these things are often these things can, should be accomplished at the lowest possible level of, of review. We are concerned that the, the, that the application of public policy goals in relationship to architectural historic significance as a single criterion might not provide historic resources with, with adequate protection. The need for economic analysis in the first step of the process may, in fact, encourage property owners to more carefully explore potential benefits of preservation from the beginning. The other part of it, it seems that, that, that the, the public policy goals can, in fact, perhaps be considered by the landmarks commission or another body, other than the city council, probably pretty usefully. It seems as those goals are found in the comprehensive plan and the amendments or other forms of published policy. The planning staff would be more than competent to provide expert advice leaving the council calendar open, open to handle appeals in these cases. The, I guess the third aspect is we are glad to see the preservation plan and hope that, that, that the historic resources inventory is part of that preservation plan. Go ahead.

Marsha Hanchrow I am marcia I encourage council --

Katz: Come closer to the mike.

Hanchrow: I encourage council to at the least support and approve this. And I do mean it at the very least. I have got an 1895 house that's not listed on the historic register. If I can restore it well enough and the neighborhood becomes listed, which is a possibility, it would be a contributing property. Until then, i'm afraid to do anything that's going to require an inspector to come in. So, i'm stumping for the alternate building codes and the, the, the guidelines to interpretation for the older buildings because I don't want to do as bad of a job as previous owners have done, and I don't want to do nothing. I would like this to be a contributing house. You know. It's, it's -- it's one of the ones, one of many that, that we should be restoring. So, I encourage you to support this and bring it beyond just the national register properties. At least in terms of guidance, make sure that all of the, the, all the older properties are, are encouraged to be what they should have been and were.

Katz: Thank you.

Katz: Somebody start. Go ahead.

Dustin Posner: Hi. I am dustin posner, 2831 northwest cornell road. I am an architect here in Portland, and I was involved in the renovation of the governor hotel back in 1991, '92.

Katz: And you did a beautiful job.

Posner: Yeah. And there is a building where we actually gutted the building for the most part in the nonhistoric spaces, and yet we are able to reconstruct those spaces with a feel that I think honors the, the original intent and feel. Just a few points I wanted to make tonight. One is i'm very supportive of the planning process that the bureau has been doing. I would like to see it accelerated, you know. I'd like to see this brought to a conclusion. I think that the hard decisions need to be made and we need to step up to the plate and do that. I'm very supportive of the demolition review and feel that, that denial is a critical ability for the council. There are some properties that we just should have the ability, you know, if there are significant enough to the community to, to say that they have to be. Updating the inventory, I think is, is a very important task that the city needs to step up to the plate to. I think that one of the things you need to do is direct staff to figure out how that process gets funded and develop a time frame for it. Those become an interesting resource, when, when you go back. I have used it in the last couple of years to go back and look at properties that, that, that sometimes when we are working with, with an owner or something on, on a development project, just what are the resources immediately around, and it's an invaluable tool, becomes a snapshot of the city, and I think that, that it needs not to get sidelined or, or fall between the cracks. It's a very, very valuable tool. The last two points, I think that the whole issue of looking at the zoning code and the zoning conflicts is very important.

January 15, 2003

Whether it, you know, be allowing exemptions to conditional use or historic overlays, i'm not sure what the right tool is, but, you know, I have heard we can't, you know, zoning won't allow this use for a building, so we can't proceed. It might be putting housing in a building where it might make sense and you might make it pencil out but where the zoning code wouldn't normally allow housing in that area. I'm not so worried as commissioner Saltzman about whether, whether banks will land on it. A developer can figure out a way to do it, and the, the barrier is, is the zoning code. I think we ought to, to not have that be the issue, you know. If, if -- there are many tools for, for figuring out how to do financing, and, and I think that, that -- I am less concerned about worrying -- anticipatory that somebody won't loan, versus removing the barrier. The last is a point that nobody else has really addressed, which is that if we have a major earthquake in this town a lot of the buildings which haven't been seismically upgraded are vulnerable, and there will be a strong push to do demolition, and I think that, that we might ask the staff to look at, are there special tools we need in place in case we have a major seismic event to temporarily stabilize these buildings or allow them to, to, to remain in place in some stabilized condition until we can make, make a, a step back and look at whether they really need to be torn down versus sort of working in a crisis mode.

Katz: Thank you.

Wade Younie, Chair, Structural Engineers Association: Hi. I am wade. I am a structural engineer and a partner with, with wdy in Portland. I am the chairman of the structural engineers association of Oregon. Vintage building committee, and actually been involved in riding a lot of the, of the triggers that we have been talking about. I specialize in seismic upgrade of vintage buildings, and I would consider myself a building preservationist since, I mean, that's really what my work kind of focuses on. I successfully upgraded many older buildings, including ones on the historic register. Unfortunately, like he was saying, many of these buildings are real seismic hazards. Just, just like the mechanical and electrical systems in these buildings, they become outdated, and the lateral systems are, are outdated, also. Most of the historic buildings are unreinforced masonry, which means that they are very heavy, but, but not very strong. And they are historically the worst performing buildings during earthquakes. Most of these -- these buildings can be upgraded while maintaining the historic fabric, and I have worked on several of these buildings. And the best time to, to do the upgrades is when you are doing the tenant improvements because that's when all the dust is, is flying around and you have access to the, to the, you know, the structural systems. You can do them during the ada upgrades, and I don't think that, that the triggers should be, you know, softened too much because why would you want to spend a lot of money on, on upgrading an existing building and not at least consider upgrading some of the structural systems.

Katz: Thank you.

David O'Longaigh: I am david, a structural engineer like wade and I apologize for sounding like a broken record because I probably will. I am in eastmoreland resident. Like wade I have been working in engineering in the city of Portland. I also specialize in historic buildings. I have upgraded and been involved in the upgrade of dozens of historic buildings. The reports submitted to the council recommends the city revise the triggers for seismic upgrades for historic buildings. It recommends that the triggers be relaxed. It should be noted when the triggers are first regulated, they were criticized by the state seismic safety advisory committee for being too lenient. But, that criticism was ignored at the time. I do believe that it is time to revisit these regulations. But not, not just to review to adjusting figures for inflation, but also to look at new triggers that might be potential for historic buildings. Similar to what, what the first speaker said about what happens after an earthquake when a building is damaged. We need to have something in place before the earthquake instead of after. I believe that the renovation project of a historic building should absolutely include a seismic upgrade. In my mind by definition, it is not a preservation project

January 15, 2003

unless it includes a seismic upgrade. The prevention should not only be about saving historic buildings, though, but about saving lives. Earthquakes kill people, and they particularly kill people in old masonry historic buildings. So, let's not sacrifice lives for dollars. I, too, am an advocate for saving historic buildings but also an advocate for saving lives. And I do not think that the city should relax the regulations. They are working. They are helping preserve Portland's history on building it. Thanks.

Katz: Thanks.

Jeff Linman: Good evening. I'm Jeff Linman, I reside at 01901 South Carrie Lane in Portland. I am the owner of the Portland railway light and power carmen's clubhouse. It is a small building in Sellwood which was part of Portland's trolley system in the early 1900's. It was recently placed on the national historic registry. In fact, it has been showcased recently as a preservation success story. Mayor Katz, your recent letter regarding the East Side Carbind, which is owned by Rean College, also pointed out the building was an example of a preservation success. I completely support the demolition proposal and tax incentives discussed tonight. My message to you tonight is that these two elements are not sufficient to insure individuals will undertake projects such as ours. I am talking about the small things. The building permit process for us took 357 days, and we were given so many hurdles that probably on a dozen different occasions we considered abandoning the project. But, we are very stubborn. So, highlighting off of a couple of recommendations that came earlier in terms of, of being flexible and also finding some people within the city to help individuals such as myself and the high school teacher by trade. I am not a building construction expert, would be much appreciated. It does not work right now for our individuals trying to do the right thing to preserve our city's historic treasures. We must really look hard at creating incentives, effective ones to us. One of those would be trying to remove obstacles, such as code violations and preferably for us as individuals to have people within the city that would be experts in historic preservation, so we would understand what we were getting into at the beginning. And so we would really like to recommend that we move forward on the demolition proposal on the tax incentives presented tonight but also to look very strongly at trying to find ways within the, the building department to provide further incentives for individuals who have pieces of property, who are, or who are considering getting pieces of property that will ultimately end up on the historic registry. Thank you.

Dixie Johnston: I am Dixie Johnston, Collins' View Neighborhood Association. I fully endorse what Gill Kelly and Cielo are proposing. I think that it's something that is really needed and I hope that you will encourage them in their good work. One of the things that I would like to, to also be considered is the public buildings. This building and the, the library are good examples of public buildings that have been, been restored. And I would also like to, to have restored or, or something in the code a trigger to help keep the public school buildings. Right now, the school board is considering closing schools, selling off some of their property, and I cannot tell for sure as this is written if there's any way for the city to give the school district any incentives to look at the buildings before they are demolished. I do know of one instance where, where a school building had, had been given the seismic upgrades and the ADA compliant things that were necessary to keep it going. We had a bond measure that allowed this for all -- 107 school buildings. Two years later, the building was demolished or at least partially demolished. And I would like to, to see if there is a way that we could have a long-range plan to help the school district as they look forward to the use of their buildings. I'd hate to have a building demolished when it is just been renovated and been brought up to code. There is, according to the, the, the Innovation Partnership and the Long Range Facilities' plan, there are three buildings that are historic landmarks that are public schools. There are 47 others on the historic resources inventory, and perhaps, 20 additional, which could be included. I do not know how many of those are officially on the national historic resources list.

January 15, 2003

But, I think that this should be checked out and I think that there should be a way to trigger this. I know that the school board may not be overly enthusiastic at this time. I think that that was the bell. Yes. I think that the school board is not too enthusiastic at this time, but I think that the citizens would be interested if we could be given the tools, maybe we can raise some money to have them listed and this might help the bureau of planning in their work. Thank you.

Alfred Staehli: Good evening. I am Alfred Staley, historic preservation architect and conservator. I have three, maybe just two points that I want to emphasize this evening. The first one is just basically I can't be here without commenting that, that you do need to rewrite the entire code. It is a mess. I would challenge you or anybody else in this room to interpret that code consistently. When you have to turn 15 pages to find the continuation of a subject, you know, something is wrong.

Katz: Let me -- I am taking your time but I will give you more time, commissioner Leonard. We have been lectured on this. [laughter]

Katz: And.

Staehli: I gave you all a letter which lectured on it.

Katz: Yeah. [laughter]

Staehli: But, the main thing is our incentives and building code compliance. The subject of the incentives comes up all the time. I, fortunately, don't have to deal with it because I don't work with the developers, fortunately. So, the question is, is how much is enough. You know, and who, who gets it and when and under what circumstances. I think that in order to do this, you are going to have to, to do what I have been recommending for years, is to come up with a system of priorities in the Portland inventory of landmarks. In other words, if you have a priority one landmark, what does that mean? In terms of, of, the effort going towards the preservation. What kind of goodies does it get. Is public ownership by, by acquisition or condemnation or, or because the owner just plain walks away from it incumbent to say, to save that landmark. There are, very few of the landmarks that fall into that category. But, it's so on down the scale and the bulk of the Portland inventory, I did the visual part of the inventory, and it's properties that appeared to meet the minimum requirements for listing of the national register, which is a very inclusive document, and it does not mean that none of them are necessarily the rarest and finest. So, you know, they are in there primary follow academic interest and many properties who are not in the Portland inventory have also been nominated the national register of historic places because when the inventory was done, we just didn't know that much about them. So, the point is you need to target, you know, your, your, your, your incentives to the properties that, that you deserve the, the highest effort to get to them. Otherwise, there is going to be a morass. The second is building code compliance. One of the principles of historic preservation is substantial building code compliance. You will not spend hundreds or thousands or millions of dollars preserving and restoring a landmark only to basically have it vulnerable to disaster. And or, you know, and lose it. So, I just wanted to make that point out. There are many, many alternative codes existing already that could be referenced. There are many alternative systems of, of historic building material analysis, and their code compliance equivalence to, to current products and so on. These things all exist and they are available and they are used by professional restoration projects.

Katz: Thank you.

*****: That's it. Thank you.

Jackie Peterson, President, Old Town History Project: Hi, I am Jackie Peterson. 2644 northeast 32nd place. I am a professor of history and also the president of a nonprofit, the Old Town History Project. And for commissioner Leonard, we have had this conversation before, but I personally am extremely proud of -- to see the document and to believe finally that, that this is a city that wants to reclaim the position as a city committed to preservation, and while the document has, has scenarios which I feel could be improved, I think that the incentives list could be broadened. I'd like to see

January 15, 2003

greater attention paid to the incentives mentioned by Kevin Montgomery Smith, for example. But overall on the preservation side, I think that, that those of us who were concerned about, about districts like Old Town, Chinatown, and Skidmore, that this goes a long way. We have come a long way in the last year. The one thing that I think members of our board and the community of Old Town, Chinatown would like you to hear again is that if there's still confusion about, about why there seems to be so many properties suddenly on the list of, of properties that could be protected and the distinction between landmarks, or historic properties on the register and contributing properties, I think what we saw last year, and I want to reiterate this, is that the state law basically has mandated that, that those cities that have a covenant with the state for preservation are bound by state law to protect all of the properties listed in the register, and that includes all of the contributing properties within the historic districts. So, there really isn't a distinction here. For instance, there are only two individually listed landmarks in the entire Chinatown historic district. So, that if you eliminated the contributing properties, it would mean that the only buildings in that very important historic district that would be subject to demolition review and denial would be those which have been previously listed under the Skidmore district. So, it's very important, I think, for the city to recognize if the districts have the validity and integrity in and of themselves, many of the properties within the districts could and perhaps need to be individually listed, their owners would have to go through the process if, in fact, that protection were dropped. I am happy to say that it's, it's included and I am here to encourage you to make sure those properties continue to be protected. Thank you.

Peter Fry: Peter Fry. I sit here supporting that protection of both national landmarks and also local landmarks from demolition. I support demolition delay in all cases and denial and specific cases where findings can be made. The reason that we have not seen the loss of buildings recently is because Portland has restricted and prohibited the creation of surface parking lots in the historic areas. In fact, we usually lose buildings in bad times, not good times because during good times you have the money to renovate historic buildings. You want to protect that resource. In bad times, the buildings get lost. These are an example of that where the '60's and '70's saw devastation of that area. The theater was torn down, and gaps were created between the historic buildings creating almost the loss of the historic fabric and the inability to get it declared as a national historic district, although we did succeed. I strongly support zoning incentives, specific until 1991, the zoning code did allow national landmarks in industrial zones to have residential uses through conditional use processes and I would ask that that would include office uses. Office and retail sales and services should be allowed. Conditional uses in all residential zones. I recently managed to get a conditional use for a museum and a residential zone, and the bank financing was, was contingent on the ability to get the conditional use approved. I also had a French school approved and a national historic landmark in which, which allowed the property to retain itself as a national landmark which leads me to my third and last point. The city has actually rezoned many of the large national landmark properties. I am talking about the mansion surrounded by property to high density residential to effect on the map a, a much higher density available housing. Unfortunately, in order to, to get that housing, you have to destroy the buildings, and so these properties are zoned R-1, R-h, when, in fact, they really don't have that, have that capacity unless you destroy the building. So, I think that we need to really look at the zoning issues more carefully and not just -- it seems to me that we are ignoring and I don't find it surprising that everybody wants to go after the money first because zoning, obviously, is much more difficult to deal with. Thank you.

Katz: Thank you, Peter.

Katz: Anybody else? There is an empty chair. Anybody else? Come on, Rick. Okay. Grab the seat.

*****: I think this is an old planner's meeting. [laughter]

Katz: I just realized that, myself.

January 15, 2003

Jerry Powell, Planning Chair, Foothills League: Ma'am mayor, members of the could you please, I am jerry powell. I am planning chair of the foothills league, I live at 1441 southwest harrison street in the goose hollow area. As you may be aware, goose hollow is the host of a fairly significant historic district. Basically it's with respect to the historic districts that, that my concerns come, come forward tonight. There is 17 historic districts in the city of Portland. There are about a half a dozen of them that are even aware this process is going on. The reason for that is that the city has treated the districts through no fault of your own, but nevertheless, treated them as sort of bad stepchildren. They aren't listed. They aren't kept track of, and maybe, maybe going that step to, to provide an accommodation of the districts is, is beyond where, where the public really has to go. But, when it comes to the point of taking actions that, that, that drastically affect their ability to, to remain as historic districts, then I think that there is a public obligation to find those folks and inform them of the, of the process. They have a, a, not just a general interest but a particular interest. It would be fair -- it wouldn't be that difficult for, say by the council direction, but someone in this organization, whether it be, be in the planning bureau, the, or the, the, or ohny, to keep track of the members of the historic district advisory's council. You wouldn't have the potential notice problem that, that you have right now. The historic districts have a very particular place in the fabric of the city. And that's because they aren't so much individual buildings. They aren't structures that, that are, that are subject to, to an individual action of, of demolition or, or construction or reconstruction adding onto or what have you. They are contexts of their own, a piece of fabric, a part of the quilt that's the city. If you destroy that piece of fabric by, by taking pieces out of it, then you cease having a viable historic district. You might as well end the district. Now, we know that, that those districts have not yet just an he is thetic and historic value but an economic -- an aesthetic and historic value but an economic one. There is an interest in keeping those alive. Cities, cities that destroyed their history and economies and they, they have eaten themselves out from the inside. We can't have that. Those 17 districts are, are too important to the city to allow them to be taken apart piecemeal. If you can't deny demolition, then you basically can't keep that from happening. There are circumstances that, that demolition denial is an absolute - - having that option is an absolute necessity.

Katz: Thanks, jerry. Your time is up.

Ernie Munch: My name is ernie munch, and I am an architect and urban planner. I have done work with, with the, the park foundation but I am here testifying on my own. I have read the staff report and I commend it. I think that it is a very good report. And I support the incentives listed there. With one addition, I think that, that the city ought to look at putting a fund together that would grow and be sufficient to aim at Portland's finest landmarks. I think that we need at times to invest in these landmarks, and I think that, that places like savannah has had very good results in getting people to contribute to that fund and growing and undertaking a significant amount of preservation in that way. I feel that the suggestion of relaxing seismic requirements is not a good one. I feel very strongly about that. In my career, my practice I worked in five historic buildings, and none of them have really been seismically improved. The one I am in now, you know, I think if there is a large earthquake, it would be quite dangerous. I wasn't in the building when the 2001 quake went through but my staff said that it was, was -- the ones right up on top was hair raising, and I think that so for the sake of, of the buildings and for the sake of the people inside, in my case, my staff and others, other associates, you shouldn't do that. You should find a way to get these buildings in seismically sound condition by staging it. I think that there is a lot that has been done and can be done through the building permit process to allow that, when you replace the roof, put a diaphragm on and tie that in. And I think that, that some financial help could be given to the structures to make sure that they are upgraded. If we don't do that, given san francisco's experience with the embark dareo freeway, you can hold a vote and say that it should be held up. But, mother

January 15, 2003

nature may have other ideas, and then we tear them all down and your ordinance is not worth much unless they are upgraded. So, I feel very strongly that, that we should find a way to get these buildings in compliance, progressively -- progressing over a number of years or all at once. In terms of demolition review, happy to see that, that the delay is in place. And I think that probably it should, it should have a broader application. I don't think that all our valuable -- and some of our most valuable buildings are not listed on the national registry so I think that should be broadened even if it has to go back to the state legislature. In terms of demolition denial, I think that I could support that when it is used in very rare case to say protect the city's finest historic resources. That goes to the inventory, and I think that there's a more economical way than taking on the whole inventory to determine what are the ten, 20, 30, 100 most important buildings and applying that there. And I think that, that if it is applied, it should be done where -- it's a very difficult thing to do, the criteria, getting through the process, very expensive and could be very detrimental development. If it is done, we ought to be very certain about what the, the cause is, that it is a very important building. Like this building, like the Multnomah hotel and I mean, the, the Multnomah county library, and we should be sure about that. So if we do take on demolition denial, we have to work on that list.

Katz: Thanks. Karla, you will have to do something with the bell. Okay.

Rick Michaelson: Good evening. I am rick michaelson and I do and have made my living renovating and managing historic buildings. I was not planning to testify, to testify tonight. I think we spent too much time hearing each other talk about this issue for the past number of years and it's time to act and do it right and the rest -- what the rest of the country does. I am tired of hearing how it is impossible to develop criteria fair to the development community. Knowing that all of the -- over 300 cities have the ability to do demolition. I think, also it's important we change the way we talk about it. We not talking about a process to deny it but to approve it. And like we have a process to allow the filling of wetlands, there are steps you need to go through to demonstrate that it is appropriate to fill or to tear the building down. It is mitigation you have to do and put a package together 99% of the time the answer is yes. But, it's a yes, but this is what you do first or this is how you do it. To protect the resource or protect the value that's there, even though the particular resources are destroyed. Without some method to say no, you don't have the method to, to say yes, but. And it's the yes, but, that's more important than the no. And therefore, I think that we should recall this demolition approval and the process for demolition approval for most buildings, is very simple to get the demolition approved, just a permit. For others, it's more complicated. But, it's still a process that allows people to apply for approval for a demolition. Thank you.

Katz: Thanks.

Saltzman: A question for ernie. Ernie, if I understood your testimony, you are recommending that there be some subset of very special buildings that would be subject to demolition denial?

Munch: I think it would be productive. The city now has a system -- resource inventory which has landmarks, class one, or rank one, rank two, rank three. And not -- and there's no one that I have talked to -- I am not an expert in this, that has any faith in that. The inventory. So, we really have to go back and redo that. National register properties have had more examination landmark, city landmark properties have had more examination. But, I think that there is an easier way to do it. And it's to sit down and to, perhaps business put together some criteria but to try to list out our most precious landmarks, what are they. This building would be one of them. The county library would be another, and the deacon building -- you can go down and rank them and at some point, you draw a line and say, okay, here's ow group. It may be the top ten, 20, 50, top 100. What we are going to do, going to do is apply our strictest criteria to those and maybe a district, maybe a single building, group of buildings, and also we are going to invest in those, okay. We are going to start spending some, some dollars on trying to bring those up, as you did in this building, as you did in the

January 15, 2003

Multnomah hotel. -- as you did in the Multnomah hotel -- I am sorry, library. It's jerry's fault lawful. So I think that that would be use if you mean. I think, I think that it's a shorthand way of doing t not to say that we shouldn't do the inventory. It may be too cumbersome and too costly. That shouldn't be used as an excuse not to do the other thing. I think that it's -- it is wonderful that we are concentrating on the historic preservation again. We have to, I think, to make it effective as possible, I think that we have to really hone in on those, that, that, on what, what should we preserve.

Katz: Do you want to add something to that?

Michaelson: No. I agree with ernie, and I think that it is a question of what you require each of the different levels to do in order to, to justify the demolition. Some may be so special it's never. Others, it's a matter of documentation and salvage and others it's just, just fine, sign the papers, and but I think that that ranking is very important.

Powell: Mayor Katz, the, one of the problems with the inventory that exists now is that, is that it is 20 years old. Things change. Buildings that were not seen to be significant 20 years ago have become so. Buildings that were not quite as important then as they are now because we know different things. Have, have achieved that level. So, I think that, that the three of us are all saying pretty much that same thing at any rate, among other things.

Katz: Thank you.

Katz: I think david is the last one. Do you want to come on up? David?

David Greene: My name is david. I live at 6826 in the historic piedmont area and I participated in the albina plan --

Katz: You must have been 3 years old.

Greene: Thank you. I will vote for you next time. [laughter]

Greene: Controls that we put in place now, will effect the face of Portland for generations to come. Long after we are all gone. We are merely a temporary stewards of Portland's legacy, and have a responsibility to take good care of our historic properties until that task passes onto the future stewards. Demolition denial and other controls will serve to separate the, the stewards from the quick cash developers. Near percentage points on paper as to a building's financial feasibility are ignoring the important rate of return on pride. Many businesses located and restored or maintained historic property buildings are successful due to their customer appreciation for the restoration efforts. The governor hotel, embassy suites, kells and most mcmenamins to name only a few. I encourage the council to pass delay and denial and to use it judiciously.

Katz: Thank you.

Justin Dune: Justin dune. I live at 325 northwest hamilton and worked for many years as a reviewer on many of the projects. And I was pleased to come this evening and hear the testimony, which I think has been very balanced and I have noticed one gap, and perhaps it's not there but in case it is, perhaps I can speak to that one gap. And the proposal that we are looking at really has two pieces, or possibly three. A piece that controls demolition and says, if it really matters, we ought to have a way to save it. Even if the numbers don't necessarily pencil out today. The second piece is, is to encourage the redevelopment of buildings by making them more economically feasible, allowing uses that wouldn't otherwise have been there, financial incentives. That's a second piece. The third piece is the one that i'd like to speak to, and that is the piece that calls for downgrading the seismic requirements in order to save money, make the projects more attractive. The piece that I think may be missing in today's testimony is, is this -- is the engineers have spoken and several of the planners very concerned about the potential loss of life when, not if, we get a major earthquake. The current ordinance, however, places a much higher penalty on small buildings than it does on large buildings, and this is the gap in today's discussion. Basically the ordinance as it stands today allows a building owner to upgrade seriously intensify the use of about

January 15, 2003

a sixth of the building. So, if you have a high-rise building and the owner tops put a night club on the top floor or a restaurant on the ground floor where there was previously office, it's easy to do. Seismic upgrade is not necessarily required. I was the reviewer on the project for the trolley station

--

Katz: Excuse me, explain to the council when you say that you were a reviewer.

Dune: Plan reviewer, but I am speaking on my own, please.

Katz: Okay.

Dune: I'm bringing 20 years of reviewing experience, but not the policy of the bureau.

Katz: Okay. Fair enough.

Dune: It is a lot easier to intensify the use in a large building. I was the reviewer on the trolley project where the owner spoke, and what may not have come through is because that was a very small building, and a very good use went into it. A building that would otherwise have been abandoned completely became very nice office space and kept business downtown exactly what we would like but it involved 100% of a small building, and so they were faced with a full seismic upgrade requirement whereas the same amount of space, you know, a quarter block or eighth block building would not have been rated those requirements. So, if there were a way not to, to, across the board, relax the seismic requirements so that our large buildings went unreinforced, more people killed in an earthquake, if there was a way to balance that, however, so that the smaller projects, perhaps, didn't carry an unfair share of the burden. I am association but that's the gap that I heard as I was listening to the testimony.

Katz: Thank you. All right. Come on back up and comment on what we heard and what I would like to do then is ask the council to share with me and with, with the staff what you would like to see now. I'm going to use that information judiciously, and I am going to filter it at the appropriate time. But, I do want to hear at least initially what it is that, that, that you would like me to bring back.

Kelley: Well, if I could begin, I just wanted to respond to comments made by three speakers, so the ones that stuck in my mind most clearly. First of all, Steve Janic and I wanted to allay some of the fear that he might have about this review on the, the economic feasibility of, of demolition approval or denial. I understand conceptually his, his argument about, about having worked in a jurisdiction in California for many years that had very strict demolition requirements, that jurisdiction and many of those on the 274 that have this have a very similar provision, and that really cut both ways in terms of, of actually demonstrating to, to both staff and decision makers that in many cases a strict application of the denial would result in financial and feasibility and therefore, the decision was to grant whole or partial demolitions, partial in the case where we had a complex of buildings. And secondly, the debate tended not to move very quickly from the financial aspects because it was really done professional-to-professional. Someone on the development team and someone on my staff, in that case, because I supervise both the historic preservation program, as well as the economic development unit, whose bread and butter was to review proformas every day. We are proposing a consultant because bbs would be the group reviewing these applications at the moment.

This would augment expertise they may not have. And provide a certainty about objectivity because that consultant would be someone known to the development community and whose credentials would be, would be without any question. But what it did was move the debate very quickly to alternatives, and alternatives could be different ways to, to approach the engineering solution. It could be alternative ways of configuring the use. It could be getting its staging requirements -- it sort of unstuck from -- it didn't become, in most cases, an endless battle of, he said, she said about whether the, the construction numbers are right or whether the rate of return was agreed upon. Those became ranges, and standards pretty well, well argued out professional-to-professional at the beginning. The, the decisionmakers and the public rally centered around

January 15, 2003

alternative approaches to the solution, and in many cases, that period just focused both the development side and the preservation side on, on the more realistic set of approaches to the problem. So, i'm having gone through that experience personally, for, for 10 or 15 years, i'm not at all -- I don't share those fears that steve had. I needed to say that part of it. And the criteria, I think, that we are devising or would be devising brought enough to allow what rick michaelson said, which is to, to allow for the yes-but case, and I think that that's an important distinction to make. The second set of comments I wanted to address were those advanced by kevin montgomery smith. I think very thoughtful comments here, and I wanted to, to ask steve and cielo to take a minute to walk through some of the other incentives mentioned that we did examine just in case you are thinking that we didn't look at those, but I also wanted, including flexibility on use on sdc waivers and so forth because those are sort of obvious things to look at and we did make a first pass at those and I wanted to at least have you here from -- hear from them why they were included in the recommendation but also to let you know that i'd like to take another pass at that personally and look to see if there aren't some other things that we might be able to do there. But, their application seemed promising on, on -- at the front end but then very limited when we worked through them. I just wanted you to hear a bit about that and I will let them explain that. The other part of his comments and others I think are also demand another look at the notion of having a facilitator in the organization and the historic building owner, they mentioned that. I think it is an important thing for us to look at, that's a, a, probably an issue that we need to talk through with bds and maybe become a work program issue, but I think that that's one where obviously, there could be a lot of, a lot of help. Secondly, we are suggesting that we and bbs do some work in this six-month period to make the permitting process and standards more transparent and user-friendly to the group of building owners that would be -- would be renovating and restoring historic resources. The notion of having a smart code is one that I think has some appeal as far as I understand it, but I think that it is probably on a longer time frame than we are talking about here, and part of your action may be to, to proceed with these -- this, this bundle of things as, as augmented by your decision and ask bds to further investigate that because I think that that's -- that has a lot of promise, but probably involves a lot of aspects of the building code besides some of the ones have been, I have been focused on tonight. And then to, to dr ernie munch's question -- by the way, I think that there is some confusion about what the inventory is versus what this group of, of 1700 designated buildings or contributing structures is -- the inventory is, is essentially an information based on a survey done in the '80's composed of roughly 5,000 buildings so it's larger. Those are not designated in the ordinance. They are kind of the, the stuff of the survey out there, and that, I would agree, that survey should be revisited from time to time, and we weren't attempting to use the, the budget or work program implications as an excuse not to do it but simply kind of a reality check. I don't want to go away and promise that we will do that in six months, just as a, as a, you know, reference point, and neither cielo and I were here and steve was in a different function at the time. But the last time we did the survey, it was done from 1980-85. It took roughly five years. There were one to two dedicated staffing on it and 15 interns. So, it's not something that happens real quickly. Although, we can reexamine that. But I am not -- I think that that's a good thing to do. I'm not sure it directly affects us unless you are going to the question that ernie munch raised -- which was to somehow take this body of 1700 designated structures and try to stratify that into the most worthy buildings, and that, I think, you need to think about for a moment because on the surface, it seems like a good suggestion, but when you get past this building and the Multnomah county library, it gets tougher to draw the line, and to try to imagine my crew construct that, but yourselves, which is the most worthy, and although that might be a worthy goal, perhaps the simpler, more efficient way to approach that is really to look at this up -- at this one or two buildings that may come forward in any given year and decide it on the basis of a case in front of you. And I think that that my be,

January 15, 2003

perhaps, not as logically appealing but probably functionally and practically much more realistic way to do it. So, I would urge you to focus us on the proposal that's in front of you and to work on filling out the incentives and to work on devising the criteria in process so that a person can come forward and demonstrate that they should be granted the demolition.

Katz: Gill, we don't need to hear all of that, unless the council wants to hear it. It's almost 8:00. I think that they know that you have heard it and you want to take another look at it. Talk a little bit about some of the zoning barriers and your feeling on that.

Kelley: I'd like to look at that, too. I think one fear was about the minimum housing density where, requirement you go to redevelop and perhaps the only way to achieve those was to knock down -- was to knock down an existing structure. My understanding were that we went through the bodies of properties involved here and found that that might be the case on a very, very limited number of sites. A handful, I think.

Dotterer: I think it's important to understand that there is an existing provision in the code that says that if you are working with an existing building, that the minimum density requirements don't apply, and that's already -- so it's already true for all buildings that are, that are presently a residential building, and you are going to, to do some remodeling. You don't have to meet the minimum density. So --

Saltzman: What about shriner's hospital?

Dotterer: It wasn't -- there's the case. So that, that, but for most of the others, that we have been talking about, that, that the, the requirement doesn't apply anyway. So --

Kelley: I would like to talk to, to peter frye to understand his, his information more clearly. Liked to talk with the staff about the conditional use where you might vary the use of a property. I think that that can engender some other debates within central east side and other neighbors, you might imagine how far out you stretch that but I think that that's an, a promising area we may want to look into as to whether there might not be some other flexibility in the zoning code.

Katz: Okay. All right. So hearing that, are there any other issues you want him to take a, to take a look at before we bring him back? Go ahead.

Saltzman: The, the -- well, in addition to the minimum housing densities, I heard discussion about a historic resource overlay zone that would allow flexibility -- outright uses rather than conditional uses? And I think that that's -- I think that that's consistent with what peter frye was talking about, also, in tellers of allowing for national landmarks, office and retail sales and service and residential uses for natural landmarks. I think that those are things that I would like to see us look at. The, the -- I would like to see the inventory updated, I guess, all of us would. And I just wanted to make sure that I understood that the step one under denial, the, the things you would look at are, are contained on page 14 of the report, there's like some bullet points, an economic hardship analysis, the rate of return, a requirement for simultaneous issuance of a demolition permit with a permit for new construction. Are these all things that, that we are planning to do?

Lutino: That's not part of the first review that we are -- that was described later in the, that is described later in the report. These are components that the advisory group suggested be included in demolition review, you know, as possible avenues for, for alternatives or how the review should proceed and I think that, in the next six months, as we develop the regulation, we can kernel include some of the elements but the six months would be a good time period to explore further some of the suggestions.

Saltzman: I certainly that I a simultaneous issuance of a permit for new construction makes a lot of sense, and i'd like to see that. At least be part of that. The -- I guess the only other thing I am really struggling with is a seismic -- it's, it's tough.

Kelley: We have posited maybe an, an easy fix so that we don't have to get into all the details of how the, the code might work or be interpreted or be changed to say that we could, we could raise

January 15, 2003

the, the threshold at which you trigger seismic upgrade. That's a simple way to approach it. I can see in certain circumstances, how we might be compromising our aspiration toward life safety a bit, and so I think we need to look more closely, and I am intrigued by ernie munch's comment about the sort of staging or phasing of compliance. That's a conversation we really need to have with margaret and the building bureau. That's an approach that I have taken before, and --

Saltzman: Something along that line that would work. The other thing was, there was discussion about having some sort of a post earthquake strategy for making sure that we don't, that we don't just, just not have a lot of buildings, and I don't know where, where -- whose responsibility that falls under but it seems like something that, that is a good idea.

Sten: I mainly just wanted to see the whole package. I guess -- I think that we have taken steps forward. I am disappointed we don't have more on the incentives. The issue for me will be, what are the incentives look like. I think we share in it. I won't spend a long time, the desire to save the buildings. And I think that on the obvious buildings, this will work just fine, but I am worried about the buildings that aren't the prime ones because truthfully if I owned a building that wasn't on the register I wouldn't put it on, if that bought me the demolition. Given the package of incentives you put forward, I wouldn't put my building and I think that I would be slow to invest in a marginal property that was on if -- I wouldn't buy a building I couldn't see flat out that I could do something with because i'd feel I would get stuck with it, and so I am worried that we don't have the mix right. I think that the concept is right, but I am just worried that, that as you get down past the ones that I think that, are going to be saved, I fear we are making the buildings we want to save less valuable with this approach, and if they are less valuable, they are less likely to be saved. So, I mean, i'm not sold on the package kind of as a whole. I'm absolutely sold on the goal and for me, the devil is in the details so I think you are developing the right pieces for me, but I have just got to see how it works, and that's the area that I am worried about. Now, you could tighten the list would be one approach. The other approach is to get enough incentives on it so that it's attractive to the bigger list. There is bigger ways to get at it but that's the concern that, the concern that I spoke about in june, somewhat reluctantly because I want to save buildings, but I just -- I am worried that you have unintended consequences with regulation, which is to, to change the market in a way that we weren't thinking about changing it. Because like I said, if I have a marginal historical building, I would not register it. Under these -- this set of rules, and I don't know if I would buy it, and I would pay less for it if, if it had this on it and I didn't have more incentives. Those are the buildings I am worried about and I would like to see more analysis on some of those. I am also very interested in a little more detail. Understanding we will have consultants and all that, but if I am on the council, we will have all that we want. I want to see what, what little, a little more detail on what you are going to say to me, I should make the economic analysis based on. What do I use as the basis for the value of the property? Is it assess the? What somebody sold it for? I don't want to get into all the details but I want to have more of a sense of --

Kelley: We can furnish that. I have been through that many times.

Sten: And I was -- I took some heart that -- I want to see, you know, how, how are we proposing that we, we make an economic decision because you can also see the council getting into a situation where, where under this set of rules, we issue a demolition permit because we can't prove it is not economic, and that may be absolutely the wrong decision. So, I mean, I think that the other thing that a, that's a bit hidden in this discussion is the entire demolition denial is based on strictly if the council can prove the economic to keep it up, it's not nearly as strong a play under that as I think that it sounds like because, you know, that's -- I wanted to understand what the numbers look like and think that through. I probably would be more inclined to do something that honed in harder on more buildings, or on the more, like ernie decided, or ernie testified, but I am open to the bigger list

January 15, 2003

but I need to see how that's going to work and it is not clear to me from where we are today. I know it is difficult.

Kelley: I guess we need to hear from the rest of the council the way we thought that we would proceed is to, is to proceed with the larger list. And to, to put as many incentives as we are realistic, and I don't want to grow the expectations unrealistically about incentives. I don't know if there will be enough incentives for every applicant so the other avenue we are pursuing here is having a process that would essentially allow the council to decide in this case -- you know, you hear the case and in this case, we are going to grant the, the demolition. The presumption is that it -- the building should remain. But that we would allow avenues to make the case that, in this case, it doesn't make sense. I think that as commissioner Saltzman is right that a part of your decision is going to be around what's the replacement idea. If it's to be demolished, what comes next. Is it a surface parking lot or is it something, something new? And there may be a public value in that for you that's much higher than, than keeping our even renovating the existing building in certain circumstances. So, I think that there are ways to give the council quite a bit of latitude in these decisions. And again, I think that the economic decisions really get hammered out almost at a staff-professional level. There may be some unresolved issue about -- one assumption or another but generally speaking I think that, that, that isn't quite as mysterious as you might think.

Katz: Commissioner? Anything new?

Francesconi: Well, i'm just -- i'm still maybe it's because it's, it's -- I am still getting back to normal but I am trying to figure out exactly what we are doing here tonight. And whether we have made progress from the last hearing. Because we talked about these issues before, and we are talking about them again. So, and it's not that it's not hard and maybe you need -- and that you needed more time so I am not upset about the time frame but it seems likes that repeat of the last hearing that we had. So my thoughts are pretty much similar, and actually, since the last hearing, I went to charlotte on an economic development trip and it was pretty clear, you know, ironic that one of the issues in charlotte was they wiped out all the historic buildings so the economic development people were talking about, you know, how to, to not do that any more. Compared to some other communities around there. So I guess that I understand the importance of it more than I even did at the last hearing. Having said that, I still think, you know, I don't -- we just have, have kind of -- we don't have a proposal in front of us. I am echoing commissioner Sten's comments. And until we have a specific proposal, it's hard for me to give you much guidance. I do think that you have to revisit the incentives and make them real, so that we don't have some unintended consequences so that's one. I think that the idea of a smart code should be looked at, as well, as well as, you know, the sdc's and other things. Maybe you want to give me a private briefing as to why it wasn't realistic but at some point we have to, we have to make tough choices. If historic buildings are that important, which they are, then we have to make tradeoffs. So I need to see more incentives which is what I said last time. On the issue of -- an escape clause or a question-but, I like that idea. That is a new idea that surfaced. But you have got to give some definition to that. Commissioner Sten's point is right on that, so that people have some sense of certainty. That there is a fair process out there I also like the idea of being clear about important city goals by which we would agree, whether it be, you know, no surface lots or, or affordable housing or something so that we could agree to have demolition if it accomplishes other city goals. But again, that's the kind of idea that I think you just suggested but we have got to be clearer about that one, as well. On the issue of seismic related to the smart code, and I heard the discussion here today, a suggestion might be to resurrect or at least reconvene, I think that we have a seismic task force at one point. It may not have met for a while. But, I think that rather than just dismiss the idea out of hand, the idea of, of deteriorating empty buildings doesn't make a lot of sense, either, caused by size, by seismic upgrades that aren't happening but rather than me make that decision, you know, get involved, ask

January 15, 2003

the seismic task force to look at this and see if they have some recommendation. That's another thought that I might give to you. So, I don't know if that was helpful at all. I also like the idea -- I also notice that it wasn't just the kind of downtown community, boma -- there was a couple of, of individuals here who were cleating for some incentives and for some help, and I was really moved by their, you know, their plea to us because they want to save the buildings. They are deteriorating and they need some help. So actually I like the idea of an advocate or some place that somebody can go to some help mentioned by commissioner Saltzman. So I don't know if that helps you or not. I also like the idea of looking at maybe an alternative dispute resolution where you got, not a mediation but a body that actually has some expertise in this area. I am not convinced the council has to make every decision on everything. Those are just rambling thoughts.

Katz: Commissioner Leonard

Leonard: Am I wrong, the impression that I have that the, the historic building, association wasn't as involved as they wanted to be in the process you have gone through?

Kelley: Well, let me ask Steve about, or tell them about the advisory group and the --

Leonard: I am asking, I have an impression -- is that wrong? Or right?

Kelley: Since these two were closer to -- I'd like some, some response from the staff because I didn't attend those meetings.

Lutino: There was a member of the advisory group that works for the representative of the Oregon historic property owner's association, so --

Leonard: Actually that, wasn't my question. My question is -- am I wrong in the impression that I have received in what I heard here today, and some of it was between the lines and in briefings that I have that they didn't have as much input in what you did as they would have liked.

Lutino: We attempted to meet with them a number of times and those meetings didn't happen.

Leonard: Okay.

Kelley: We are happy to continue to --

Leonard: But, I mean, I didn't want to unfairly characterize it that way if it wasn't true. It sounds like for whatever reason there might have been a problem. I wasn't here the first time you had the discussion, so I am coming in late on this. I can tell you for me, that, that that's a big issue for me in this process and others. I will -- I cannot support processes even if I like the goal, and the outcome that does not include real input from people that are impacted. And I've tried to be consistent in saying that in various forms so that nobody feels like I am picking on them. But, the impression that I have is that the city is pretty quick to exercise its rights, not as quick to assume its responsibilities to go along with those rights. I believe in that very strongly. In other words, we do have the right to regulate the, the demolition or not of a particular building. I believe that there is a responsibility that comes along with that, and that is precisely what commissioner Francesconi and Sten were speaking to. That we need to put our money where our mouth is, as a city, if we are going to require people to do things, to buildings because we want to look at them. We should help pay for that, if not pay for it. There are plenty of examples in that in urban renewal districts and the like for other kinds of development. But, I, for one think that we need to, to -- we need to be willing to commit our limited resources and then prioritize that along with other things that we do, if we are, if we are going to force building owners to do specific things that we want them to do. In historic properties. The other thing that I would like to see is, is, I think that commissioner Sten was alluding to this, as well. But my, my mind is more specific, a financial analysis proposal or, or scheme of an economic benefit on any particular building where a decision was made to deny a demolition. So, that there is some cost-benefit analysis, like commissioner Francesconi alluded to, I have observed some vacant historic buildings, particularly in the old town area. They don't do much good vacant. It will still collapse in an earthquake if there's no reason for anybody to go in and do the work that needs to be done to upgrade. I might also add earthquake isn't the only thing

January 15, 2003

that causes the buildings to collapse, fire causes them to collapse. Most fire deaths are caused in buildings like that, that burn and have a, a catastrophic collapse all at once. They just give away and go to their -- so there are number of things that can occur. And I see a big potential on that, in those vacant buildings. So I think that if, for whatever reason those are sitting vacant because of some kind of fear building owners have, because of the upgrade, then the city needs to be -- to make a decision about what we want to do financially. So, in the next phase, and I will say to the extent that, that I have any say over the bureau of development services, I will insist that they be more inclusive and I hope the other processes that you will have concurrent with that process does that.

Katz: I guess that includes the 17 historic districts, as well. All right.

Kelley: Can I just one, one quick response. I totally understand the concern about the vacant older buildings. Many of those may be, maybe vacant for a number of reasons. One of those reasons might have been the, the daunting aspects of upgrading them to current building code compliance. The, the inner section of this demolition requirement with that body of buildings, there is one but it doesn't account for that body of buildings. I think that the, the important number here is the number that cielo had in her presentation is which is during the busy five-year period of construction and refinancing and development activity, there were only about nine buildings that would have, have intersected with this, this, with this provision, so there's clearly -- you are right, there is a much larger body of buildings that is not being reused or fully utilized for a variety of reasons. I am not sure that we are going to resolve that body of issues through this process.

Leonard: I don't want to get into that but since you raised that, I think this needs to be viewed in the larger context of the criticisms that I have heard of late the city adopting regulations piecemeal. I don't know whether you can call this one of those or not. I think that maybe that layers after a while with a whole series that we heard alluded to earlier, that basically creates disincentives for any development of, of, of commercial properties, and so that's another concern that I have. Are we doing something here to layer --

Kelley: Yeah, another conversation.

Leonard: Whatever.

Saltzman: I wanted to raise one more point which I think fits in well with the discussion. That is the conservation fund. I don't know who sets the parameters, but I really do like what I have heard about, about the city of cleveland where they actually will go and out do these very sophisticated economic feasibility studies and show those to the owner, you know, in the hopes the owner will say, okay, rather than trying to seek demolition, this makes sense, and I feel it has been successful in cleveland so I don't know whether that's our purview or the pdc but that's something that we should take a look at.

Katz: I will filter all of this and we will continue working on this, but I am telling the council that this is coming back and we will let everybody in every historic district know which was a recommendation of somebody here made to make sure that, that the community at large comes to these hearings, as well as developers or owners of the building. I think that I am an owner of a, of a contributing building. And so is my entire northwest district neighborhood. So, as I said at the opening comment, this is, this is an important issue for any city, and it certainly is important for us.

You can imagine that many buildings that were ripped down in Portland, just to pull out an old historic building book on buildings here, Portland before a certain date, we can't allow this to happen any more. And so with all of that and all the ideas you heard, we are going to bring something back, it will not include everybody's idea. We just can't do that. But we will take the most cogent ideas that were expressed tonight, the things that are really important to provide those kinds of incentives for people to upgrade the buildings and incentives for denial or approval. Okay. We stand adjourned.

January 15, 2003

At 8:16 p.m., Council adjourned.