



CITY OF
PORTLAND, OREGON

OFFICIAL
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **5TH DAY OF MARCH, 2003** AT 9:30 A.M.

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

Commissioner Leonard arrived at 9:54 a.m.

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

Items No. 193 and 194 were pulled for discussion and on a (Y-4) roll call, the balance of the Consent Agenda was adopted.

COMMUNICATION	Disposition:
<p>179 Request of Robert Ekstrom to address Council regarding business owners concerns in a slow economy (Communication)</p>	PLACED ON FILE
<p style="text-align: center;">TIME CERTAINS</p> <p>180 TIME CERTAIN: 9:30 AM – Accept the Office of Sustainable Development report ReThinking Development: Portland’s Strategic Investment in Green Building, a Two-Year Progress Report and Five-Year Strategic Plan (Report introduced by Commissioner Saltzman)</p> <p>Motion to accept the report: Moved by Commissioner Sten and seconded by Commissioner Francesconi.</p> <p>(Y-5)</p>	ACCEPTED
<p>181 TIME CERTAIN: 10:00 AM – Extend deadline to June 30, 2003 for Single Family New Construction Limited Tax Abatement Applications submitted prior to January 1, 2003 and allow additional extensions on a case by case basis approved by City Council up to six additional months to end December 31, 2003 (Ordinance introduced by Mayor Katz)</p>	PASSED TO SECOND READING MARCH 12, 2003 AT 9:30 AM
<p style="text-align: center;">CONSENT AGENDA – NO DISCUSSION</p> <p>182 Statement of cash and investments January 16, 2003 through February 12, 2003 (Report; Treasurer)</p> <p>(Y-4)</p>	PLACED ON FILE

MARCH 5, 2003

<p>183 Accept bid of Moore Excavation, Inc. for the SE Rex Street and 20th Avenue sewer relief and reconstruction project for the estimated amount of \$995,456 (Purchasing Report – Bid No. 102004) (Y-4)</p>	<p>ACCEPTED PREPARE CONTRACT</p>
<p>Mayor Vera Katz</p>	
<p>184 Confirm appointment of Linda Baumgartner and reappointment of Daniel M. Knauss for terms to expire March 14, 2005 and appoint Dave Hill as City Engineer's designee for an indefinite term to the Purchasing Board of Appeals (Report) (Y-4)</p>	<p>CONFIRMED</p>
<p>*185 Pay claim of Rosita Sutton (Ordinance) (Y-4)</p>	<p>177286</p>
<p>*186 Amend contract with Ball Janik, LLP to provide legal and consulting services for spectator facilities development and operation (Ordinance; amend Contract No. 34506) (Y-4)</p>	<p>177287</p>
<p>*187 Authorize Second Lien Sewer Revenue Bonds (Ordinance) (Y-4)</p>	<p>177288</p>
<p>*188 Contract with Clayton Group Services, Inc., Marine & Environmental Testing and Wise Steps, Inc. for on-call citywide industrial hygiene consultation and loss prevention training services (Ordinance) (Y-4)</p>	<p>177289</p>
<p>*189 Extend agreement with Tri-County Metropolitan Transportation District of Oregon and City of Milwaukie to provide an officer for the Trimet Transit Police managed by the Portland Police Bureau (Ordinance; amend Contract No. 51487) (Y-4)</p>	<p>177290</p>
<p>Commissioner Jim Francesconi</p>	
<p>*190 Amend agreement with Oregon Department of Transportation to install bus signal priority equipment at various intersections (Ordinance; amend Contract No. 51389) (Y-4)</p>	<p>177291</p>
<p>*191 Grant revocable permit to Jake's Famous Crawfish/McCormick & Schmick to close SW Stark between 12th and 13th Avenues on March 16, 2003 through March 18, 2003 (Ordinance) (Y-4)</p>	<p>177292</p>

MARCH 5, 2003

<p>*192 Grant revocable permit to Paddy's Bar & Grill to close SW Yamhill Street between SW Naito Parkway and 1st Avenue on March 17-March 18, 2003 (Ordinance) (Y-4)</p>	<p>177293</p>
<p>Commissioner Dan Saltzman</p>	
<p>*193 Authorize a contract and provide payment for construction of the Washington Park Open Reservoirs 3 and 4 Improvements (Ordinance) CONTINUED TO MARCH 6, 2003 AT 2:00 PM</p>	<p>177300</p>
<p>*194 Amend contract with MWH Americas, Inc. to revise scope and increase contract amount by \$267,500 for the Open Reservoir Study (Ordinance; amend Contract No. 30491) CONTINUED TO MARCH 6, 2003 AT 2:00 PM</p>	<p>177301</p>
<p>*195 Authorize an Intergovernmental Agreement to accept a \$27,200 grant from the Oregon Department of Environmental Quality to evaluate toxics in sediment and water in the Columbia Slough (Ordinance) (Y-4)</p>	<p>177294</p>
<p>*196 Authorize an agreement with the U.S. Geological Survey in the amount of \$57,550 to evaluate toxics in sediment and water in the Columbia Slough using semi-permeable membrane devices (Ordinance) (Y-4)</p>	<p>177295</p>
<p>Commissioner Erik Sten</p>	
<p>*197 Authorize application to the Corporation for Supportive Housing for a grant in the amount of up to \$700,000 for the Taking Health Care Home Initiative (Ordinance) (Y-4)</p>	<p>177296</p>
<p>*198 Authorize agreement with Cascadia Behavior HealthCare, Inc. for \$56,800 for the Transitions to Housing Program and provide for payment (Ordinance) (Y-4)</p>	<p>177297</p>
<p>City Auditor Gary Blackmer</p>	
<p>199 Approve Council Minutes for January 2, 2002 through December 26, 2002 (Report) (Y-4)</p>	<p>APPROVED</p>

MARCH 5, 2003

REGULAR AGENDA

Commissioner Dan Saltzman

- *200** Accept a \$5,000 grant from the Oregon Office of Energy to perform a resource-efficiency study on front loading laundry machines (Ordinance)
(Y-5)

177298

At 11:16 a.m., Council recessed.

MARCH 5, 2003

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 5TH DAY OF MARCH, 2003 AT 2:00 P.M.

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

Commissioner Francesconi arrived at 2:31 p.m.

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

<p>201 TIME CERTAIN: 2:00 PM – Consider the proposal of Portland Community College and the recommendation from the Hearings Officer for approval of a Comprehensive Plan Map Amendment and Zoning Map Amendment for property the college owns at 2850 SE 82nd Avenue (Hearing; LU 02-147307 CP ZC)</p> <p>Motion to adopt the Report: Moved by Commissioner Saltzman and seconded by Commissioner Leonard.</p> <p>(Y-5)</p>	<p>Disposition:</p> <p>ADOPTED</p>
<p>*202 Amend the Comprehensive Plan Map designation of property at 2850 SE 82nd Avenue from IC, Institutional Campus, to CG, General Commercial and change the zone from IRd, Institutional Residential with a Design overlay to CGb, General Commercial with a Buffer Overlay (Ordinance; LU 02-147307 CP ZC)</p> <p>(Y-5)</p>	<p>177299</p>

At 2:40 p.m., Council recessed.

MARCH 6, 2003

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 6th DAY OF MARCH, 2003 AT 2:00 P.M.

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

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

<p>*193 Authorize a contract and provide payment for construction of the Washington Park Open Reservoirs 3 and 4 Improvements (Ordinance)</p> <p>CONTINUED FROM MARCH 5, 2003, 9:30 AM</p> <p>Motion to suspend the rules to hear Agenda Item Nos. 193 and 194: Moved by Commissioner Saltzman and seconded by Commissioner Sten. (Y-4)</p>	<p>Disposition:</p> <p>177300</p>
<p>*194 Amend contract with MWH Americas, Inc. to revise scope and increase contract amount by \$267,500 for the Open Reservoir Study (Ordinance; amend Contract No. 30491)</p> <p>CONTINUED FROM MARCH 5, 2003, 9:30 AM</p> <p>(Y-4)</p>	<p>177301</p>
<p>204 Determination pursuant to ORS 227.160(2)(b) and 227.175(11)-(12) concerning the classification of the Washington Park reservoirs as a Basic Utility with the status of an automatic conditional use in the Open Space Zone and the changes to the Water Bureau's Washington Park reservoirs (Order of Council)</p> <p>Motion to adopt the March 6 Use Determination concerning the Reservoirs at Washington Park: Moved by Commissioner Saltzman and seconded Commissioner Sten. (Y-4)</p> <p>(Y-4)</p>	<p>PLACED ON FILE</p>
<p>203 TIME CERTAIN: 2:00 PM -- Appeal of Center Neighborhood Association against Hearings Officer's decision to approve the application of Providence Portland Medical Center for a conditional use master plan with adjustments to expand development at 4805 NE Glisan Street (Hearing; LU 02-120615 CU MS AD)</p> <p>Motion to approve the Hearing Officer's decision contingent upon a reasonable good neighborhood agreement reached by the Center Neighborhood Association and Portland Providence Medical Center elements of the agreement shall include but not be limited to issues regarding parking, safety, traffic, construction activities, onsite uses of campus and pedestrian access and come back in 60 days: Moved by Commissioner Leonard and seconded by Commissioner Sten. (Y-4)</p>	<p>TENTATIVELY APPROVE THE HEARING OFFICER'S DECISION WITH MODIFICATIONS AND CONTINUE TO MAY 15, 2003 AT 2:00 PM TIME CERTAIN</p>

MARCH 6, 2003

At 4:15 p.m., Council adjourned.

GARY BLACKMER
Auditor of the City of Portland

By Karla Moore-Love
Clerk of the Council

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

MARCH 5, 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.

MARCH 5, 2003 9:30 AM

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

Katz: All right. Let's hear -- let me just say with the gallery open, anybody who wants to sit upstairs that doesn't find a seat here, I don't think we're going to be going as late as 11:30, but we will need to cut everything off at 11:30 to go to a joint city council-county commission work session. All right. Let's take communication, 179.

Item 179.

Katz: You have three minutes. You'll hear a little buzz of some sort and you can finish your thought and then we're going to have to say goodbye.

Robert Ekstrom: Thank you.

Katz: Sit down.

Ekstrom: May I stand?

Katz: You could.

Ekstrom: May I invite the others who came with me to stand?

Katz: Not with you.

Ekstrom: Those who are here with me, business owners in Portland. I thank the city council and mayor Katz for the opportunity to speak. My name is bob ekstrom. I represent a Portland business, the doorworks company, incorporated, and i'm here with a number of other business owners and owners' representatives. We in turn represent many, many more businesses who share our concerns. There's an old joke -- i'm here from the government and i'm here to help you. But I say this quite seriously. We're from the private sector. And we're here to help you. We're here to help you avoid the consequences of a disastrous decision to raise business taxes in our city and county. Mayor and council members, our business taxes are not too low. That is not a problem that you need to fix. We're concerned about a number of things. We're concerned that we would be able to operate our businesses in the black and provide for our own families. We're concerned for our employees' welfare, we're striving to keep them on the payrolls. They have families too. We're concerned that Portland has earned a reputation for being antibusiness. In fact, many of the businesses that are represented here today before you in this room have expressed an interest in relocating somewhere else. I'm seriously considering that myself. What future will Portland have if businesses are seeking to get out rather than to get in? Will you build an iron curtain to keep us here? Yes, we are in a challenging part of the economic cycle. But the city is not the only one facing difficulties. Our businesses are having a tough time also. Have you noticed how many commercial vacancies there are along Portland's streets and roads? For years we have unhappily watched as public employees have enjoyed a pay scale, a benefit package, a pension program, that we cannot afford for our own employees, even while we pay the freight for yours. Now on economic pressures on budgets would cause that gap to narrow, you seem intent on widening the

MARCH 5, 2003

gap further yet. This tax increase you propose will only demoralize and anger us and in the end, it will weaken the city financially. You will have killed the goose that lays the golden eggs. You're going to have to come down out of the clouds, because when you're talking about a business tax increase, we're talking about empty pockets.

Katz: Thank you. Thank you very much. Gentlemen, thank you for being here. All right. Consent agenda. Any items to be removed off the consent agenda? Items 193 and 194 will be pulled. Any other items that anybody in the audience want to pull? All right. Let's vote on the consent agenda.

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

Katz: Mayor votes aye. [gavel pounded] let me ask the question, how many want to testify on the 2 consent agenda items that we're pulling? Ok. Then we'll do it now. Ok. Good. All right. Let's read 193.

Items 193 and 194.

Saltzman: Members of the council this, is an ordinance to authorize a contract for the construction of the interim covers for Washington Park Reservoirs Three and Four. This is part of the long-term plan to protect water quality and provide for water system security in the reservoirs. The total estimated construction cost is \$3.8 million. The project includes floating covers at both reservoirs at a cost of approximately \$2 million. Replacement liner at Reservoir Three at approximate cost of \$600,000, replacement of onsite yard piping at an approximate cost of \$900,000 and an upgrade of electric and significant systems at an approximate cost of \$300,000. The covers are an interim measure to provide protection for the next ten years until a permanent solution can be implemented. Both Water Bureau and Parks Bureau have initiated add parks planning process for the reservoir area beginning in 2004. This ordinance meets code requirements for contracting of public improvements by authorizing a contract and providing for payment and as a routine part of the contracting process. We have been notified by a constituent that he will appeal this project to Luba if the city proceeds without a conditional use permit. The city attorney advises the council should take testimony at this time, which I would like us to do, but delay the vote until Thursday's council meeting, which is tomorrow. In that time the Bureau of Development Services will prepare an order of use determination of the code and advise us that the order of use determination should be considered by the council prior to the action adopting this ordinance or rejecting this ordinance tomorrow. So I'd like us to take item now.

Katz: Harry, were you the city attorney on this, or Kathryn?

Harry Auerbach, Sr. Deputy City Attorney: Kathryn, but we have discussed it.

Katz: Because I asked that question at the hearing in terms of Jeff Boly's issue of the conditional use permit. Well, we have a reading from -- oh, there you are.

Auerbach: Kathryn is here. Basically what I understand the order to be, council will interpret the code and that will be reviewable.

Katz: So Kathryn, will you come back with a recommendation to the council on what your reading of it is before we act on anything.

Kathryn Beaumont, Sr. Deputy City Attorney: Yes, after the last hearing I referred Mr. Boly's letter to the Bureau of Development Services and asked them to review that. They have reviewed it, I think they're prepared to make a use determination as to whether any land use reviews are required for different aspects of the reservoir and what those are. I am working with him on that and that will come back to you tomorrow in the form of an order of council to adopt that reflects that use determination.

MARCH 5, 2003

Katz: All right. Let me just ask, there are a lot of people here interested in that order. How are we going to share that information, or do they need to be here tomorrow at 2:00?

Beaumont: We -- by state law we're required to send that order out to property owners within a certain area around the park bureau property. So we will send out that order to them.

Katz: Before we act or after we act?

Beaumont: After the council acts. Under the procedures provided by state law, the council has the ability to make a use determination. No notice is required, no public hearing is required. It's simply a determination the council makes as to what use category a particular use falls into.

Katz: All right. I guess I asked those questions because -- is Jeff here? I respect Jeff Boly and I want to make sure we're on solid legal grounds.

Beaumont: We believe we are.

Katz: Ok. All right. Let's open it up for testimony.

Moore: Come up three at a time.

Katz: Did you want to testify on both 193 and 194?

*******:** Yes.

Katz: We'll give you a little more than three minutes because it's two items.

Moore: Amend contract with MWH America's Inc. To revise scope and increase contract amount by \$267,500 for the open reservoir study.

Katz: Joe, why don't you start.

Joe Angel: Mayor and council, thank you for allowing us to speak on these issues again.

Katz: Identify yourself for the record.

Angel: Joe Angel, 356 Southwest Kingston. As it relates to the temporary covers in the contract, I would simply request that you table these issues until there can be an independent determination that this is necessary. Many people have looked at this issue. I would not be considered an expert, but I also would not be considered a commando, and I guarantee you I could get into this cover. It is not a safety issue. It is not something that provides safety. To spend \$2 million for something that is represented as a safety device in my opinion is wasting money. As you know, for 100 years there haven't been any health hazards, so that particular argument to me does not hold water either.

I would simply like you to participate in a process that allows for independent knowledgeable people to present to the council ideas for providing safety of our water supply that have not been brought forth so far. Thank you.

Wendy Wiles: Thank you, and good morning. My name is Wendy Wiles, I live in the Mt. Tabor area and I am co-facilitator for Friends of Mt. Tabor Reservoirs. Two weeks ago more than 200 citizens packed into a standing-room only city hall for the special February 19 public hearing on the open reservoir replacement project. Yesterday Commissioner Saltzman stated in a letter that the project is nevertheless moving forward. In the meantime, the city council scheduled two significant contract items for Wednesday, March 5, 2003, consent agenda. These are items 193, Washington Park cover, and 194, additional work for MWH contract. The basic message delivered by the Friends of the Reservoirs and our numerous supporters throughout the city is that the council's original decision was without the benefit of key information and process. The council's decision last year at the budget hearing did not have the benefit of public process that addressed the broad issues of safety, security, and all alternative solutions from an independent source. It's undermined by the water bureau's compelling failure to make a compelling case that the project is necessary to protect our water at this time. It's still very much subject to a land use appeal without first obtaining conditional use permits. The whole land use issue did not and still has not had a public airing of all the issues required by code. Was made without council knowledge that the original

MARCH 5, 2003

process suffers from consulting contract concerns, including conflicts of interest in the choice of the contractor, irregularities in the contracting process relating to extensions, inside information, and overuse of contractors. We have already submitted our concerns to the city auditor. These issues of conflict of interest need to be addressed and solved. They seem to be systemic. With respect to the pending \$100 million bond funding, we have real doubts about the level of public support under the circumstances. The city is tempting a ratepayer revolt. It is simply imprudent to move forward with contracts before resolution of these issues. True and continued support for the projects that actually do need to be done and the funding to go with them will only come with meaningful dialogue and inclusion of citizens in this process. We believe it is in the best interest of city council to genuinely be responsive to its constituents and to continue Portland's legacy of citizen involvement and visionary leadership. We ask city council to table agenda items 193 and 194 as well as water bureau bond funding until an appropriate public process properly resolves of these issues. Paul Listner suggested a process on february 19 that would allow us to all join hands on finding a solution. Thank you.

Katz: Let me ask you a question. When did you send all the documents to the auditor's office?

Wiles: We met with the auditors I believe on monday afternoon.

Katz: Ok. Thank you.

Cascade Anderson Geller: Thank you. Cascade anderson geller, 1934 southeast 56th. We're here again to appeal to you, we're a good group of people, we have a lot of smarts, we are very cooperative, we're in still good faith hoping to have a good hearing here. Things are going to change. If we don't get listened to. We have a good group of people to work with, I strongly advise you work with us. This is a major park. Things are going to happen in there, a new 20-foot road up the south side of that park, big, wide road for big trucks. They're going to take half of mt. Tabor yard out, a historic place. There's a lot of changes that are going to happen there. Please let us help with this process and slow it down. It's not fair what's happening with our park. It's not fair what's happening to the reservoirs. I want to remind you that the parks does not have the money to maintain a reflecting pond. Right now what we have is gravity-fed water. Water sounds that are free. Because of the waterfall that's there, because of the good design that people use. That's not going to be free anymore with the reflecting pond. These are issues that are not being looked at by the p.a.c. We have 15 minutes to impact the p.a.c. We stand up there, we ask good solid, strong questions about details. We don't get any answers. We are not getting the answers we need to move forward with this project. Please stop it. These are the quotes I want to share with you. Quoted from the draft section 106 application this. Is the section 106 application. this is going to require a lot of work. The application that was sent from the water bureau down to the office was not adequate. We're going to have a lot of fight in this document. Please slow down. In regards to the p.a.c., from section 106, this process will not be credible unless we demonstrate a sincere desire to inform and engage the public in the discussion. We need to provide opportunity to learn more about and understand the original decision to bury the reservoirs. If a segment of the community still needs more time with this one, a separate strategy should be developed. We require a separate strategy. Please. As quoted from the open reservoir study, phase one summary, Portland's open reservoirs are important historic structures. They have historical significance as examples of early engineering, of the social history of the City's growth and development of an early planned landscape. We don't have time in the p.a.c. to plan this landscape. It's way too fast. And a planned view and vistas into and out of the landscape. The reservoirs are identified on the Portland historic resources inventory as rank one, the highest rank in giving to a resource within the city. Current city code requires notification of the Portland historic landmarks commission.

MARCH 5, 2003

Neighborhood associations and the state historic preservation office prior to any demolition of significant features of the reservoirs. They are eligible for inclusion in the national register of historic places, and for local landmark designation. Let me just say, this document, these documents have cost us millions of dollars. Are we going to listen to what the documents say? Or are we just going to move ahead blindly into very, very troubled waters? This community in mt. Tabor and Washington park are not going to let this slide. It's going to be one fight after another. We can avoid that if we work together starting right now, and we're looking at you to really have cooperation here. Please. Thank you very much.

Katz: Thank you. All right.

Geller: Could I say one more thing? The other thing about the p.a.c., we have been invited to put a member on the p.a.c. These are the problems with the p.a.c. The p.a.c. Is not advertised. Do you know how the p.a.c. Is advertised? When I call up the public person who's in charge and say, where is the p.a.c. Meeting, where -- what time is it? It's not advertised. There is no place to come. That's why we come to you. Over and over again. This meeting, why -- the p.a.c. -- it's not working, the public advisory.

Katz: Let me just ask, is it on anybody's website?

*****: Our website, we're running the public process.

Katz: I understand.

Saltzman: I believe it's on our website too. It's on the water bureau website as well.

Geller: It's not going into the papers.

Katz: All right. Thank you.

Katz: Anybody here from the water bureau? Does anybody want to talk about the contract? All right. Go ahead.

Valerie Hunter: Valerie hunter, 1400 southeast 60th. Thank you for another chance to address you. It is disappointing the city council has decided to ignore the february 19 hearing in which 200 people packed this chamber to state overwhelming support for the request for an open discussion and process regarding the reservoir issue. After the formal presentations, four citizens spoke in favor of the burial project and 39 spoke and asked you to give the public process a chance. It is ironic and disappointing that this should be on the eve of the city's proposed effort to formalize a process for citizen input. If you are committed to public process and citizen input, it should be for all issues of interest to the citizens, not just when it is convenient. Thank you.

*****: Good morning. Did I not prepare a statement this morning, but I didn't --

Katz: We need your name.

Floy Jones: Floy jones, i'm a native Portlander, I live in southeast Portland. I didn't want this moment to pass without being able to voice concern about our not receiving notice, official notice of these contracts coming before council. One of our representatives has communicated in writing with the water bureau asking that we receive written advanced notice whenever any contracts concerning the reservoirs is coming before council. We did not receive that notice. It was only through our own investigation that we became aware of this hearing this morning. We have other concerns about items coming before council with the term "emergency" attached to them. What we notice in regard to the montgomery watson amendment number 8, is that it seems there's a strategy that work is performed and then the end result is that automatically it becomes an emergency clause. So work is performed, they must be paid, so it's therefore an emergency clause. So I ask that you look into that. I do know that there are discussions throughout city hall regarding the concern of the use of the emergency clause. Thank you.

MARCH 5, 2003

Cris Maranze: This maranze. I want to bring up a couple points about the reservoirs as the response which was given to council, really didn't respond to many of the issues that were brought up in the hearing of february 19. They simply reiterated the previous water bureau comments and papers, which we'd all reviewed and were raising questions on. One major concern to me is the reservoir covers are placed in Washington park is that how the problem of overgrowth contamination will be dealt with. This is ubiquitous in reservoir covers. It was found in five of five covers surveyed. Most systems deal with this with maintaining chlorine and sometimes increasing the chlorine concentration. I haven't seen any comments on what kind of monitoring and what kind of treatment will be in place to deal with this. The budget seems to say that this is a cheaper option because monitoring won't be necessary. This doesn't seem to be true at all, and it raises a question that we'll have increased chlorination required and possibly worse quality of water than we have now. Secondly, those covers are placed -- if those covers are placed I would like every attempt to be made to maintain the reservoirs in as good a condition as possible to be able to be used again as a water feature in the future. I think it's very highly likely that it will not be possible to bury reservoirs in that location. I think if the water bureau's responsible, they're going to have to look at the landslide situation, which is the natural terrain there. Simply building a wider road to do any construction like that could be grossly irresponsible. I think that was raised when previous construction many years ago was planned in that area. So I think it's actually although we have not been told about this, I think it's very likely that in fact alternative water storage will have to be found for those reservoirs in the future, and maybe even being planned now, and I would hope that those water features will be maintained in as high a quality as possible. And I don't -- it's very clear that the alternative of ali(?) filtration was not ever looked at adequately in the response -- and the response was simply too expensive, and we know that simply was never given a good analysis. That includes the filtration doesn't happen -- need to happen at powell butte, could it happen at the outlets and we'd have a better quality system and better quality water. Thank you.

Chris Kaufman: Hello. I'll just make it brief. I'm chris kauffman, I live at 2136 southeast 38th. I'm an engineer, i'm also an emergency response. Just to give you a little background. I'd like to mention, and as the director of the water bureau even stated in the february 19 meeting, I can go down, I could buy a \$3 knife, I can wreak havoc on your \$3 million expenditure very quickly, extremely, very quickly. And cause many headaches doing that. So I think spending that money in that way is gross negligence, and I would just like to see us have a fair and open discussion regarding these reservoir issues. I think I have a lot of experience dealing with these kind of issues, and I think we have a group of people that come from a broad background that can offer a lot of good suggestions, and I think they've been brought up here very eloquently. So that's all I wanted to say. Thank you very much.

Moore: That's all.

Katz: Council, do you have any questions? There's somebody here from the water bureau, so -- come on up.

Francesconi: It's on the Washington park side --

Katz: That's who's coming up.

Francesconi: It's on this temporary cover question. I think I raised this in a question at that public hearing about a knife could rip open this, and it didn't seem that safe to me. So you came and briefed me, not me, but my staff. Was it one of the two of you?

*******:** It was me.

Francesconi: They talked to me about the report. I don't remember the precise dollar figures, but you explained that you could provide -- correct me if i'm wrong -- you could provide equivalent

MARCH 5, 2003

type of security without covering it, but it would mean a lot more security guards, but then you also laid out a plan of taking out trees and roads and limiting traffic, and a bunch of things that were more disruptive to the park than the cover. Is that right? Can you explain that?

Dennis Kessler, Water Bureau Project Manager: That's correct. My name is dennis kessler, i'm water bureau project manager. The alternative that was looked at was to provide a more robust -- first I want to mention i'm not a security expert. We're receiving advice from firms that are security experts. Their advice was that if you didn't put covers on, we would need to move back the zone of exclusion back somewhere around 120 feet, and have like a double fence security area where there's a clear exclusionary zone where you can put motion sensing detection in. That for the park would mean cutting some trees to move that zone back, and more important, it would mean closing some of the roads that cut in and out, because they get much, much closer than that, particularly to the northern end of the reservoirs. And then adding more on-site security guards to be able to address security concerns. What the covers do, as an alternative, provide multiple barriers to act in combination with perimeter fencing and perimeter detection, and protect at a multiple players of protection, and assist with the detection, delay, and response to anybody who intrudes into that site, giving us the opportunity to first of all detect that they're there, to stop them, delay them, slow them down for anything they propose to do, and to be able to respond in a manner so we, first of all, can respond quickly and we can understand if anything has been entered into the water. With the amount of area that we have, so they add both the covers add both protection from a standpoint you can't throw things onto the cover, you can walk on them, you can go in and -- they're not impenetrable, but they do provide a substantial barrier to things being entered into the water, first of all, and the second thing is they guarantee that you have some method of understanding of -- if something's been breached and something's entered into the water.

Francesconi: My last question, I don't think it's a question, it's more of a comment, although commissioner Saltzman, we haven't had a chance to talk about it, parks believes that we need a master plan for Washington park. And -- in order that we can get a handle on some of these disputes ahead of time and we can figure out how to address it. So I wanted to make that statement publicly. Now we have to figure out how we're going to finance it. I already have a call in to the zoo and i'm hoping we can do this from a variety of sources. Is that what you were -- I wasn't sure --

Saltzman: I was referring to the broader entire Washington park master plan, but a master plan around the reservoir area of Washington park. Certainly to the extent it could be done as part of a larger master plan, I think that would make more sense if we can do it that way.

Francesconi: Parks that's thought it for a long time, but we've elevated it given this dispute. I'd like to talk to you about it, and i'll talk to the rest of you about it as we proceed.

Leonard: Thank you. Switching to mt. Tabor, where the water bureau -- were the water bureau able to do the things it wants to do there, what is the time line for decommissioning the reservoir there?

Kessler: The time line for being able to actually underground the reservoirs?

*****: M-hmm.

Kessler: We're looking at around a two- to three-year construction period. That kind of depends on how well we're able to integrate the park improvements with the reservoir construction. But kind of -- that time frame. And it takes -- it will be about a year before we can start construction.

Leonard: So it's fair to say four years out. At best. So switch back to Washington park for me. The thing i'm having a hard time understanding is during the interim period when the reservoir at mt. Tabor will still be operating before you get the underground tank there, you're not proposing to

MARCH 5, 2003

put a cover over that reservoir. That is not making a lot of sense to me that you're proposing to do it at Washington park, but not mt. Tabor.

Kessler: The scheduling part of this thing is that tabor -- we can't have all of our reservoirs out at once. So the issue is if you wait on Washington park until after tabor is done, it means we can't start that work for four years out.

Leonard: Do you understand what i'm asking? For four years you're going to have an unexposed reservoir from your perspective where no precautions--. You aren't taking the same precautions at mt. Tabor. I'm trying to understand why we would go through the expense and the obvious aesthetic impact that would have at Washington park when you aren't at mt. Tabor.

Kessler: We will be under construction, we will have increased security during construction. Remember, much of that water surface will be taken out as we're under construction, and we'll have smaller amounts of water surface --

Leonard: But understand my concern, before you even begin doing that process, it could be one or two years away. That you're actually talking about doing nothing.

Kessler: At mt. Tabor?

Leonard: Yeah.

Kessler: We are talking about increasing security.

Leonard: But you're not talking about putting a cover on.

*****: But we're not --

Leonard: Why does it make sense to do that at Washington park and not mt. Tabor, is my question.

Kessler: It's a question of delaying how long you can get a cover on Washington park. If we don't -- what do you move first? So if we move -- if we don't move Washington park now, it will be like five years.

Leonard: Ok.

Kessler: Before we get something covered on Washington park, so it extends that risk and exposure, where -- we're moving as quickly as we can on mt. Tabor and we're trying to avoid spending a lot of interim cost that's get thrown away.

Leonard: I guess i'm not understanding the benefit we're getting out of the cost and the impact on the aesthetics of the park, given that we're willing to live with some risk at mt. Tabor until that project is completed. It seems a little out of balance to me.

Saltzman: Let me take a crack at this. I think what commissioner leonard is trying to get at is a point that's come up throughout this debate, mt. Tabor supplies the Washington park reservoirs, so the issue is, ok, if you're not -- if you cover interim covers on Washington park but the fundamental source feeding those reservoirs is uncovered, isn't there some risk? The answer is yes. But there's two exposure pathways. One is anything entering the mt. Tabor reservoirs feeding the Washington park reservoirs, but the other pathway is what we're trying to deal with with these interim covers. That is something being entered into the Washington park reservoirs directly at Washington park. That's still -- that still represents a pathway to over 200,000 residents of the city of Portland who receive that water from those Washington park reservoirs. So it's an interim measure, and it's interim in part designed to keep the capital costs sequencing of this thing manageable from a rate perspective, but I don't know if that answers your question.

Leonard: I understand what you're saying. I don't think it really -- I appreciate what you're trying to accomplish. I guess i'm just saying on balance I don't think the benefit is worth the disruption to the neighborhood and the cost. I understand what the goal is.

MARCH 5, 2003

Kessler: Could I add a couple of additional issues? The floating covers and the approach we're taking at Washington park is kind of the industry standard of care that's used in the industry for dealing with open reservoirs. So from a -- both from observation and from advice, so there's the level of risk liability that the city faces, and the second thing is it deals with a number of other vulnerabilities, from animals and debris and environmental contamination going into the reservoirs, it pretty much completely eliminates. It takes care of --

Leonard: At Washington park.

Kessler: Right.

Leonard: Mt. Tabor --

Kessler: Mt. Tabor will be under construction within a year, so it's -- as within just a little less than a year it will have -- we'll have Washington park finished first.

Leonard: That's changed from three to four years when I asked you earlier.

Kessler: But during construction those water surfaces will be out of commission, so though it won't be vulnerable during construction because we won't have water in them.

Leonard: The plan is to immediately drain the reservoirs when you dig up the first amount of dirt?

Kessler: We'll have a smaller water surface and we'll have to -- we'll have -- that will be exposed to the surface. The majority of the water surface at mt. Tabor will be out during construction because we want to build the tanks in the space where the water now sits. So our exposure will be significantly reduced.

Saltzman: Construction won't will begin within a year. It will take three years once it starts.

Katz: Further questions? Ok. Thank you. All right. As I said before, we have legal issues and an auditor's request for an auditor to review that, and hopefully we'll have the legal issue responded to by the end of either today or early tomorrow morning, and getting a reading from the auditor's office as to whether there is any -- anything that is of some concern to him. All right. Let's then go on to -- thank you.

Kessler: Are you continuing these until tomorrow afternoon?

Katz: We'll continue until tomorrow afternoon. For those of you who want to come back tomorrow, we've got a land use issue -- we'll move this up before we deal with the land use issue, so you don't have to hang around as we go through the land use issue. Another land use issue. All right. Time certain. 180.

Item 180.

Saltzman: I'm very pleased to present to you today the strategic plan for the green building division of the office of sustainable development. As you probably all recall, the city council created the office of sustainable development in the year 2000. It consisted of combining a number of functions within city government, the recycling and solid waste office, the energy office, and we also at the time provided funding for new funding for the green building division, and the green investment fund. Around that time we also passed an ordinance basically requiring all new city buildings to meet a national green building standard and be certified to that effect. The Portland development commission has subsequently adopted a similar policy requiring projects where they invest our money to also meet this national green building standards and be certified to that effect. In Sunday's Oregonian an architecture critic reviewed this, and the article noted the progress its made. How much work still must be maintained to maintain our green city leadership status. Other cities have capitalize order both the community and the economic benefits of green investment. This morning the green building division and the Portland development commission will walk us through an amazing achievements over the past two years, activities and programs that

MARCH 5, 2003

have propelled Portland into our current green city leadership position. High performance green buildings have become a key strategy to enhancing neighborhoods, mitigating building impacts on global warming, and protecting human health. Expertise and technologies are central elements in an emerging environmental industry sector that provide an opportunity to strengthen and diversify Portland's economy. Both in the service sector, professional services and also in the industrial sector. By promoting and applying green building practices we can help stimulate economic growth and build demand for innovative and efficient building materials, energy systems and related services by local firms. And now I'd like to call up Susan Anderson, who's been the most capable director of the office of sustainable development since its inception. Susan and Rob Bennett, the green building program manager.

Katz: Ok, you two, why don't you give us the report.

Susan Anderson, Director, Office of Sustainable Development: Thank you. Susan Anderson, director of the office of sustainable development. I wanted to start with a little bit of history. Three years ago, we had a half million dollar grant from the U.S. Department of Energy, and that was to help work with commercial buildings throughout Portland, but at the time what I wanted to do was to start working on how to integrate resource efficiency throughout construction practices in Portland. So we convinced the Department of Energy to let us take the last \$25,000 of that grant and try something different. We wanted them to recognize that almost nobody cares about energy. It's hidden in the walls, it's in the ceilings, it's in the wires, you can't see it, touch, feel it, but people, what they do care about is comfort. And they care about saving money, they care about clean air inside, they care about clean air outside and they want natural and beautiful materials. So what we wanted to do was sell energy conservation, but we had to learn to quit talking about energy because nobody really cared and start talking about building performance, personal health and talk about quality design. So that's what we did. We started with a first meeting, we got a room, we invited about 100 people or so and we thought maybe 30 or 40 people would show up to talk about green construction practices. What happened was 150 people showed up that afternoon, and they wanted to talk about what do we mean by green building. What should our standards be. What kind of services should we be offering. How do we work together, or who are all the partners in the community. How do you actually find materials and do design here in the northwest? So we ended up having a \$more meetings over the next six months and created what ended up being the green building program. One thing we knew was by bringing together efficiency and design service in one place, we would have more impact. So we acquired both city and grant funding to get the program going, we built our team, I've been extremely fortunate to have been able to bring together people who are really some of the best and brightest in the country to come here, live in Portland and work for city government here in Portland. So we launched a program, we hired Rob as a program manager and Mike and Greg as the technical staff and we haven't stopped since. We've gone from zero, zip, no -- not much going on to 3 million square feet of green high performance commercial space in the city and more than 600 housing units over the past couple years. So as Dan said, we're now sort of the green building capital in the U.S. But the big question really is, so what? Why is this important? Why do we care if we're the cap call of green building? It's important because the reason we're doing this isn't just because it's fun quality design. It's fun, and it is fun to work with all these folks, but it's because what we're trying to do is cut fossil fuel use, reduce pollution, reduce impacts on our rivers and improve the health of the people that are in the buildings and homes and most of us are inside all day, and trying to impact those kinds of things. Some of the impacts of the program so far are a half million dollars in energy bill savings each and every year for the next 20, 30, maybe 40 years going on forward in those 3 million square

MARCH 5, 2003

feet of buildings that have met the green building standard. 8 million gallons of water conserved every year, 5 million kilowatt hours and 170 therms of natural gas saved each year. And people have better, nicer, better ventilated spaces to live and work in. And also very important, hundreds of local products were specified and purchased here locally helping our economy. I think -- rob's going to talk about the highlights of the program, but in all of this, I think we've been very fortunate to have the leadership of Saltzman and all of you really in terms of supporting this program. We've had the benefit of being able to be this catalyst or next to us get things going, but it's really been hundreds if not a couple thousand people within the community who are the builders, the owners, the buyers, the tenants in the buildings, who are pushing for this -- these services. The other -- they're the ones spending the money, making the commitments, they're getting the benefits. And those are the people who are really making the difference. So rob's going to outline some of the highlights of the program, and hopefully show us some great pictures of building that's are going on right now.

Rob Bennett, Office of Sustainable Development: Good morning, i'm rob bennett with the office of sustainable development. Today is the story on the first three years, the green building program, and I want to talk a little bit about the investment that we want to look at for the coming five. It's a pretty good news story. We've done some pretty significant things in the past two years as sue mentioned, over 3 million square foot of new and retrofitted commercial mixed use buildings and over 1300 housing units, both affordable and market rate. So we've really in the first couple years of this program, really ramped up the efforts around green building. And the story is one of sort of growing demand I think nationally. Not only is the city's leadership in green building showing results, it's also showing results in the private sector, nationally as well. Here's a survey of my generation, and their interest in seeing green buildings in residential housing. You can see that a majority think it's a very important thing we have to accomplish. This is an area that we haven't seen a lot of activity. When you go look at a house to buy a house or rent an apartment, no one asks is it green or not. But it's clear the demand for energy efficiency, for resource conservation and in particular healthy homes is becoming a bigger issue. Market is transforming. The green building council, which is the secured of the rating system for new and major retrofits of commercial buildings, is seen -- has seen a tremendous growth in the market related to new green buildings. You can see here that nationally there's over 81 million square feet of buildings. This represents 3% of all new commercial buildings in the u.s. are now going with the leed standard. It's very significant considering they just got going on this program five years ago. It's exploding at an expo then that rate. 22% are leed rated. We're seeing the leadership from the public side, both at the federal, state, and local levels like our green building policy here, that the market is transforming, and we've got a big role to make that happen. In the region we're leading the nation in the number of green buildings 16% of all projects are located in the northwest, including british columbia. Per capita that's far and away the largest percentage, that over 11 million square feet. You can see here the number of leed-rated buildings. We're number 4 in the country, and adjusted per capita we lead the country in the number of leed-rated buildings. This is significant, and that's one reason Portland is considered one of the green capitals of the u.s., because of the density of projects and the spin-off economic benefits, whether it's professional services or manufacturing and other building-related industry. On our program side, sue and I both mentioned the results to date. We've got a lot of results related to square footage. The next portion of our work is actually really quantifying the resource savings, and we need the buildings to be operated for some time to be able to do that work. But the numbers are significant. 3.3 million square feet. When we set the goals originally back in 1999, we didn't know what to expect. I was 3 million square feet and 600

MARCH 5, 2003

housing units so we were on target particularly in a slow economy, we've we've been able to capture a lot of those projects that were late in the pipeline. So that's also good news. We've done hundreds of trainings and presentations to trade associations, we've been out getting the word out about green building as a voluntary program. We've got at least seven city facilities projects that are greening up the fire stations, there's at least two that have really significantly moved forward on implementing green features. The 9-1-1 communication center is going to be leed-certified as is the operation center at the water facility in columbia boulevard. We've got a bunch of guidelines in developments, we've passed two policies, you've documented one policy related to our city-owned facilities and pdc commission has pass add policy related to publicly funded private sector development. And of course this doesn't happen without partnerships. As a voluntary program we've had to do a lot of work to partner up with city agencies, with local utilities and here you can see some of the partnerships that we've been creating. Really the leadership in green building will come from the builders and the developers, and we're seeing a lot of that happen right now. Some of the largest developers in town are leading the charge to implement green building practices. As are some of our local contractors as well, the residential front. There's been five areas I want to briefly talk about that we've been focusing on in the last five years -- i'm sorry, last two years. One is policy and research, we've got the city facilities policy, p.d.c. Has their green building policy, we've raised over \$300,000 in grant dollars, and contracts to run the program, so we're always looking to fund the program so that the exposure for -- on the city side is minimized. And of course we had to staff the program up. As sue said we went from zero to something very quickly. On the resources side, we've developed a series of guidelines, we've create add local version of this leed rating system. We do case studies and technical sheets and everything is housed on our web resource center. The idea we're a clearinghouse of information that will continue. It's a very powerful tool for market transformation. The sort of bread and butter of our program, mike and greg, they provide our technical assistance. They partner with a lot of other city agencies, tom lipton at b.e.s., others at the bureau of development services, and together we provide assistance both on our city side facilities and county, and also to the private sector. And because of the market, we've had much more activity in the private sector as far as our work goes because we've got such a small portfolio of projects going on right now. Now, permit processing, i've highlighted that, this is one area we heard back in 1999 that we really have to get after. You've heard us talk about the idea of expedited permitting. I think in the future we want to talk about this some more, because we continue to hear when it we provide technical assistance, and you know that as well. I think there's a real tint to do something related to permit process. On the green investment fund, this was -- commissioner Saltzman, through his leadership, the \$800,000 fund from the solid waste reserve fund, we created four areas, grant areas, and i'll show you some of the projects this. Has also been a big majority of our work. We've got over 69 projects in the portfolio, a good range from affordable housing to single family, to small and large commercial. And then the area of emerging technologies, which I think holds a lot of potential for future grants funding, and also as far as linking up to growing the green economy, i'll talk about that. On the city facilities side, bureau of general services has done a great job in leading the charge along with other facilities groups to create newark tech which your and engineering requirements for new construction projects. We've created guidelines and tools for every kind of project. We're still developing them as we go. For instance, there's a lot of unique project types the city owns, like water pumping stations and small earth structures. We want to make sure we do our best to green those up, so we'll work internally to create guidance for those projects. And then of course some of the projects like the 9-1-1 center, communications center, and the operations center, we've done a nice job. We

MARCH 5, 2003

haven't done a nice job, the project managers for the bureaus have done a nice job implementing the green practices. Most of our projects that are going forward with leed rating or significant improvements were actually funded prior to the policy passing. And that's significant in that they're finding affordable ways to green up these projects at no additional cost, because the budget obviously was set prior to the passage of the policy. And we're seeing that with lead projects as well, as the costs are not as big an issue as we originally thought. One of the -- the developers are doing it for the environmental reasons. A lot of development companies are wanting to be stewards, they're wanting to be responsible business people, and that's why they're implementing green building practices, and that's what they're telling us. Regulatory preparedness, whether it's storm water management, or new building codes, they want to be ready, keep moving along. Of course easy money and the competitive advantage that green buildings have in the market. Our investment fund is broken out, 800,000 dollars into the different sectors, a big chunk for commercial because they represent the most expensive development we have. Very quickly, some of the projects we're working on. Museum south place, that's going to be a leed-rated building, quite energy efficient and 90% of the construction waste has been recycled. Our strike buildings -- historic building, this is also leed-rated as of today, I believe. Again, more energy and daylighting, very efficient building. The brewery blocks, all five buildings are going to be leed rated, representing 1.7 million square feet. People's food co-op, a terrific project in southeast Portland, and this is -- in project had a budget of 800,000 had done a significant amount of investment related to ground source heat pumps, certified materials, ecoroof, great storm water management, and because it's a public -- a retail establishment, there's a great story to tell. Terrafirma construction, they're a spec builder in northeast, they do nice infill projects. They do a cost effective greening of their projects. I believe they also are part of the earth advantage program through pge.

Katz: And they meter on design codes.

Bennett: It's a win-win. This is sort of the poster child from my perspective of great green infill this. Is the bakin house in northeast Portland. The neat feature, the most significant feature, great daylighting and passive opportunities, is they harvest all their rain water and reuse it to drink, to heat, through their -- through radiant floor heating. They're a sort of totally off the grid house. Only a month a year do they need to tap the city's water system. Station place, kevin kraus is here from reach community development. This is a significant project. They're going to harvest rain water from the roof to flush 76 toilets in an affordable housing project.

Katz: And you laughed at me four years ago.

Bennett: This is a great project. [laughter] and then some smaller community driven projects. This is at the da vinci middle school, a storm water retrofit of an old tennis court. Very affordable, totally volunteer driven. It's a great example of artful storm water reuse. We're funding things like monitoring of the ecoroof at the Multnomah county building. In partnership with psu and their chemical -- their engineering program, they're going to be look at storm water flow and energy -- potential energy savings of these roofs, so we're looking at some potential partnerships, we're creating potential partnerships with psu that have economic opportunities for new businesses and new products. And finally, the rain water harvesting code guide we worked with the bureau of development services to do the kind of projects like the bakin house and station place. Now, we're also moving into sort of the outreach side of our program. This fall we had the build it green tour of homes. We had no idea what this would bring as far as doing a tour that was the antithesis of the street of dreams. This was wildly successful. 700 people showed up, we had 15 homes on the tour. And it really shows again the demand for green building is great. Contractors who were there

MARCH 5, 2003

loved it, they're seeing new business opportunities, vendors like environmental building supplies and the rebuilding center and others who supply a lot of the materials and products are seeing a growth in their businesses. So our investment is working. And finally, rethink. This is our latest effort to do a training program to the design and construction industry. It started in february, it runs through may. We've got 18 sessions, we've got about half a dozen tours, 75 experts from around the region are coming to speak to our local design and development and construction professionals about how the demand is growing, through the citizens and also professionally and the professional services and product side. So here we are, lessons learned so far. Portland's becoming the center of excellence and I think we really want to continue moving in that direction. We've got lots of case studies and particularly the economic development side of buildings. We're going to spend a lot of time and we have spent time trying to track down the numbers so we can put to bed finally this myth that green building costs more. And the excavate of our program is important, too. From small community grants to large commercial investment, I think we have to continue to spread that investment out throughout the community. And then, the permitting process. And we've got lots more to do. The first two years have been good, but there's lots of opportunity, and this is what I want to spend my last two minutes on. This is the area we want to work on in the next five years. One is doing what we were asked to do by you originally, to improve our internal commercial -- conservation programs so that when the -- when a developer or contractor, anyone who wants to get it to our services, they see a one pathway to get there. We want g-rated to be that pathway, whether it's storm water management, or energy efficiency, we need to continue to work internally to make our technical services be efficient. We also are going to explore with metro and our outlying communities about expanding the services throughout the region. A lot of our production home builders are working mostly out in the suburbs and there's an opportunity without a lot of expense to expand service. Next is next generation green buildings, working with p.d.c. in their policy and investment. We really want to push the next generation of green buildings and we dock this in a variety of ways. One way is setting up a high performance business center. We're talking to the northwest energy efficiency alliance about having a place where local businesses can see what an office of the future or green office looks like, a place to take clients, and again, that will help position Portland in a leadership role. Of course expanding local capacity for us to hit that tipping point in green building being the standard practice, we really need to continue our work with -- through procurement standards at the city for our own facilities and sharing that with the private sector. One of the most exciting things is we've been given the 2004 international green building conference as I see it as the next two years to really make some strides to show off in november of 2004. They expect 10,000 people to be here in 2004. The conference started in austin this year, they expected a thousand people, 3500 people came. It's in pittsburgh, next year. So we have a real opportunity in the next two years to position Portland as a real leader in green building, both again on the economic side and then also on the number of buildings that we have going. And I see the conference as a good starting place. And of course the need to link our conservation programs to growing local business capacity so that our local professionals services are seen nationally and internationally as experts in the field, that we've got more production on -- at the manufacturing side, at the vendor side, we really need to link our efforts -- our conservation program efforts to growing this economy. And that's it.

Katz: Thank you. All right. I'm watching the clock. We only have about -- we have an hour. I'm going to adjourn this council at 11:30. So i'm -- I just want to flag to everybody there's going -- that's going to be testifying, make it short.

Anderson: I wanted to start with don maziotti. Or don's impersonator at this point.

MARCH 5, 2003

Katz: Don said he needed to leave early. Make it very brief. Thank you.

Charles Sellers, Portland Development Commission: Good morning. My name is Charles Sellers, I'm with the Portland Development Commission. On behalf of the staff of the Portland Development Commission, we appreciate the opportunity to review with you our efforts to incorporate sustainability into every aspect of the urban development process. That includes design, financing, construction, and operations. I'd like to very briefly review P.D.C.'s green building policy where we stand today in our commission's next steps. As you know, we began our effort in November of 1999 working with Commissioner Saltzman's green building initiative. We had little idea then how deeply our work would resonate within P.D.C. and how much we would move forward on this. Our goal then, it's the same today, is to be the nation's leading development agency on sustainable development issues. In late 2001, our commission approved the P.D.C. Green Building Policy which compliments the Portland Green Building Policy and requires all major development efforts to be LEED certified and we encourage our development efforts to go to silver or even higher. This rigorous strategy and it has worked. We've seen the Brewery Blocks, Museum Place South, Columbia Knoll, Pacific Tower and many others and development along MLK all reach to the LEED level, and we're seeing silver and gold projects are also coming along. It's also our pledge we will be involved in the first platinum LEED building that will happen in Portland. It is our hope we can get that done and under construction so we have something to show in 2004.

Katz: Platinum is higher than gold, right? [laughter]

Anderson: Lasts longer.

Sellers: Our Portland P.D.C. green building policy addresses affordable building production. It includes 66 -- it has also worked. 22 housing projects with hundreds of units have been put forward under this policy, and it's been very successful with the developers as well. So we're seeing the results of our initial efforts, but we can certainly do more this year we'll update our green building policy and our affordable housing guidelines to take into account much of the recent research that's been done. In addition, as Rob mentioned, we're working on our applied sustainability initiative, and I'll wrap up with this, but I wanted to mention we certainly support O.S.D.'s efforts and we want to go beyond policy into ability to deliver cost effective real world solutions. We are trying to incorporate sustainability into every step of the urban development process, and that includes a few different components. First, leadership, P.D.C.'s in a unique position to attract leaders who are steeped in the knowledge necessary to transform what is today perhaps a market niche. Supply chain analysis. This is a case where the weakest link in the chain can break the chain. We're partnering to identify supply chain issues that prevent green building practices from being adopted industry wide. Pricing, sourcing and branding issues are all areas that need to be investigated. Demand analysis. Local demand for sustainably designed projects has not been successfully documented. We're contracting with local businesses to gauge the demand for greenhousing, office and lifestyle projects. We'd like to examine revenue growth models. We're developing new models that recognize and capitalize the benefits of high performance development. And last, to foster new business models. We're developing new business models based on sustainable products and business practices. So in conclusion, we'd like to congratulate O.S.D., Commissioner Saltzman, all of you and everyone who has worked over the past four years to make this a reality. We certainly have more work to do and we look forward to keeping Portland a national leader. Thanks.

Katz: Thank you. All right.

Nathan Good: I'm Nathan Good, my address is 825 Northeast Multnomah. I'm an architect, we're a 12,000 employee firm, founded in the late 1940's. We currently have over 1200 employees in

MARCH 5, 2003

Oregon of which 600 are in Portland. Of those 600, about half of those provide comprehensive architectural engineering services on projects throughout the world. About 80% of our architectural and engineering work is outside the state of Oregon. We've had several touch points with the city of Portland's office of sustainable development and the green building group. Those include the seminars and training, they include the resource guides, the technical staff has been a phenomenal benefit to us. What I'd like to share with you is the contribution that this is making to CH2M Hill and our emergence as a global leader in sustainable development. I'll give you one case study and that is with Clemson University. It was a large part the result of our Portland, Oregon's knowledge of green building and high performance buildings were awarded the comprehensive architecture and engineering services for 350,000 square foot research and development facility, a large part of that work being done out of the Portland office. That project is pursuing a gold rating and as a result of the success of that project, Clemson has decided all their new construction projects will pursue LEED. We're grateful to the city of Portland, the offices of sustainable development and the green building staff. They're making a contribution to our bottom line, and for that reason that was -- it was a no-brainer step forward and be one of the sponsors for the Rethink Series. Thank you for your investment.

Katz: Thank you.

Francesconi: Are you going to give this fund 10% of the proceeds of the contract you got?

*******:** Is that before or after taxes? [laughter]

Donald Aitken: My name is Donald, I was the Rethink speaker last night. I presently live in Berkeley, California. It's a great pleasure to be back where I lived and worked in Portland until 1981. It was for that reason I was asked to come before you this morning. I was here as executive director of the U.S. Department of Energy Western Regional Solar Energy Center with responsibility for renewable energy applications in the western 13 states. And that central office was put in Portland. I ended up with 55 people working for me and with me downtown on the corner of Broadway and Morrison. We felt we should walk our talk as an agency of the U.S. Government, and so we took the allowance we have for building out our space and capitalized on the daylighting and energy and solar resource that's were available on the windows of the Pioneer Park building, and reduced our energy consumption as we designed them by 50%. And it became a very important case example. The only U.S. Department of Energy office in the entire United States that was solar heat and day lit was the downtown Portland office in the 1979-81. The only United States government office that was solar heat and day lit was the downtown Portland office, '79-81 under President Carter and we demonstrated I was very easy within our existing budgets to tap the environmental resource that's were available to dramatically reduce the energy use of buildings and to enhance the quality of the environment within the buildings. The reason our office was put in Portland is Oregon is only one of four states in the nation that is blessed with all of the renewable energy sources. Solar, wind, geothermal resources. A neighboring state, or nearby state, Nevada, -- Nevada last year enacted the most aggressive renewable energy portfolio standard, most aggressive renewable energy policy of this nation, to capitalize for economic development, economic diversity their resources. I was introduced by the Republican leaders in the Senate, the bill was crafted by the Republicans, passed by the Republicans, and signed by the Republican governor. Which really demonstrated the full bipartisan benefit of promoting renewable energy and good buildings for the same of enhancing the economy and diversifying the economy. Portland itself, with the most -- the country with the greatest development and use of renewable energy for building is Germany, and Portland has more sunshine, believe it or not, than Germany does. More resources than Germany. Central Oregon has more sunshine than the southern Mediterranean tip of Italy. Oregon is an

MARCH 5, 2003

extraordinarily blessed state, and as you go through economic difficulties now, you find that not only can you do exemplary building that's provide for greater productivity within them, and with the capable help of the agencies you had before you today, but also you can bring new industries, you can divert money that had been spent on energy, you can divert into economic development, commercial development, and new jobs. Portland as I said is one of the gifted states has a great opportunity to look seriously at its buildings and beyond its buildings to enhance its own economy.

Thank you very much.

Kevin Kraus: I'm Kevin Kraus from Reach Community Development. I just wanted to say I think the office of sustainable development is a great asset to the city of Portland. What they have done in two years is pretty amazing. Despite the fact developers and code regulations in construction are generally pretty conservative group, they've really pushed the boundaries and have been very successful. I'd like to emphasize the importance of all of the things they've done, but most importantly I'd like to talk about the innovative grant incentives they have given. I think these go a very long way in helping people and especially in the affordable housing program, to be able to do things that we can't do. Affordable house assisting very hard to finance, as you know, and getting the grant to do the rain water harvesting for our next project was to me a really huge benefit. I think from those 76 toilets we'll be 18 to save about \$2 -- 275,000 gallons a year which I hope will help our bottom line in keeping the buildings affordable and keeping maintenance costs down over the long run. And I think these incentives are so important to put actual projects out there that get built that can be studied and looked at to show people, yes, the sustainable building practices are economically feasible.

Katz: Thank you.

Ralph Dinols: Thank you. Ralph, I'm with Green Building Services, my address is 313 Southeast 11th. Sorry, Southeast 27th. I'm here representing Green Building Services which is part of Portland General Electric. We're a consulting firm developed over two years ago. My coworker and mentor Nathan Good just testified, and Nathan has moved on. The program has continued to support vigorous activity at Green Building Services. Our rate of growth tracks with the U.S. Green Building Council's rate of growth, which is exponential in terms of projects that we're acquiring, work we're doing, the number of employees we have, we've -- our growth has doubled. So I wanted to just point out some of the areas of leadership that I think the office of sustainable development has helped us with project work. The Thomas Hacker's office, the -- I was just notified that building is certified LEED Silver. I don't believe that project would have gone for certification without the grant funding from the office of sustainable development. So a really important partnership there. Certainly the city is showing leadership in adopting LEED, the programs and outreach and training that the office of sustainable development is providing is I believe first in the nation. I'm -- part of the U.S. Green Building Council's faculty, so I train people about green building all over the country. I also work for other cities in the nation, providing training and I haven't seen programs that nearly compare to what Portland is doing. And again, whenever I tell someone I'm from Portland, they say oh, Portland. And I think that's important that we recognize that, and we don't let that go. You may have heard of developments in Chicago and Chicago wants to be the greenest city in the country. And I think that they're going to have a more difficult effort than we have here with the people that we have here. So as far as opportunities go, I think the U.S. Green Building Council 2004 conference, we need to really think about what we can do to provide leadership nationwide with that. And I also would like to put forth the opportunity to look at other advancements like Rob was talking about, of making looking at what is a sustainable building

MARCH 5, 2003

really, and going beyond leed. So we've provided leadership with adopting leed, but can we go beyond that in our community? Thank you very much.

Richard Woodling: Martinez, commissioners, good morning, my name is richard woodling, i'm a design architect in Portland. I came today because I wanted to sort of talk to you from the perspective and point of view of an architect who is relearning his craft in the green building way of doing architecture and design. By way of background, I left Portland in '93 to go overseas internationally to take on architectural positions in asia and south america. Where I was reconnected with part of the worlds that aren't quite as lucky as we are to live in a community and the quality life we share here today, and I think instinctively I saw there were things wrong that were going on, and I thought Portland might have answers for me personally. Portland has and was being used as a model city in many of those cities I visited and working. I came back to Portland and briefly with sarah realized sustainability and the kind of green building design was an answer for me personally, as well as for our city. So i've been using the department of sustainability here in the city of Portland as its become more and mayor important in my life as a professional. I'm now on the residential and commercial track that is being presented by the -- both mike o'brien and craig acker, and i'm finding it critical in my training to prepare myself not only to serve clients here in the kind of housing industries, both residential and commercial, but also what i'd like to do is be able to take some of the things i'm learn back overseas to some of those people who could really use it. It's not only critical for the economy of Portland and our region, but I think we have a tremendous opportunity to make it an exportable service and the kind of things most countries around the world are really looking for. So thank you for letting me speak and encourage you to continue sponsoring and supporting what you're doing with the department of. Thank you.

Katz: Thank you. That's it? Ok, everybody. I'll take a motion to accept the report.

Saltzman: So moved.

Leonard: Second.

Francesconi: This is legacy stuff here. I've had the privilege of taking over transportation from terrific commissioners, so you go to these national conference and they go oh, you're from Portland. The streetcar, light rail, the land use and transportation system that's produced a vital downtown that other cities would die for, based on a land use and transportation system. So this is legacy stuff that you folks are working on with the leadership of commissioner Saltzman, because this is another way of establishing leadership. So we really in this tough times we have to build on our strengths and we have to preserve our strengths, and here's another one. And it's been a combination of efforts, but what you're -- what we've done for the country in transportation and land use, with your efforts and the leadership of commissioner Saltzman, you're trying to do for the whole world on construction and green building techniques that really don't focus just on energy as susan said, but it's the broader message of how do we live better and how do we design buildings that contribute to the environmental but to our own quality of life. You've kind of redefined the whole mission. And by doing that you've brought in envelopers, you brought in pdc, and you're building momentum here that can change how we do business practices, and you want to extend it now to suppliers, but this is really important work that first we have to do with our own buildings, and we're doing it, then we have good developers like bob and hank, and architects, so it's just mushrooming. And so we're becoming in this arena because of your work and commissioner Saltzman's legacy leadership, what others have done in the transportation and land use arena. So this is really very good. I am a little disturbed to hear that the efforts -- this was before your time, commissioner leonard -- but I thought we had built in an incentive on green buildings to help through the permitting process. And it seems like a policy that we implemented, we declared didn't

MARCH 5, 2003

actually make it through the counter. And so i'm going to go back and look at this with commissioner Saltzman and commissioner Leonard to see what we can do to strengthen a policy. And we need commissioner Leonard's help on this in terms of the practicality of it this. Was well before his time. But -- and then I was also pleased that parks is stepping up, transportation can do more and wants to do more, and don's here on this the green streets and the storm water side, so I think we can do more from that perspective. We've already done a lot, and I know don's committed to this as is Brent Williams. So we'll try to do more from our standpoint as well. So this is very exciting. Aye.

Leonard: This is very smart work. And I want to -- sue to know that I very much support your work and your bureau's. But particularly this is the kind of leadership that I have observed from commissioner Saltzman since I had first become of his -- aware of his public service, and I greatly appreciate it. Aye.

Saltzman: Well, I think as you see, we're having a successful track record in transforming the built environment to connect to our natural environment, and that's a lot of what green building is all about. As our environmental problems, our storm water, river, and our air quality and global warming all become more pressing issues, it's more important than ever that we deal with the built environment, since it does consume so much energy and so many of our materials. It's easy to lead this effort whether you have so many people in city government in the private sector who are I wouldn't say willing to follow, but are right there at your heels nipping at your heels with great ideas, well -- a wealth of enthusiasm, and just really an ethic that probably exists in Portland like no other city about trying to do things right, trying to do things different here, and really taking pride in serving as a leadership, as a leadership model for the rest of the country and indeed the rest of the world. As we heard from Nathan, it's producing jobs here locally, and from Richard Woodling, these are job opportunities that people are -- our expertise is being recognized and it's being hired and it's being exported nationally and internationally. One of the key things we're working on now with P.D.C., we want to start building manufacturing capacity too that's producing the stuff that goes in the green buildings, producing the technologies. These are all opportunities that again Portland and Oregon are well poised to take advantage of, and we need those job more than ever. So i'm very pleased with the leadership of people throughout city government, not just sustainable development, environmental services, water bureau, transportation, P.G.C., like I said, it's really easy to lead when you have people like that leading the way. Aye.

Sten: I also want to join in and thank Susan and Rob and your team. It's really good work and I think the industry was ready to go and do you need -- this is a time it's not popular to say government should ever do anything, but we set standards, and if you look at the standards the federal government set up, they reward the wrong things. And I think this is a case of trying to get the incentives in the right place and in fact the private sector has jumped right in. People have talked a lot and we don't have a lot of time today, but a couple things i'd like to say. I think this is very significant on this environmental things that may not be obvious right away. You can't actually solve the real crisis issues like global warming without our federal government moving, I think localities have to do that and I think you are, and I think it reverberates in a way people realize you can make a difference. On the economic front, I do any a more sustainable economy comes from building industries that are build to our strength and trying to do things that both do good locally and can export things because if you export knowledge, if you export approximate you bring money in, and we have to do things -- we can't get away from some of our strengths but we can't be dependent on the Asian economy. It's something we can build and sell a product internationally. I think it's pretty exciting and I think it will continue to draw people here as well as

MARCH 5, 2003

do good things. So this is great work. And it's a great example of I remember the little charge that was on the garbage bill to get this fund started has really paid off. And I think there's a long way to go, a lot more to do, and I appreciate everybody's great work. Aye.

Katz: Susan this, was your budget presentation. [laughter] wonderful work. We had high hopes for this, and commissioner Saltzman, you brought the team together and susan brought another team together, and with the private sector, the work got done. We are the center of a sustainable economy in Portland, we're also branding ourselves, I will brand it for all of us, as the center for creative minds. So a center of creative minds and sustainable development, we really can find a niche in an economy and push that forward, as was described by all of you who testified. So thank you. I think the next step is building materials. We may be a little bit behind on what kind of building materials are available, or could be made available for construction purposes, and then as commissioner Saltzman said, for making those materials right here in our city. So lift the bar, push it up a little higher, downspout disconnects are a fine, so are ecoroofs, and so are toilets using the run-offs, but let's think a little bit bigger now and think about what kind of materials that are not being used here, maybe being in used in some experimental residential or commercial buildings around the world and bring them to Portland. Aye. [gavel pounded] we have half an hour for 181. Thank you, everybody. [applause] [gavel pounded]

Item 181.

Katz: I'm just going to warn people who are here, we may have to continue this this afternoon if the council has questions. All right. Who wants to start?

Andy Welch, Portland Development Commission: I will. Andy Welch, Portland development commission. Good morning, madam mayor, commissioners. Acting director of housing. We're here today as you know Portland development commission administers jointly with the city a myriad of tax exemption programs. We're here today to discuss the single family new construction tax abatement program. With me is Kay Dens, legal counsel for p.d.c. And I'll turn it over to Sarah Stephens to administer the programs for us.

Sarah Stephens: As you know, p.d.c. Stopped taking single family new -- as of January 1, 2003. To be in compliance with the state statute, and that state statute is actually under review in the state legislature currently. Within that state statute, there is a deadline date of January 1st, 2003. And in addition, there's also a completion date of July 1, 2003, and within Portland 60 code, the completion date is July 1, 2003. So we, p.d.c. Stopped taking application was that earlier completion date. However, do to the discrepancy in those completion dates, within the state statute and city code, p.d.c. Is requesting that those applications that were submitted prior to the January 1, 2003 date be given a six-month extension to the July 1, 2003, date. And then four projects that are not completed by July 1, 2003, within the state statute and city code, p.d.c. Can give them a notice of that July 1, 2003, new completion date and they can then on a case-by-case basis ask for an additional six months to December 31. Because the city of Portland is allowed to give 12-month extensions to a tax abatement application. So that's pretty much the ordinance. Any questions?

Katz: Questions -- well, let's -- stick around. Let's hear the testimony. Because you can always come back and I don't want to ask people who have other jobs to come back in the afternoon.

Moore: Come up three at a time.

Larry McDuffee: My name is Larry McDuffee, I live in Oregon City. Simply, we applied for the tax abatement programs because it was offered prior to that knowledge, we built and sold houses without it, and simply we feel that we've applied, got the initial approval, paid the fee for that, and only remaining is the appraisal and final completion of the houses to get the final approval from p.d.c., and we have 19 houses in the program -- 18, and 12 of those are sold under the guise,

MARCH 5, 2003

understanding that it would be tax abatement for the buyers. So we just feel it should be extended to honor the commitment that we entered into paying the fee and applying for the program. And we can make most of them with the extension.

Katz: Thank you. Go ahead.

*****: I agree, basically.

Katz: Identify yourself.

Dana Popicls: Dana popicls, with mountain valley homes. My home is in -- 6531 southeast austin drive in hillsboro. We're building seven homes next to columbia villa. I'm also a certified loan officer, and I help people get their loans to buy their homes. The difference between, say, a hundred, \$125 a month for a low-income person can knock them out of a house, and that's just the main point I want to make, this does make a difference for low-income people, that they can get into a house that they otherwise could not, just because of that little difference.

Gordon Banks: Gordon banks, 30049th court, Washington. I have two homes, i'm a private investor, and we applied for the program prior to 2002. So I just want to encourage you to give us the -- what we applied for as far as the tax abatement program. We're trying to keep the houses that we build affordable, and like the gentleman just stated, \$125 a month really does make a difference. Thank you.

Roger Kling: Roger kling, 9862 southwest 91st place in tigard. We have seven lots in north Portland that we're developing in the tax abatement area, and the margins are so tight trying to keep them affordable, that if we can't get the tax abatement, that makes it almost impossible to even break even on the construction. That's all I have.

Katz: Thank you.

Andrea Debnam: My name is andrea, i'm the marketing director for host development, a local nonprofit building affordable single family units currently in north Portland.

Katz: Put the mike closer to you.

Debnam: Ok. And the reason why this is so important to us is we market to people that are 80% or below the median family income, and part of why we're so successful is putting all the pieces together to make it affordable for folks and tax abatement is one of the biggest things. And currently we're a little over halfway through this, 100-home subdivision in st. Johns, and that's going to make the difference for primarily most of the people purchasing out there. So it's really important that we're able to continue and extend and provide that tax abatement. As the gentleman mentioned earlier, in terms of financing, it's that difference that makes people eligible or not. So without it, it makes our job a little bit tougher in being able to accommodate people at that income level.

Katz: All right. Questions by the council?

Leonard: I have a question.

Katz: Did you want to bring up the staff?

Leonard: Probably p.d.c..

Katz: Before commissioner leonard asks the question, what school is visiting us? Laurelhurst. Well, it's nice to have you here. Remember the summer is coming and you need to read 25 books at least. Ok.

*****: I want them to read 40.

Katz: My standards are too low.

Leonard: And you're not getting any days off.

Katz: Don't fly away during the spring break. All right. Go ahead.

MARCH 5, 2003

Leonard: You may be aware that I have raised concerns about the issue of abatements generally.

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

Leonard: And they are not the nature of my concerns are not the philosophy behind abatements. I want to -- i'm going to keep repeating that so -- I keep getting people coming up to me explaining to me why we do abatements. I have fought for them and carried them in the legislature when others ran as fast as they could. I understand them, they're an important tool. Particularly to this end. Providing affordable housing. My concern is the analysis that you use. Do you have a system by which in place that you can retroactively look after a house has been sold, purchased by someone, to see if in fact the abatement caused to happen what we intend to have happen? That is, provide housing for people who otherwise could not afford house something in other words, what I -- the concern I have is that the applications that we see here are from some outstanding organizations to be sure, they aren't from individuals applying to buy a house. And I want to make sure, I want to have some assurance or know that you have -- am I done? [laughter]

Katz: You're never done.

Leonard: Ok. I want to know that you have some checks and balances in place which I have discovered on the commercial side you do not, to make sure these kinds of abatements in residential areas are in fact accomplishing what we want, and we're not just creating a larger profit margin for somebody else.

Welch: In the single family tax exemption program, andy welch, i'm sorry, we test on two criteria. One is a maximum price and one is income eligibility. Recently I believe it was last fall, the program was changed to mandate an annual income verification for the homeowners. So there is an initial test and then there's an ongoing test of income eligibility.

Leonard: Do you look at actually what the house sold for at some point?

Welch: The initial test is the maximum that the house indeed is selling for a price at or below the maximum l.t.a. Sales price.

Leonard: And you verify that?

Welch: We do.

Leonard: And so the people that actually live in the house occupy the house, you also verify meet some criteria to be eligible to buy the house? In other words, we're not allowing the house to be sold to investors who then turn around and rent them at some market rate?

Welch: We verify on an annual basis that the owner of the home is income eligible for the program.

Leonard: The owner of the home. Does that allow for the owner to rent the house out?

Stephens: Under the current guidelines, yes. However, last spring city council amended the city code so that it has to be -- the requirement has to be homeownership, and that any subsequent owner has to pass the income guidelines as well.

Leonard: That's not really the question I asked. The question I asked, does the guidelines allow for the owner of the home to rent the house out?

Stephens: I think in city code there is a provision under certain circumstances that they would be allowed to rent the home as if they were called to military activity and they wanted to maintain homeownership of that but --

Leonard: But not generally as an investment?

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

Leonard: I think this relates to a conversation you and I had earlier, commissioner.

Katz: Was this the issue that we had a long discussion on --

MARCH 5, 2003

Sten: The tax abatement program, specifically designed to revitalize neighborhoods, so there was no income caps, I think that -- thought that was out of date given where the market is. Now it has a price cap and an income cap and you have to be a homeowner. We did leave p.d.c. The discretion in hardship cases, you know, because people can't coming in -- it hasn't happened, but what if somebody was called, could it happen now, to military duty.

Leonard: Midway through my question I connected you and I talked about this. Right. Thank you.

Sten: But if you qualified under the old abatement, the new rules don't apply to you.

Leonard: Right.

Katz: Because the council spent a lot of time on this. Good. I think a lot of people had concerns on that.

Francesconi: I only have a tangential question. It will be very brief. The minority homeownership rates, there was -- I don't know where I got this, it says we need a 50% increase in order to equal what we should be doing. And that less than half of the minority homeownership is in Portland. Which was surprising in this study. I don't know where I got this. What's that all about? How come we're doing apparently worse in Portland than we should be doing? Compared to other jurisdictions?

Welch: Could I hypothesize about that. I don't have any data in front of me. My assumption of course is that the housing prices have escalated to greatly that the affordable housing is clearly in the first ring of suburbs or the second ring of suburbs and I think that affects, transcends race and you'll find that increasingly the lower income households, 80% and below are moving out of the city. And I think we all know that. Portland development commission has taken great efforts over the last year to begin to target and increase minority homeownership in the city of Portland. We're putting together programs and policies that will allow us to do that as part of the interstate corridor antidisplacement efforts in particular, so we are focusing on that with real programs, real policies, and real dollars.

Katz: Did you want to add anything, mike? Identify yourself for the record.

Mike Saba: Very quickly, mike, bureau of planning. In my capacity as staff, we did a report that looked at various minority homeownership rates in the city. The point -- the committee members wanted to make the point it varies greatly among different minority groups. What was disturbing to us was the decrease in the 1990-2000 hispanic minority homeownership rate in the city, and the relatively stagnant rate for african-americans in the city. That raises a lot of questions. The data that commissioner Francesconi has I think is from hud. The hud local office in terms of setting up some standard of how do we meet a greater equity for minority homeownership rates, and how does city -- how does the city of Portland compare with the suburbs. I think his conclusion was that actually we do a little better in terms of overall average minority rate compared to the suburbs, and we'd have to do less than half of what we do given that we have more than half of the minority population in the metropolitan area. I think that's where that comes from.

Francesconi: Thank you.

Katz: Thank you. All right, everybody. If there are no further questions, this passes to second. Let's take the last item on the regular agenda, item 200.

Item 200.

Katz: Is anybody wanting to testify? If not, roll call.

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

Katz: Mayor votes aye. [gavel pounded] thank you, everybody. We stand adjourned until 2:00.

MARCH 5, 2003

At 11:16 a.m., Council adjourned.

MARCH 5, 2003

MARCH 5, 2003 2:00 PM (Meeting started at 2:28 pm due to work session with County)

Katz: Council's late, we apologize to Portland community college, but we had other issues to deal with that with all due respect are probably more important than what you're here for, but you're very important to us, so we'll start with reading items 201 and 202.

Moore: Should we do a roll call?

Katz: Oh, I forgot. Roll call. [roll call]

Items 201 and 202.

Katz: Ok. Do you want to read the two items?

Frank Hudson, Office of the City Attorney: Before we get started, I have to read a few things to you which we the city are required to do prior to commencement. All quasi judicial land use proceedings, whether they're opposed or not. Today's hearing concerns a hearings officer's recommendation to the city council. This is an evidentiary hearing. This means you may submit new evidence to council in support of the arguments. This evidence may be in any form such as letters, petitions, slides, photographs, maps, or drawings. If you haven't given the council clerk a copy of the evidence you plan to submit, you should give it to the council clerk after you finish your testimony to the council. Any photographs, drawings, maps or other items you show to the council during your testimony should be given to the council clerk at the end of your testimony to make sure that it becomes a part of the record. Testimony concerning the hearings officer's recommendation will be heard as follows. B.d.s. staff will have approximately ten minutes to present a staff report. Following the staff report, the city council will hear from interested persons in the following order. The applicant will go first, and will have 15 minutes to address the council.

After the applicant, the council will hear from individuals or organizations that support the applicant's proposal. Each person will have three minutes to testify, whether they are speaking for themselves or on behalf of an organization. Next, council will hear from the -- from the area neighborhood association, whose representative will have ten minutes to address the council. After the neighborhood association testifies, persons or organizations that oppose the applicant's proposal may address the council. Again, each person will have three minutes each, whether they are speaking for themselves or on behalf of an organization. Finally, if anyone testified in opposition to the applicant's proposal, the applicant will have five additional minutes to rebut such testimony. The council may then close the hearing and deliberate. After the council has concluded its deliberations, council will vote to either accept or reject the hearings officer's recommendation. If the vote is a tentative vote, the council will set a future date for the findings, and the final vote on the recommendation. If the council takes a vote today, a final vote today, that will conclude the matter before council.

Katz: Ok.

Hudson: There's one other portion I need to read quickly. I'd like to announce several guidelines for those presenting testimony and participating in the hearing. These guidelines are established by the zoning code and state law as follows. Any testimony and evidence you present must be directed toward the applicable approval criteria for this land use review or other criteria in the city's comprehensive plan or zoning code which you believe applied to the decision. Planning staff will identify the applicable approval criteria as part of their staff report to council. Before the close of this hearing, any participant may ask for an opportunity to present additional evidence. At this -- if this kind of request is made, the council may grant a continuance or hold the record open for at least seven days to provide an opportunity to submit additional evidence and will hold the record open for an additional seven days to provide an opportunity for parties to respond to that new

MARCH 5, 2003

evidence. Under state law, after the record is closed to all parties, the applicant is entitled to ask for an additional seven days to submit final written arguments before the council makes its vote. Finally, if you fail to raise an issue supported by statements or evidence sufficient to give the council and the parties an opportunity to respond to the issue, you will be precluded from appealing to the land use board of appeals based on that issue. Thank you.

Katz: Ok. Except we don't have any opposition, do we? Nobody's opposing this? Ok. So we'll --

Hudson: Staff report.

Katz: I know that. I just want to know how -- we'll just normally go ahead. Staff report.

Stephanie Liefeld: Ok. I'm stephanie with the bureau of development services. I'm going to keep this as brief as possible. The applicant, Portland community college, proposes to change the comprehensive plan map designation and zoning on a property located at 2850 southeast 82nd avenue. The college plans to move their facilities to a nearby location and intends to sell the property. The site is currently designated i.c., institutional campus and is zoned i.r.d., institutional residential with a design overlay zone. The i.r. zone is intended for larger sites developed with institutional uses. The proposed designation is c.g., general commercial with corresponding c.g. Zoning. The applicant also request the buffer overlay zone to be applied to the site east of southeast 84th avenue. This zoning pattern matches the zoning in existence prior to placement of i.r. zoning during the outer southeast community plan. In order to be approved the proposal must be found to comply with the zoning code approval criteria for comprehensive plan map amendments, zoning map amendments, the transportation element and metro's functional plan. As I said, the current zone is institutional residential with a design overlay zone. The proposed zoning is general commercial, with a buffer overlay zone on the eastern portion of the site. A couple quick photos. This is the site from southeast 82nd looking east where the existing building is. This is 82nd looking south from the site. Looking north from the site. The signalized intersection here is the only vehicle access to the site. The view of the parking area on the south side of the building. And at the rear of the building. No objections were received from notified property owners. The neighborhood or business association, or city agencies. The hearings officer recommends approval, and that's my presentation.

Katz: Ok. So we need to adopt -- we'll hear from pcc. 201 and then 202. All right. Come on up, applicant.

Phil Grillo, Miller Nash: Mayor Katz, members of council, i'm phil grillo, 111 southwest fifth, 97204. With me today is randy mcewen, vice-president of administration with p.c.c. We have a few other folks in the audience from our team, from lancaster engineering, and todd, and laurie wall and kelly from my office at miller, nash. I hope you will bear with me in the sense that we really -- I don't think we have to take your time with a presentation here this afternoon. I hope you won't be disappointed by us not doing that. It's not often the law firm gets to handle a case that is really uncontested and i'd like to think it's because of all the good work that went into preparing the application and holding neighborhood meetings, but as staff pointed out, we're returning -- returning zoning to what it was before it was institutionally zoned in essence for p.c.c. Unless there are any questions, we really aren't going to go forward with a presentation for you here today.

Katz: Questions?

Francesconi: Good judgment.

Katz: Just because somebody may be tuning in, what's going on, two minutes about what you're planning to do.

MARCH 5, 2003

Grillo: Well, we -- what the college is planning to do is it will be moving from its current location down to the location farther north on 82nd at division, and in doing so that will free up this site, because it's zoned i.r., that's very restrictive zoning. The site was originally zoned general commercial before the special zoning was placed on through the southwest -- southeast community plan, so all we're really doing is asking the zoning to return back to what it was originally, and so in short, that's the situation. There was one issue that was raised by pdot early on, we were able to resolve that issue at least with regard to this case, so other than that, there have been no issues at all. We had neighborhood meetings prior to actually submitting the application, and there really were no concerns from the neighborhood's point of view.

Katz: What do you plan on the site?

Grillo: We don't have any plans for this site.

Katz: You're going to sell it?

Grillo: Planning to market the site, that's right.

Katz: Do you have a buyer?

Randy McEwen: My name is randy mcewen, 1200 sw 49th, Portland. We -- we're working with an interested party who, if we can consummate the deal, would bring an enterprise to the site that would create somewhere around -- between 60 and 100 family wage jobs in the area. So that may or may not come to fruition, but --

Katz: And the zoning would permit that?

McEwen: Yes. That's right.

Katz: I just wanted to know. I used to work for the college, and I wanted to know what was going to happen on this particular site. All right. Questions? All right. I need a motion.

Saltzman: Move to adopt 201.

Katz: Do I hear a second?

Leonard: Second.

Katz: Roll call.

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

Katz: Mayor votes aye. [gavel pounded] 202. Roll call.

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

Katz: Mayor votes aye. [gavel pounded] thank you. Good luck. And we'll come back together 2:00 tomorrow. We stand adjourned. [gavel pounded]

At 2:40 p.m., Council recessed.

MARCH 6, 2003

MARCH 6, 2003 2:00 PM

Katz: Present, where is commissioner Francesconi?

*******:** He's out on personal.

Katz: On personal business. All right. I need a suspension of the rules to take items 201 it's not 200 -- 201, but 193 and 194.

Saltzman: I would so move.

Katz: Do I hear a second?

Sten: second.

Katz: Any objections? Hearing none. [gavel pounded]

Items 193, 194 and 204

Katz: One of the reasons for taking these two items for today is there was an issue that our city attorney wanted to address with regard to the reservoirs in Washington Park, and so Kathryn, are you prepared to address this issue?

Kathryn Beaumont, Sr. Deputy Attorney: Yes. First, a clarification, were both 193 and 194, were they set over from yesterday?

Katz: Right.

Beaumont: So I had been under the understanding you voted on one of them. All right. The reason we asked to have both matters set over is during yesterday's hearing you received some correspondence and heard some testimony addressing some of the land use issues with respect to the Washington park reservoir. We felt it was an opportune time for the council to address some of the land use issues in the context of a use determination, which is provided for by state statute. We have prepared -- we have worked with b.d.s., which has prepared a proposed use determination on the zoning classification and status of the reservoirs for Washington park, and it is here for your consideration and adoption today. By adopting the use determination, some of the preliminary land use issues for the reservoir cover in Washington Park will be addressed -- will be addressed in a very direct and simplified fashion. Should someone dispute that, they have the opportunity to appeal that decision to the land use board of appeals and we felt that that was, perhaps, the preferred format for that issue to be addressed. We have the representative here from the bureau of development services that can walk the council through the proposed use determination and respond to any code questions.

Katz: Ok. Let's do that. Come on up. Let's do that quickly. There are people who are -- maybe watching and listening to this, and I want to make sure they understand why we are going to, proceed and want to hear your interpretation of the code.

Susan McKinney, Bureau of Development Services: Good afternoon, council. Susan McKinney with the bureau of development services.

Katz: Bring the mic closer to you.

McKinney: Ok. In response to the water bureau's request for use determination, we have prepared a statement that you have in front of you signed by Margaret Mahoney, and in that we defined what the use of the reservoir is, in particular, at Washington park in an open space zone, and according to the zoning code, a reservoir is a basic utility, and it is one of several primary uses located in the Washington park. Some basic utilities are considered a conditional use, and in this particular case, the reservoirs are automatic conditional use status, or have status because they were constructed prior to zoning regulations sometime in the 1800's. We have no record of any conditions of approval that are related to the reservoir. In determining whether or not the proposed covering of the reservoir with a, hyphelon-floating cover would require a conditional use, we looked at chapter

MARCH 6, 2003

33.815.040, and that section describes proposals that alter the development of an existing conditional use. And there's five criteria within that, that we have to look at to see whether or not the proposed development meets them or does not meet them. The first one is that it complies with all conditions of approval, and as I just mentioned, there were none following our complies with the development standards of the title, which is title 33, and the development standards that pertain to this reservoir, once it can be met. In fact they really don't apply because they talk about setbacks to the property line, which is way beyond where the reservoir is. It asks that the floor areas not increase by more than 1,500 square feet. Our code defines floor area, and this proposed development does not fit within that definition, and it asks that it does not increase exterior improvement area and this area is already been improved by the reservoir, so covering it is not an increase of, exterior improvement area, and that there will be no, net gain or loss in parking, and so those five measures was determined that, they met that, so that there was no conditional use review required. Ok.

Katz: Let me just add is anybody here from the friends of the reservoir? All right. I am going to let you respond to that since we suspended the rules to act on it, I don't like doing that without, without a lot of notice, but I think that we gave you that notice yesterday, but I want to also give you an opportunity to respond.

Jeff Boly, Arlington Heights Neighborhood Association: Well, I haven't had a chance to, to read it. Madam mayor, you should know that the --

Katz: Identify yourself for the record.

Boly: Jeff Boly, Arlington heights neighborhood association. You should know that the opinion that I prepared that was in the February 14 letter was the result of the work product of dream team of land use professionals. All I did was --

Katz: A dream team, did you say?

Boly: A dream team, yes. All I did was, was consolidate it and present it. So, it's certainly possible that there's something there that we missed, but I would definitely want the opportunity to not only to review it myself, but also to have this, this group that is supporting us look at it, as well. And only after that would I be able to tell you whether or not this is something which we accept or, we are going to contest. I will say that I am not Don Quixote. One thing I prided myself on in 30 years in this business has been reasonable and professional, so if we don't have a case, then I am not going to pursue it just for the sake of pursuing it. But, I do need that opportunity.

Katz: Ok. What's the -- thank you. Thank you, jeff. The council may decide that they want to act on it now, give it to you, read it and you can make a determination later whether you want to pursue that.

Boly: Yes, the only thing that I would -- I'd suggest that you, perhaps, might want to wait until you do know what our reaction is because that might have some bearing upon whether or not you actually want to go forward with these contracts at this time. You might want to wait a day.

Katz: All right. Thanks. Let me just ask what the council's preference is on this because we have not discussed it.

Saltzman: My preference is for us to adopt the use determination today. This clearly establishes our framework for making the decisions as mr. Boley has asserted in his letter to us. He questioned our framework. This establishes the framework, and certainly if he chooses to appeal this, it is appealable to luba, and they can be the arbitrator on this point.

Katz: Question, leonard, Sten?

Sten: I am just trying to think for a moment, I don't object to taking something to let him look at it, but --

MARCH 6, 2003

Katz: Yeah. I think the council will defer to commissioner Saltzman, who's been the point person on this. It hasn't helped commissioner Saltzman a lot, but we need to support him on, on this particular issue. You are going to -- I am sure you are going to take it up to luba anyway, so we will, we will figure it out when it gets up there. But jeff, thank you. All right. Then I need a -- how do we do this? Just as a vote we don't have the item in front of us, a vote on, on the determination of this as a use?

Beaumont: You should have received a copy of the use determination. There was also an order prepared, I guess a motion to adopt the use determination.

Katz: We have never done this before you, but we always can try something new. All right. Let me hear a motion on this.

Saltzman: I would move to adopt the march 6 use determination concerning the reservoirs at Washington park.

Katz: Do I hear a second?

Sten: Second.

Katz: Roll call.

Leonard: I have, as some of the council knows, and certainly the neighborhoods know, struggled with this issue, and this has, for me, come down to, as I understand it, two separate issues that are being characterized by some in the community. Some want the issue to be preserving the reservoirs as a historical, aesthetic feature in not just Washington park but mt. Tabor park. I couldn't agree more with that. For me, that has to happen. Others have also included the issue of filtration and question the need for whether or not having the reservoirs buried. Truly, is required. I have tried to make it clear, as I have met with people that for a lot of reasons, I think that is a goal that we have to strive for. What has struck me throughout this discussion is the opposite ways people are approaching this without viewing it as one of those kinds of issues that can truly be a win-win where in other words, we could have the buried reservoirs but still maintain the historic water reservoirs that are there as a water feature, so that from all appearances, nothing changed, other than we have a more safe water system. I have known Dan Saltzman for a number of years since he was on the county commission, and have grown to be -- there's probably no one in the community that respects his reasoning process and his public service more than I do. He has made a commitment to himself and this process that not withstanding the issue of making sure that the, that the reservoirs, themselves, are as safe as possible by burying them, that he will do what it is that the neighbors want done with respect to those reservoirs. He has made that clear to me. That has been a threshold for me to be able to support him in this effort. Commissioner Saltzman has made that commitment to the community. He's made it clear to me that he's made that commitment, and for that reason, I am going to support him on, on this effort. Aye.

Saltzman: Aye.

Sten: Well, actually, Commissioner Leonard said it very well. I've been quiet for a few of the hearings because I am still a little perplexed and trying to figure out some way to get the people, different sides working together more on this. This isn't a vote on the whole issue, but it is a vote on moving forward on some pieces. I am convinced that we need to update the reservoirs. It's going to happen sooner or later, and I think delaying the argument doesn't do much. I am convinced this is not a good way to store water. I was convinced of that for a long time. Still convinced of it, and I am also convinced that there must be, for some on both sides, there's not much middle ground but for just about everybody I have spoken with, and I have spent a reasonable amount of time, not as much as i'd like with many different sides of this, there's a lot of agreement around what people value in the parks and the aesthetics. There is not complete

MARCH 6, 2003

agreement, and there's not -- there's clearly not a solution out there that will make everybody happy and will meet all of the goals equally. The goals include the aesthetics and the historical preservation, trying to keep this a special and wonderful place, and safety but I think for most people, there is some room, and I am very troubled that we haven't been able to get there yet. I don't blame commissioner Saltzman for that. I don't blame the friends of the reservoirs. I think that it's an ongoing discussion that we all need to keep working at. I'm interested in learning and understanding more ways to try and build some of that understanding. I also understand the water bureau and commissioner Saltzman's position that essentially unless we can find a way to really focus in on some of the key issues, it's going to be very costly to not -- to just keep airing out the fundamental question of, are we going to change out the reservoirs. I think we need to move forward but I don't think that that means there isn't more room to work together, although it doesn't feel that way, I think to the people in this room at this point and I would like to keep searching because there's always another way to try and get things done. So, you know, I don't like the position that we are in right now, vis-a-vis, the groups who are being very passionate and rational and heart-felt. I don't think that these are straightforward questions and I think that everybody has a clear line on pieces of it, and I want to keep working to find a way, but I think that we need to move forward and we are going to keep searching for ways to do that. Aye.

Katz: I think that it's been all said this afternoon. Let me just add that I guess that I was taken somewhat back by the lack of concerns that we're vulnerable as a community, or lack of belief that we're vulnerable as a community in our water supply could very well be vulnerable. Probably more than anybody else on this council I get information on a regular basis about the national and international threats that face the united nation, not necessarily Portland, but the united states, and I as the rest of the council, had budget concerns where we made the decision at that time that we needed to do something with our reservoirs. I hope that the friends of the reservoir, the reservoirs can continue to show their interest. They will challenge us legally, that is their right to do, and we will see what happens at that level, but to work with us, to bring to this discussion the aesthetic value of the parks in how we can create an atmosphere that continues to add value to, to the community, and especially to the mount tabor and Washington park community because they truly feel that that is their backyard, and I understand that. So, we are going to move on, on this issue, and it will go up for a legal review probably, and my hope is that the advisory committee certainly gets the information out to the community and the community can participate in designing the features. I've also offered the community my design initiative team that has architects and designers who are looking for the best possible designs not only for our buildings, but our parks and would be very interested in reviewing potentially designs for the reservoirs as you continue doing your work. So, you have got another group whose only purpose is to make sure that we do the right things in creating public spaces and architectural opportunities that will withstand time and add tremendous amount of aesthetics to this community. Aye. 193.

Item 193.

Katz: All right. Roll call.

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

Katz: Mayor votes aye. 194.

Item 194.

Katz: roll call.

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

Katz: Mayor votes aye. All right. Thank you, everybody. Thank you, jeff. We are on 203.

Item 203.

MARCH 6, 2003

Katz: Ok. Kathryn.

Beaumont: Good afternoon. Before we begin the hearing, I have several announcements to make that are required by state law in our city code. They concern the nature of the hearing and the order of testimony. This is an evidentiary hearing. This means anyone may submit new evidence to the council in support of their arguments. The evidence may be in any form, such as testimony, letters, petitions, slides, photographs, maps, or drawings. If you haven't given a copy of the council -- the council clerk a copy of the evidence you plan to submit, you should give it to the clerk after you finish your testimony to the council. Any photographs, drawings, maps, or other items you show to the council during your testimony should be given to the council clerk at the end of your testimony to make sure that it becomes a part of the record. In terms of the order of testimony, we will begin with a staff report by the bureau of development services staff for approximately ten minutes. Following the staff report, the city council will hear from interested persons in the following order -- the appellant will go first and will have approximately ten minutes to present their case. Following the appellant, persons who support the appeal will go next. Each person will have three minutes to speak to the council. The principle opponent, in this case -- the principal opponent, in this case, the applicant will have 15 minutes to address the city council and rebut the appellant's presentation. After the principal opponent, the council will hear from persons who oppose the appeal. Again, each person will have three minutes. Finally, the appellant will have five minutes to rebut the presentation of the opponents at the appeal. The council may then close the hearing and deliberate. If the council takes a tentative vote, the council will Saturday future date for the adoption of findings and a final vote on the appeal. If the council takes a final vote today, that will conclude the matter before the council. Again, I would like to announce several guidelines for those presenting testimony and participating in the hearing. They are as follows -- any testimony and evidence you present must be directed toward the applicable approval criteria for this land use review or other criteria in the city's comprehensive plan or zoning code, which you believe applied to the decision. The staff will identify the applicable approval criteria as part of the staff report to the council. Before the close of the hearing, any participant may ask for an opportunity to present additional evidence. If this kind of request is made, the council either will grant a continuous or hold the record open for at least seven days to provide an opportunity to submit additional evidence, and will hold the record open for an additional seven days to provide an opportunity for parties to respond to that new evidence. Under state law, after the record is closed to all parties, the applicant is entitled to ask for an additional seven days to submit final written arguments before the council makes its decision. If you fail to raise an issue supported by statements or evidence sufficient to give the council and the parties an opportunity to respond to the issue, you will be precluded from appealing to the land use board of appeals based on that issue. That concludes what I have to say.

Katz: Ex parte contacts. Any of the members have conflicts of interest on this issue? Anybody in the audience want to question our silence? Our veracity? Good. Let's start with, with a staff report.

Mark Walhood, Bureau of Development Services: Good afternoon, mayor Katz and members of council. I am mark walhood, staff of bureau of development services. As we noted we are here today to consider an appeal of the providence conditional use master plan and adjustments. It's land use file 02-120615-cu-ms-ad. The purpose of today's hearing, I just mentioned, considered an appeal of the hearings officer's decision for approval with conditions of the providence master plan conditional use master plan and adjustments. The appellant is brian bainnson, the land use chair of the center, neighborhood association. The applicant is dave underriner with staff from the

MARCH 6, 2003

architectural firm and an attorney. In summary the proposal is conditional use master plan for a 10-year program of projects and on-site improvements for Portland providence medical center. The proposal includes 400,000 square feet of medical center space, 180,000 square feet of medical office space, and parking for 1,550 cars. There are 12 specific project areas identified on the approved exhibit by the hearings officer's h.34-a. And then our seven adjustments in the r-1 and co-2 zones within the campus core, which is the area east of 47th, south of the freeway, i-84 west of northeast 53rd and north of glisan. The original staff report was published in october denied based on the additional need for additional information. We had our first hearing in november that was continued. The applicant submitted some revised information essentially the chief change was withdrawing all the adjustment requests from outside the core and then eliminating the adjustments requested in the cn-2 zone. The report was published in december, which was still denied but had an approval laid out pending resolution of, of issue regarding 60th and glisan accidents. And the hearings officer's, after the december hearing, approved the proposal with conditions and denied selected adjustments, and we will go over those in a minute. The approval criteria are the standard conditional use master plan approval criteria, the -- which incorporate by reference the components of a master plan. The conditional use criteria for, for medical centers and a residential zone institutional and other uses in our zones. The standard adjustment approval criteria and the transportation element of the comprehensive plan. I do have today with me the entire record on the exhibits as presented to the hearings officer's decision. The zoning map, I have some pictures. This is looking north from glisan down northeast 49th. The main old hospital building looking into the campus if 47th avenue. This is at the intersection of 47th on the left and glisan going down to the right. The approved exhibit identifies the specific projects. They are not all building projects. There is the rerouting of vehicular circulation, some landscaping improvements, and three street vacations which have been identified in this master plan but would require a separate future approval. The exhibits also include a plan showing the green space improvements and stormwater management. Pedestrian improvements, and vehicular circulation. The hearing's officer approved the master plan for the floor area and parking. Approved adjustments to increase the floor area ratio and the core of the campus from 2-1 to 2.75-1. Approved adjustments to increase the height in the core of the campus, approved adjustments to waive the transit street setback for all identified projects except for the a.s. With expansion, the ambulatory expansion and the new south to your. Denied an adjustment to waive the setback for the same two buildings. These are the ones on the north side of glisan between 47th and 49th. And denied an adjustment in the same area for maximum building length. It's a standard that only applies in the first 30 feet from the street, so the building's interior to the campus weren't required to meet the standard. The hearing's officer will several conditions. First was that the building projects remain substantially in the locations as identified on the plan. That's a typo, it should say h-34, not c-22, the final site plan. Condition regarding construction management, keeping it within 80 feet of each specific building, construction area, and insuring that parcels south of glisan won't be used over the life of the master plan for projects beyond the office building. South of glisan. A condition requiring the professional plaza expansion to have pedestrian entrance connecting to glisan street. There are several transportation and parking related conditions requiring 160 parking spaces with the first project, requiring the specific ratio of parking spaces per thousand square feet of either hospital or office space, a little higher for the office space, and requiring main entrances for buildings to be within 300 feet of parking, and a requirement that the applicant pursue their proposed good neighborhood -- good neighbor policy and operate a 24-hour parking hotline for the neighbors to phone in parking complaints. There are, there are rather complex maximum buildout

MARCH 6, 2003

limitation prior to providence dedicating some lands and creating -- working with transportation to create a westbound right turn lane at 60th and glisan. And the remaining conditions maintain the pedestrian connection through the site that was required in the previous master plan, 1995 master plan, maintain the proposed methods of transportation demand management, which includes at least transit passes to employees and operation of a shuttle between the site and the hollywood max station. And because of the denied adjustments for the two buildings on the north side of glisan between 47th and 49th, could be approved in the future with more specific architectural designs, landscape plans, allow them to come back for the two reviews without an amendment to the conditional use master plan. Real briefly, I will go through some of the issues on appeal. The appellant states the applicant does not fully address the impacts, in particular, the criteria under conditional use master plan components. The applicant has identified the current and future boundaries for the master plan, which is item a. Item b, the applicant has included a narrative to address the ways that, that the proposal is in compliance with the conditional use criteria and limits impacts to residential areas, and both existing and proposed uses have been identified. There was concern about upgrades for properties and how they will be upgraded over time, specifically landscaping, I think, was one of the ones mentioned. The proposed uses are identified and upgrades to nonconforming development will occur over time with building permits. It's just a standard requirement, whether or not it's a condition. A concern was, was the voice that the master plan includes no set time for phasing. Providence listed how they expect the projects to be completed 1-12, but further detail or specific phasing is not required by the approval criteria, just if there is phasing, it be identified. There is a lot of concern about, about adjustments to the transit street setback and impacts that it may have to the desired character along glisan. In response to the, to the conditional use criteria, and the adjustment requests, the hearing's officer noted there will be a landscape buffer at the core, perimeter of the core of the campus, and as noted, the, the buildings closest to the street, the large wall on the north side of glisan between 47th and 49th couldn't be built as shown without either future adjustments or some redesign. The issue about retail uses, it is problematic. Retail is prohibited in the r-1 zone, which is the bulk of the core and heavily limited in the other zone in the core. Go through these real quickly. There is several conditions, as I mentioned previously, related to transportation impacts. I covered those already. There's a concern about the good neighbor agreement. There is an existing condition requiring mutually acceptable good neighbor policy that includes a once annual meeting. Covered most of this before. Again, we have a concern that the adjustments requested will result in development inwith the surrounding area. Overall the kept as accepted by -- the concept by the hearing's officer is to increase the intensity, height and bulk of buildings in the core of the campus buildup as opposed to spreading out, essentially. We do have a condition limiting the building locations to insure that they won't encroach further out towards the periphery. It will be a landscape perimeter at the edge of the campus and we have already discussed. We can come back for future reviews for the buildings closest to glisan between 47th and 49th. There's an issue about superblock regulations. They did apply prior to 1997 when the code was amended to eliminate the requirements in the zones on the site. The appeals council has the option to deny the appeal and uphold the hearing's officer decision, to deny the appeal and uphold the hearing's officer's decision with changes or to uphold the appeal and overturn the hearing's officer's decision. I do have rodney jennings and jamie jeffries from transportation here for questions.

Katz: Why don't they stay here and I am sure at the very end there will be questions. Any questions of staff now? If not, ok. Appellant, you have ten minutes. Let me get a sense of how many people for the appeal will be testifying? All right. Most of you I don't recall seeing very on

MARCH 6, 2003

which here, if at all. So let me just let you know that there's a screen there, and on the corner, there's a time. We try to adhere to the time so that we have a very fair process, so keep an eye on it, especially if there are three of you talking. All right. Identify yourself for the record first.

Stan Hughes, Chair, Center Neighborhood Association: Good afternoon, my name is Stan Hughes. I am the chairman of the Center Neighborhood Association. And before I begin, I would like to ask neighbors in Center or, or surrounding neighborhoods who are here today, to stand up --

Katz: He wants to show us the support, so why don't you stand up if you are from the area, even though you may not testify -- you may decide not to testify. Thank you.

Hughes: Thank you. I have never had the opportunity to address such a distinguished group as yourselves.

Katz: Don't waste your time on compliments. [laughter]

Sten: Oh, come on. [laughter]

Hughes: In my mind, the major issue here is the impacts of traffic on the neighborhood and the unknown quantity in, involved in a 10-year projection. There is a request that I would like to make involving what I believe is, is titled "the east side main street transportation study." I believe that the traffic questions would, would hopefully enable us to participate further that study right now is, is, is scheduled for only 60th to 82nd, and I would like to ask that we extend it back to 44th out to 82nd. Hopefully that study will help shed some light on the traffic situation on Glisan. The -- I hope that, that the council does not see our appeal as -- I hope that providence does not see our appeal as, as antagonistic. We have always had a very good working relationship with providence. I hope that this disagreement will be nothing more than that. And on that, I would like to introduce Brian Bainson.

Brian Bainson: I am Brian Bainson, 415 Northeast 356th, the land use representative from Center and took the lead on the appeal and working on all the previous testimony. I'd like to thank the mayor and the rest of the council for the chance to talk today. Providence has been, obviously, in our neighborhood for a long time, longer than anyone who lives in the neighborhood has been here, and longer than anybody that works for Providence has been here. Many people in Center choose to live there because of Providence. We have a large number of seniors who live in both private homes, as well as Providence-owned or sister facilities, such as Emily House, Glisan Commons, so Providence is, is important to have in our neighborhood. Private Providence has been a good neighbor, as Stan said, providing meeting space, places for the cleanups, and in the past has invited us in to hear their plans for the future development. We are here today to discuss the conditional use, as a conditional use, you know, as we are discussing is to protect the surrounding areas from, from significant adverse impacts to the environment, public services that such plans may have. Providence's 10-year master plan, I have gone through -- this is my second one. We have people in the neighborhood who have been through three. We know that ten years is a long period of time in the history, maybe an individual in the neighborhood, but relatively short period of time for the city and for Providence. , and what we want to do today is set the stage for the -- how this 10-year master plan will proceed over the next 10 years and also for the next 10-year master plan that I am hoping that I won't be involved in. A master plan is intended to provide the information necessary for us to re -- to review it, to determine if it truly meets the goal of how it will affect the neighborhood. We feel that in the current plans presented by Providence there is some gaping holes and some very significant lack of information as far as the conceptual nature of the design. We understand that it's the burden of the applicant being Providence to provide specifics if the plans are not specific, then there needs to be, needs to be more or less review over

MARCH 6, 2003

the course of that master plan time. We feel that this master plan because of its very conceptual nature, bubble diagram nature, basically items 1-12, this is the order, there needs to be a way to monitor the plan over the course of the next 10 years. We have submitted a number of issues. I will not go through all of those, but I will focus on the one we feel can hopefully help to bring some agreement and move us forward in this process, and that is working on a, a joint good neighbor agreement with providence and with center neighborhood. The good neighbor policy that has been proposed by the hears officer and they have begun to work on, it's a policy, a within-sided statement that one side is going to live with the policy set up by another side. What we are suggesting is what we have with numerous other residents of center neighborhood, including the, the waldorf school, the Multnomah county justice facility. We are not unfamiliar with good neighbor agreements or unconditional uses. We feel the good neighbor agreement can deal with most of our concerns, including increased traffic on 47th and glisan and the, the adequacy to handle the future growth. The loss of onstreet parking due to the plan, and its effect on businesses. We have a terrible problem keeping businesses because of the lack of onstreet parking which will only get worse with this plan. The phasing of development, again, right for you we just have a list 1-12.

As the plan works out, we'd like to see specific dates, even if it's just 2004, 2007, 2008, at least it's a starting point for discussions so we know how the impacts will affect us and what else is going on in the neighborhood and in the city. The design of the buildings, themselves. Again, right now we are looking at block diagrams. The neighbors have expressed concern, what's the effect on light and air and circulation in the neighborhood. What are these going to look like. Providence campus today is a beautifully landscaped campus. People like to live near it because it is attractive to look at. We want to make sure it's attractive to look at in the future, even if it's a more urban campus. Accountability, again, there's a lot of assumptions made regarding traffic. We'd like to make sure if some of those do not come true in the next ten years, that there's a way that we have a process for working through them and making sure that they will. Retail uses was a big concern of mine. Again, here we know that there's a problem with the underlying base zone residential, but we feel that providence, they have enough retail within their interior of the campus that retail can be an active way to keep people out of their cars for the neighborhood and for providence. And again, the campus boundary issue, we are not suggesting that, you know, that, that we are not suggesting ways for them to reduce their campus boundary but if they truly are going to folk you did inward of the campus, they may look like a contraction of the campus to allow the retail uses to come back in that are currently taken up by providence uses. I want to leave, martha, sometime so with that, again, we will keep going.

Katz: Martha, he didn't leave you any time, so I am going to give -- wait two minutes but you want to give her more than two, so I will give you three minutes.

*******:** Thank you. Martha. Is this coming through all right?

Katz: Yeah. Talk right into the mike.

Martha Westgate: Ok. I am a on the board of the neighborhood association. I have watched a lot of struggles putting large institutions and the community surrounding them over the years, and very often the community does not farewell. Other times resolution was achieved that, that made for a cooperative existence. And I think that center and providence are at that cross-roads and what happens now is very crucial to our community. My neighborhood is not just a piece of land, it's a place that I have chosen to be for almost 27 years and a place for which I feel responsible. The neighborhood is also people, not just the land. Our association is committed to livable, sustainable community, which honors diversity and remains affordable for renters and owners. With all due respect to the planning department, I have a suggestion of how center and providence can work

MARCH 6, 2003

together. If we are going to be a really livable neighborhood, we must think outside the box. We can no longer automatically plan for increased traffic and parking spaces. Center and providence should collaborate and establish a mixed transportation model to reduce traffic in our neighborhood, and I have talked with pedestrian bicycle organizations with tri-met and with the Portland, Portland's transportation office and all of, all of these that expressed interest in helping on something like this. We also have a concern because we haven't been able to site a community garden in our neighborhood, and it would be wonderful if providence in any expansion plans could include a space for garden, even if it's a rooftop. Providence health systems. The larger organization of which providence Portland medical center is part, is four, would list five core values -- respect, compassion, justice, excellence, and stewardship. And I can relate to these values. Where I am challenged is the literal bottom line of providence health systems operating principles. I am quoting, "increased market share through responsible growth action strategies," end quote. My bottom line is livable neighborhood. If we are to reconcile differences and find common ground, it has to be in the context of mutual respect, free of intimidation. The city has made a commitment to neighborhoods. There's an office of neighborhood involvement. There's also a mediation center. I urge development of a good neighbor agreement between center neighborhood association and providence-Portland medical center. If we take this road and work together, both center and providence can remain healthy. Thank you.

Katz: Thank you. Let me just try to summarize the main points you made as the main appellant. You were requesting a, the east side main street transportation study to go to 44th. We need to have some agreement by commissioner Francesconi who runs transportation, or that's his bureau, bureau assignment that I have given him. Ways to monitor the plan, good neighbor agreement, the issue of lack of onstreet parking, you are asking for a phase of development, a time line, and how your involvement can, can be incorporated in that. The issue of retail, multimodal split in transportation and a community garden. I think that that's what I heard. Thank you.

*****: Thank you.

Katz: Who wants to start? You have three minutes. Identify yourself first.

*****: I get to start?

Katz: You get to start.

Gary Naylor, Laurelhurst Neighborhood Association: My name is gary naylor. I am representing the laurelhurst neighborhood association as a supporter of the appellant. First we would like to bring up a question about adequate public notice. You can read the details in the last paragraph first page of our march 4th letter, which I have given to the clerk. Our question is -- was the public mistakenly undernotified regarding the number of offstreet parking spaces proposed by the applicant and if so, does this mistake require a corrected public notice be mailed before hearing this appeal. I have elaborated in that. It's not that we are interested in more hearings, but just, just to make sure that the notice was correct. Next on page 6 of the notice of a public hearing before the city council under general explanation of the city council hearing's process, it is pointedly stated that there is a burden of proof to show that the evidence submitted demonstrates that each and every element of the applicable criteria is satisfied. Please read our november 4th, december 16th, and march 4th letters to consider the reasons why we are opposed to the present application. We have tried very hard to speak specifically to the relevant approval criteria. Anyway, the hearing's officer nicely summed up our position on page 6 0 of his decision when he stated the underlying concern of opponents is that the proposed providence improvements under the master plan are just too great to be compatible within our neighborhood. In short, we believe this dramatic expansion with all its impacts is not appropriately located within our particular primarily

MARCH 6, 2003

residential area of Portland. We sincerely believe a number of the relevant criteria have not been met and therefore, this present application should be denied. At the same time we want to recognize the benefits from several of the hearings officer's conditions of approval. We applaud his conditions to insure that there is adequate offstreet parking for users of the providence facilities. We appreciated his condition that providence shall actively pursue a goal of neighborhood involvement and cooperation through a good neighbor policy with both the center and the laurelhurst neighborhood associations, but like a previous speaker, I think the better word would be "an agreement between the parties." we also like his conditions that providence maintain its transportation demand management program encouraging the use of public transportation. In concluding, let me emphasize it is not our intention to be an obstructionist organization. We remain open to consideration of other proposals of providence medical center to expand their present facility. And irrespective of the outcome of the present application, we want to have a positive working relationship with the people at providence. I wanted to get that said real fast. A couple other things with respect to the public notice, we are requesting that that issue be taken up by the city council at this time. I see the city, the representative from the city attorney's office is here. Also with respect to the hearing, itself, if, if council determines that a corrected public notice is not required, so be it. We would request that you take this matter under advisement. You are receiving additional information today that the public hearing be continued for decision only and depending on what additional evidence is submitted, perhaps the hearing, we would request it be continued at least the written record for some period of time for, for the responses.

Katz: Thank you. So the request for, for -- they are working on it. Go ahead.

Julie Kennedy: Ok. Mayor Katz and council members, I am judy kennedy, and my husband and I moved into our home on northeast royal court just west of providence in 1970, more than 32 years ago. In 1970, we made a commitment to live in the city and help maintain neighborhood livability. In these 32 years, we have been through several providence expansions, but none has concerned us as much as this current proposal. The enormoussness of the plan, the scale of the buildings proposed in relationship to the surrounding residential areas, the certain negative traffic impact on an already congested streets and the medical center's lack of willingness to work with the neighborhood association lead us to request that you reject the current plan as proposed by providence. This 10-year plan is a very large leap into the uncertainty as to the impact on the surrounding residential areas. A 1,000-car parking garage exiting on, on, on 47th. Buildings that are almost double the height of the current campus structures. A third medical office building with doctors that schedule patients every 15 minutes. Closing of the 52nd avenue entrance and exits from the campus. The list goes on. Providence's idea of medicaiding the traffic impact is to eliminate parking near neighborhood businesses but the neighborhood needs the businesses to remain healthy. We need the local pizza parlor. We need the florist, the hair salons, eateries and other small businesses. Removal of nearby parking would most certainly have a negative impact on them. Those of us west of providence have traffic cutting through from 39th avenue and with this expansion, we expect a great increase in that cut-through traffic. Northeast glisan and northeast 47th avenues already seem at capacity many times during the day. We ask you take a close look at this plan and know that the neighborhood has had little consideration in its development. As stated earlier, my husband and I have always tried to be involved in neighborhood issues and providence expansion plans, but never have we seen the neighborhood association ignored as it was in this process. If you choose to approve the plan, we hope it would be with such conditions as a formal signed good neighbor agreement and a requirement that after

MARCH 6, 2003

each stage of development, the impact on surrounding neighborhoods be evaluated before further expansion is allowed to continue. Thank you for your time.

Jim Kennedy: Hello. I am jim kennedy, and I want to address the issue of traffic congestion at the intersection of 47th and halsey. It is about four blocks north of the hospital campus and about three blocks south of northeast sandy boulevard. The primary entrance and exit to the proposed thousand-space parking garage will be northeast 47th. It is a two-lane street with a bike path on each side. Currently, depending upon the time of day and the number of autos making a left turn to halsey, traffic rapidly backs up for blocks. The northbound 47th avenue drivers make a left turn there to go to the hollywood freeway entrances. I do not believe that anyone is currently addressing that intersection and the problems created when the projected increased traffic hits the street. I believe that there will be major traffic gridlock at the hospital and in the a, is in joining neighborhoods if the issue is not addressed. That's my, my presentation.

Katz: Thank you very much. All right.

Katz: Catherine, you are reviewing the notice issue? Okay.

Kelly Caldwell: I am kelly caldwell, a staff person in southeast. It's an honor to address you and to work with other citizens supporting them in public involvement and decision-making, as well as my own personal activism and time. I want to tell you that I was, I was present at one of the hearings, and the, the hearing's officer very clearly addressed that specifics around a good neighbor agreement were not part of the toolbox and that he didn't really feel like he could act specifically on that and make specific things, and he really meant that and said, you know, maybe city council can help you with that. I also wanted to mention that the good neighbor policy is kind of a disingenuous name. It's a parking management plan, and that, that wording kind of takes, takes a little of the sting, I think, out of the fact that what the neighbors would like is, is, is a good neighbor policy. I am going to quickly cover some information that the southeast land use transportation committee has submitted to you. We have representatives from throughout southeast coalition areas and work hard on promoting these issues. The land use transportation committee has been following the progress of providence hospital expansion. I will skip through the boring parts. Improvements of the large-scale impacts throughout the community, it is imperative the applicant reaches out to be open, share information with their proposals and seek input from the neighborhoods. In other words, be a good neighbor. And in this case, those thing haven't happened on an effective level. Additions to the campus will add significant auto impacts on the neighborhoods including increased projection and concentration of, of institutional uses, which may preclude the development of, of a vibrant pedestrian oriented business neighborhood district. Providence's current proposals concerning transportation management planning are insufficient and fail to address adequately address the concerns of neighbors, business owners, transit riders and drivers. The scale of the request requires that some mechanisms be put in place for providence to share evolving plans for the development of their campus with the neighbors and provide for community input. Therefore, the land use and transportation committee supports the center and laurelhurst neighborhood's association's request for a fully negotiated good neighbor agreement as a condition of approval of the providence hospital campus master plan update. The good neighbor agreement is essentially to mitigate the impacts of an expanded providence campus on the surrounding neighbors. We call on the city council to immediately develop policies that encourage large business developers and institutions to engage with neighbors and neighborhood associations in good faith with real information sharing and true dialogue about the shared feature of our communities. This will give a collapse for the impacted neighborhood groups to have an effective place at the table. I wanted to mention that I have also been, been at many meetings where, where

MARCH 6, 2003

institutions meet the letter of the law by providing information, but won't provide written information or, or schedule meetings to meet with neighbors and then cancel at the last minute routinely. So, I hope that we can make this a little better of, of a relationship. Thanks.

Helen Silvas: Good afternoon. My name is helen silvas and I am a neighborhood aren't. I would like to put some context around the process that we are going through here. Providence owns a considerable amount of land outside of their campus, particularly in the south side of glisan. Some of the land is used as parking lots, some of it is wasteland, which is actually has been wasteland for more than ten years and some of it is given over to institutional use, and, of course, we support some of that use but some of it is not very pedestrian-friendly. Center neighborhood has worked on a provisional plan for glisan street. There has been no formal city planning process, but neighbors hope that that will happen as soon as possible. The provisional work has shown that neighbors want to create a pedestrian-friendly, business-friendly street. Currently that's not possible. Partly because the out of date zoning does not allow for that on parts of glisan where we would like to see that. Land that could be available for business also has been held empty by providence or is given over to the institutional uses. As a result, there's a number of areas on glisan that are, in effect, dead zones. They are not friendly for pedestrians. They are not conducive to neighbors. They are not conducive to walking in the area at all. Finally, I feel -- it makes no sense to allow long-term plan to be developed that will have a continuing impact on glisan street and on area residents without, without a commitment from providence to work with neighbors to create the kind of street that we want without a planning process having the power to make those kind of changes. If these kind of changes are allowed, if we allow providence master plan to carry on for the next ten years without any adjustments, without any, any real change, depending on what happens in the neighborhood. Sorry, that's about, that's everything I want to say, really.

Katz: Let me say, if anybody else is going to be addressing this issue, because of budget constraints, we don't have the ability to do the large neighborhood plans. However, because of our 20-40 plans, we are looking at main streets, and so that our main streets where, where that is the goal, to have it friendly pedestrian, that may be how we approach the, the revisiting of some main streets and change the zoning on that.

Silvas: So if there could be a review process, that will be helpful to the planning process.

Katz: I don't know when, when that will happen but that's kind of the -- we don't want to give up on the neighborhood plans, but we also -- we also want to focus on it, and if main streets is where it's not happening, that's where we ought to be focusing on. Ok. That's a conversation for the council at some other time but I wanted to give you that head's up.

Pamela Beitz: Hello, I am Pamela beitz, and I am a homeowner at 5910 northeast hoyt street, which is on 60th and glisan, and I must be honest and say that when I signed in out there, I didn't realize that I would be testifying in front of the city council, so I have never done this.

Katz: We could leave.

Beitz: I was not prepared, but I am a member of an association within the center neighborhood association. I am -- as I said, I am a new homeowner. We moved to Portland two years ago, and bought a brown -- a brand new town home on 60th and glisan along with 24 other individuals. So, we represent a new neighborhood forming on the corner of 60th and glisan northeast. Each of these homeowners has paid between 175 to \$200,000 per town home. So, we, obviously have, an interest in what's happening on the corner of 60th and glisan. Particularly with this new westbound right turn lane change, the elimination of parking on glisan and the traffic flow changes that providence is proposing, so I came today in support of, of center neighborhood and their request

MARCH 6, 2003

for a good neighborhood agreement as opposed to a good neighborhood policy. We'd also like to see some time lines as to what's going to be happening when.

Katz: Thank you. Good testimony.

Paul Snowden: I am up here all by myself, that's not fair. I am Paul Snowden, I am in the growth boundary on Glisan. I am not sure what that means, I thought it was my property, but one of my main concerns is, is just the growth of the hospital and their plan and the proportion of parking spaces that they have planned for in relation to the office space and medical space. Right now, it's, it's almost impossible to get a parking right in front of my house, so if I have friends and family come over, they usually have to park a block away and each of the houses on Glisan only has, has a, a skinny one-car slot for their own parking. Also, I would like to support the, the, the idea behind maintaining parking for businesses in the area because there are so few and it is already hard to find parking to go to the coffee shop or the pizza place, that I would be pretty sad to see those businesses go for lack of business. So, I definitely support the idea behind a, a, a good neighborhood agreement and I'd also like to, to make sure that, that parking spaces on campus are a high priority in the planning process for, for Providence because there already is no parking on Glisan for the residents that live there, and, and if it got worse, it would just be, be kind of unbearable, I think. So, that's it. I just wanted to provide support for the neighborhood and thank you.

Katz: Thank you. All right. We have identified the issues. Let's, let's hear now from the, from the applicant. That's you. That's Providence.

Phil Grillo, Miller Nash: Madam Mayor and members of the council, I am Phil Grillo for the record. While we are getting settled here I will just try and tackle --

Katz: You have 15 minutes.

Grillo: Thank you. 15 minutes. I would ask that all of the exhibits that were received by the hearing's officer in this case, and they are listed in the decision, be made part of the record in this case. There is certainly a lot of other materials than just the ones that you have in front of you, I think, and I want to be sure that we have got a complete record here. Also, I hope that you have received a copy of the good neighbor policy that was prepared, and I think it's dated December 17. I didn't know whether that made it to the top of the stack of the list. I wanted to be sure that you had that handy if we need to refer to that the plan here that we have this afternoon is I am going to take just a couple of minutes at the front end and provide some background information to you. Then we are going to split most of the remainder of the time between, between Charles Kelly with C.G.F., and then Dan, and then I will wrap up any other issues that we need to address. By way of background, I think it's important to point out that since 1939 when Providence built its first building on this site, that the medical center in the neighborhood have literally grown up together. As many of you know, Providence was the first major institution or one of the first major institutions to use the city's master planning process. Our initial master plans were updated several times during the 1980's and 1990's and most recently in 1995. In each case, as Providence continued to grow through the master planning process, it did so based upon an ongoing working relationship with the neighborhood. You have heard some testimony here today about, about really different kinds of testimony. Some saying that we have got a good working relationship for the neighborhood and others saying that we don't. I want to give you some examples, at least on this particular plan. Before Providence prepared this particular master plan, it met with the neighborhood on five separate occasions between May 2001 and January of 2002. Each of these were a series of, of well attended meetings. You will see the detailed notes that I believe the folks from C.G.F. prepared, and they are in the master plan application, itself. So, there was quite a bit of

MARCH 6, 2003

neighborhood participation early. We have had ongoing discussions with them during the course of time, and I can tell you when we were at the hearing's officer level and between the first and second hearing when, when this kind of testimony came up previously, we spent, in numerous pages providing detailed response to say all the neighborhood's concerns regardless of whether they were pointed to specific approval criteria or not. Our ongoing commitment to the neighborhood is deflected not only in these efforts but also in the good neighbor policy that we developed during the course of the planning process for this plan. I was the author of that policy and working with the folks at providence and our consultant team. The 24-hour hotline, the advanced notice for any future type 2 and 3 land use reviews, and a commitment to examine issues related to pedestrian-friendly and transit supportive opportunities on glisan, all of which I think you have heard, are very limited, at least in terms of the retail opportunities by the existing zoning. Need to be looked at in a collaborative way between us, the neighborhood, the businesses, and certainly the city. That commitment is part of that good neighbor policy and we think that it's an appropriate policy that you can rely on and that you can trust providence to move forward on. My job here today is to keep us focused on the approval criteria as much as I can. To respond to the points here and to provide you, perhaps, with some additional solutions to any issues that come up. One of the subjective issues that's been raised during the course of this appeal is the pedestrian environment on glisan, and I want to turn it over to charles to talk about that issue a bit and also to address kind of the character of the area issues and the adjustment issues as related to that, and then we will go over to dan to talk a bit about the traffic and parking issues and I will wrap up for a couple times, ok.

Charles Kelly, ZGF Associates: I am charles kelly and I am with the firm in town in Portland, Oregon. We helped develop a plan that was striving work under three principles. One, first principle of the plan was to respect the previous land use case history on this site. It's a 60-year-old campus. It's had about 30 years, or 20 years of conditional use review, and there's quite a record of things that we try to fix through that in this plan. The second principle was respecting the campus profile and extending it along its length of the frontages of the streets. We didn't want to move into areas or, or edges of the campus that weren't already established. The third principle was that we wanted to build the most development at the core of the campus inside an area, and if I stand up, do I need to take the microphone with me?

Katz: Yes.

Kelley: And what we have -- what we strive to do is take the existing campus, which is made up of the, of the office building, medical office buildings here, the clinical facilities here and the parking garages, and maintain the profile as it relates to the -- as it has over the years grown up with single family housing here, and the multifamily zone, r-1 here and the commercial districts here and here. In saying that, what this plan does is it takes 1 projects, some are infrastructure related which makes improved pedestrian connections, I mean, vehicle connections on the back of the campus that lets mohr interior vehicle improvements move but it also identifies a number of locations where we would, we have identified that the most of the program would go at the center of the site where we are requesting and received 150-foot height variance so the tall building can be here and the balance of the buildings would be within the industrial use standard within the r-1 zone so the notion is that the big hit for the volume of the site and here in the middle. Having said that, there are other news on the site, including traffic, but primarily a pedestrian environment currently all the streets around the site are all approved with previous land use hearings have streets with curbs, street trees. There are bus stops with pathways into the site. There are shuttles that, that providence uses to take people from this site to the light rail station, and then there's a

MARCH 6, 2003

requirement to build a 6-foot wide pathway through the middle of the site that would give us a connection from, from pedestrian, from here through the site in perpetuity. And we have addressed that in our plan by building an open space system that will actually make that, that pathway level through the site. Right now you have to drop down about, about, about 50 feet from here to, to the parking surface level back here. We are going to build projects underneath that, so that you can have, have an even walkway. The, the proposed pedestrian improvements on the rest of the campus will be improved particularly on, on a frontage of each of the projects that are shown here on the campus. The benefit of the open space system is that it not only brings light down to all the buildings built densely and close together, but they also provide opportunities to build stormwater quality systems that integrates nine, plaza entries into the campus with stormwater attention and cleaning, and they are also the capacity with some passages because this is for a large stormwater area, so this is remarkable in that it does in a very dense environment include substantial improvement to say, to the watershed while improving the landscape amenity to the community.

Dan Seeman, Sr. Associate, Kittelson & Associates: Mayor Katz and council members, my name is dan semen. I work for kittleson and associates, I am a senior associate there. Our address is 610 southwest alder, suite 700, Portland, 9 approximate 205 and I will address a few of the -- 97205. I will address some of the key issues raised. One is onstreet parking. We did a very careful parking analysis. We not only measured the number of parked cars on the campus over the course of the day and identified the peak period from that, but we also counted the number of cars parked on the streets that are associated with the hospital. What we are able to identify with, with a reasonable level of reliability was that there are about 160 cars parked on the neighborhood streets that are associated with the hospital. Keep in mind that about 100 of those cars are on the frontages of either glisan street or 47th and only really 60 cars are parked into the neighborhood, and when I say the frontages, I mean on the same side of the street as the hospital. That is the 100 cars. As a part of the, of the condition of approval that the hearing's officer placed on providence, the, the, with the first building phase, providence is to provide that, that 160 spaces on the campus. That is provide the, the supply that would be necessary to mitigate the, the, the overdemand onto the neighborhood streets. And then in addition to that, provide the level of parking that would be triggered by the, the expansion of the hospital. Now, let's talk about, about traffic issues. A couple of locations, one at 47th and halsey and the second at, at 60th and glisan. At 47th and halsey, we did a detailed analysis. In fact we didn't just analyze that intersection, but we looked at the entire interconnected signal system all the way from 39th through 47th, including the freeway ramps, and with that we, we worked closely with your staff and identified what the future levels of service would be. While I agree that, that there are short-term backups in the northbound direction on 47th and halsey, during, during certain peak periods, the overall level of service at that intersection is, is, is deemed acceptable. Your city staff concurs with that. That is the overall intersection level of service is based on delay of all approaches and the average of that delay, and based on that criteria, that intersection was deemed to operate that way. At the intersection of 60th and glisan, we -- well, first of all, at 60th and glisan there is a restriction of, of parking in the eastbound direction to allow for two lanes, two through lanes in the eastbound direction from 4:00 to 6:00 today. That's the way the system is set up today to accommodate that commuter peak, and what we are recommending is, is that that restriction be extended to, to include the hours from 2:00 to 4:00, as well, so the restricted parking in that eastbound direction to allow the two through lanes would be from 2:00 to 6:00 rather than 4:00 to 6:00 in the future. Now, in, in addition to that, at a point in the development of the master plan there would be the need for a westbound right turn lane, and we identified the trigger point at which, which the, the -- that right turn lane would be needed, and that

MARCH 6, 2003

trigger point is well documented and is included in the hearing's officer's conditions, and at the point in time when that, that right turn lane is, is triggered, providence would need to provide that right turn lane in order to expand beyond that. So, with that, that concludes my, my traffic and parking issues.

Grillo: Thank you, dan. Let me just wrap up for a moment. Again, kind of going to the good neighbor policy, there's been an issue raised about whether or not council should go beyond just the good neighbor policy that we have proposed and worked on and actually require some sort of a good neighbor agreement in this situation. I think the hearing's officer rightfully struggled with that issue during the hearing, and I think that he resolved it in the way that I have seen it be resolved in other situations in the city, and that is that, that what we try to do is be as specific as we could about the things that we were trying to achieve within the context of the good neighbor policy. We had many opportunities to be able to sit down with the neighborhood and there were never any specific things that they brought forward that we could have considered to have put into the good neighbor policy. Over time, as we continue to work with the neighborhood, if there are additional issues that we can come together on, and come to some sort of an agreement on, we certainly would be willing to put those into, into the, the good neighbor policy and make those be working provisions. But, it's very difficult to require us to enter into in essence a contract with someone, not knowing what, what contract demands they are going to have and how do you enforce that and how do, do you measure whether or not that, in fact, meets with the city's comprehensive plan in the zoning code. We think this is an adequate policy and we think that it's much more than just as some mentioned, a parking policy. In closing I think that, that the hearings officer's decision was very well written. He considered all of the points that you heard here today. There's been nothing new presented here today that wasn't presented before the hearing's officer. The plan really does benefit not only the city as a whole, but I think it benefits the neighborhood, specifically. We know that the medical center is growing up, not out, and that that's a benefit to the neighborhood, as well as to the city because it retains the edges. It doesn't move existing urban growth boundary, and it concentrates development not on the edge of that urban growth boundary but the taller development is concentrated towards the center, and, in fact, towards, towards the freeway away from the residential area. Over 20% of providence employees currently use public transportation already. Providence provides shuttle service to the light rail station and free transit passes to all the employees. Our updated transportation demand management program and parking efficiency plan will likely lead to an increase in that rate over time. The parking facilities that we are proposing will be expanded and I think very importantly as charles eluded to, will be better connected to destinations within the campus, itself. For those reasons, we think you ought to support the hearings officer's decision. We are here for any questions.

Katz: We will hold off the questions until we finish the testimony.

Grillo: I would just procedurally, there was a letter that was submitted by gary naylor today. I haven't had a chance to read that. He raises a procedural issue about notice, and unless that's, that's resolved here today, I would ask that we at least allow us the seven days we would normally have to respond in writing.

Katz: We are going to keep the record open for seven days. I can't see my city attorney, but she may have a response. We will get to her after we finish the hearing. All right. Thank you.

Katz: Anybody else for the providence medical center? All right. Paul, go ahead.

*******:** Actually, it's dave.

Katz: Sorry. Dave.

MARCH 6, 2003

Dave Underriner: No problem. Couldn't read my writing. I was told in second grade that I have a problem and I haven't corrected it yet.

Katz: That's why you became a doctor, right?

Underriner: Or work with doctors, anyway. Mayor Katz and members of the city council, thank you for the opportunity to talk with you today. What I really want to talk about is, is the need for expansion at providence Portland medical center. One, we are committed to being in the northeast neighborhood and certainly we have a rich history of being in the area, and I want to continue to have that presence. As you know in health care today, there's a lot of challenges, and interesting things going on. It's been difficult to anticipate the kind of growth that we have actually are starting to see, and what's happening now is, is because of population growth, which has been good, and the aging of the population, the baby boomers starting to become sort of move through the age cohorts, we are seeing an increased demand for services, and so it's not unusual today to be full in our hospital beds being occupied and for our emergency department to be full, and so on, so we, we see the need to continue to grow, and we want to do this in a responsible way in the current location that we are in. We value the relationship that we have. I think we will continue to have it with the neighbors. That's very important. We are part of the neighborhood and it's important that the neighborhood be vital and that people who live in that neighborhood and who work in that neighborhood feel good about, about the neighborhood, as well. So, we are really committed and have been committed to working with the neighbors, sharing information, talking about what we are planning to do. We have done that through the years. A good example of a fairly difficult issue is the crisis triage center when it was developed and we worked in addressing the issues, involved community members on the advisory board to help us make sure we lived by what we committed to do, and we would be committed to doing that with our good, good neighbor policy, as well. The -- we are a large employer. We have over 3400 employees who work on that campus, and we anticipate that growing, obviously, as the services grow. We have over 180 physicians who are a aren't on the campus, as well, provides a lot of service to the neighbors and folks within the, the immediate area and for the city of Portland. We do see the need to grow the hospital in order to, to, again, meet the population growth. We also see some important programmatic needs, part of it is a cancer center, and developing a comprehensive cancer center, including outpatient, inpatient, complimentary medicine, physician, all in one location, in a very organized and coordinated way. So part of these plans relate to the program development that we feel is important and really serving our patients and the community. The, the question came up around timing of growth, and frankly, that's a very difficult issue for us to answer. As you know, with funding of health care, reimbursement issues, and so on, and how we manage to, we manage the demand, it's difficult for us to know. In the plan we attempted to maximize what the pull for it would be, but certainly in discussions with the neighbors, we would talk about what our plans are with enough notice so that we can work through the issues. That concludes my remarks. Thank you very much.

Katz: All right. Nobody else? You have five minutes for rebuttal. And then just, just we will need traffic to come up and talk to us a little bit.

Bainnson: Thanks, mayor and council. Just to close, I think that you have heard some, some --

Katz: Identify yourself.

Bainnson: Sorry. Brain bainnson, land use representative, 415 northeast 55th. Again, I think that we have heard a good testimony from, from neighbors, from, from laurelhurst neighborhood association, and, and what i'd like to say is that providence is proposing a significant change of fairly significant growth to the campus. We feel strongly that providence has not shown adequate mitigation of that growth in the neighborhood. Many of the things that we are asking for that are,

MARCH 6, 2003

that are ways to mitigate the growth are not things that the city can, can mandate but that really the things we are looking for providence to come up on, on their behalf and say yeah, they could include those in the plans. Those include everything from, from more ways to get their employees out of their car and incentives to live in the neighborhood, incentives -- other incentives, such as that martha was talking about. The issue of the retail -- I know that if providence wanted to mutt together a plan that proposed store-front commercial along glisan in the areas that are currently zoned residential and had the support of the neighborhoods and not just center but laurelhurst, rose city park, hollywood, the coalitions in that endeavor, there would be a way to figure out how to make it happen. Six, almost, what, 600,000 square feet of space is a lot of building, there's a lot of things that are minor that can happen within that, that can help to make it better on the neighborhood to get people out of their cars and I am not just talking about the providence employees and, and people -- and customers, but also the neighborhood. I think that -- I believe that, that providence and center and the other neighborhoods goals, we share the same goals to make our community livable and better. We understand providence's concerns about budget and not knowing about the future of health care, and that is the reason that we believe strongly that, that, that a well-worked out good neighbor agreement that sets up a framework for an interaction that isn't good some years and bad other years, but is consistent and carries us through from master plan to master plan is, is crucial. We don't want -- we know providence is here to stay, we know that they have to grow with the community. They are a regional facility. People all over the city and all over the metro region depend on providence for their health care, and as well as residents of center. We don't want to stand in there their way, we just want to be part of it and feel like we are listened to, and again, we thank you for your time.

Katz: All right. Let's hear a bit from -- I am trying to keep notes as to what we heard, and much, much of what we heard is, isn't, hasn't necessarily dealt with land use issues but they are relationship issues, and I think that we can help facilitate some of those, but there were some transportation issues that were raised, and, and you need an answer with regard to notice. , so let's start with the legal issues first on notice.

Beaumont: Mayor Katz, I think the notice issue focuses on the notice given at the hearings officer's level. I would like mark to walk you through the notice and what happened at the hearings officer's level and I am offer a few comments.

Katz: Ok.

Walhood: The original notice mailed in october 16th for the hearings officer's hearings set 1375 cars. In between that time and the hearing, itself, in november, largely because of concerns from transportation that, that we get 160 additional parking spaces to, to mitigate for the onstreet parking that was occurring, and we heard about the 160 spaces. The number went up to 1550, that was announced at the first hearing in november by the applicant at that first hearing, the hearing was continued to a time certain in december, but there was no additional notice because we did give a definite time and date at the first hearing. The city council notice did have an accurate number of 1550 cars for this hearing so the issue was that we never had a formal notice in the second hearing but it was announced.

Katz: We don't do that if you announce the time certain?

Walhood: If we -- yeah, announce it at the first --

Katz: That was announced.

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

Katz: Thank you. Kathryn.

MARCH 6, 2003

Beaumont: I think the question that mr. Naylor raised was, was the failure -- was, was the subsequent motives in the number of parking spaces and the lack of any subsequent written notice fatal to the proceedings before the hearing's officer, and I don't believe that it was. Because the hearing's officer announced the revised number continued the hearing, gave people an opportunity to, to address that revised number, and because the notice of this appeal hearing identified the correct number, I think that there's been ample opportunity for anyone interested to, to dispute the number of parking spaces and argue that they should be greater or smaller. So, I don't think that that issue is fatal to the proceedings.

Katz: Ok.

Beaumont: Based on the facts that I am aware of.

Katz: Is that satisfactory to the council? All right. Thank you. All right. Transportation, if there were any issues that, that we heard that, that related to land use, it was, it was the transportation, so come on up and talk to us.

Rodney Jennings, Office of Transportation, Development Review Section: I am rodney jennings, Portland office of the development review section. The summary that dan seeman gave regarding intersection capacity is, a good description, I think, of the analysis that was done. As you -- as mark wallhood was describing in his first report, the original transportation response was recommending denial, and that's because we didn't have adequate analysis of all the different intersections that were, were going to be affected by the proposal. And working through several iterations with, with kittleson and associates, and reviewing different information that, that, more information provided to us, we looked at each one of the intersections, specifically and in order -- they were all shown to be able to operated at an adequate level of service of, of, of, that's acceptable to the city. The only situation where that wasn't -- where providence wouldn't be able to do that without making some -- without making just changes in the existing right-of-way was at 60th and glisan, and because of that recommended condition, that would limit their master plan implementation, the amount of floor area that they could put in until such time as they were able to provide enough right-of-way at 60th and glisan to, to put in a, a westbound turn lane and also be able to preserve a 12-foot sidewalk. Otherwise, with the existing right-of-way they would have to narrow it down which wouldn't meet the current guidelines for a city walkway pedestrianway. Several other intersections in order to, to, to, in the future, if the traffic rates, when they go up in order for providence to be able to mitigate those intersections, it would require that, that parking during certain hours of the days be restricted to create a separate traffic lane, and I think jamie, can you talk a bit about that?

Jamie Jeffrey, Office of Transportation: Sure. Jamie jeffrey with the office of transportation and traffic investigations. Some of the concepts that providence proposed in their study to mitigate some of the capacity issues that, that would potentially happen in the future were to expand the pro-time parking and that would be to, to basically restrict parking during a longer period of the afternoon peak hour than what is currently out there in certain areas today. So, that is something that we -- we think that it's a good way to, to sort of make the parking and the traffic movements work together. You still allow parking during, during much of the day and don't dedicate it just to traffic when you only have heavy traffic volumes during small periods of the day. So we think that it, it, it's a, a concept that, that tends to work well together in terms of, of sharing the parking with the traffic lane. The thing we weren't prepared to do was to, to note when we thought that might be appropriate. But it's also something that is what we regulate within the public right-of-way and is something that we can implement very easily, you know, in our regulatory environment.

Katz: Is this is the issue of phasing?

MARCH 6, 2003

Jeffrey: Yes. And it is something that we know, removal of parking definitely has impacts to, to, to -- adjacent businesses and things like that. So, as part of that process, if at such a time in the future it looked like maybe that was an idea that we wanted to explore to improve the traffic operations for a round intersections, what we would do is involve the neighborhood, or the business owners, the property owners who would be affected and providence would also -- we would expect them to be at the table to discuss the needs for that, and see if, if, you know, that was an option that was going to work at the time.

Saltzman: Do we have other restrictions in the city of 6:00 to -- of 2:00 to 6:00 p.m.?

Jeffrey: Not to my knowledge. Most of them are from 4:00 to 6:00 p.m.

Saltzman: So there are businesses that would be impacted by this?

Jeffrey: That would be a, that would definitely be a larger impact on the businesses. We would, you know, that would, that would -- that's why we definitely feel that there's, there's a business interest there, and we'd want to sit down and talk about what that impact would really be, what it means to those businesses, themselves. And discuss the feasibility. Because it's not something that we have done around the city, we, you know, we weren't -- we weren't interested in going forward and identifying when that should be done, we really prefer to address the, the, you know, the specifics of the traffic and how it's operating at the time. Traffic, you know, it kind of picks its own route. It kind of acts like water, you know, it picks the path of least resistance, and things like that. So, you know, it may be that the patterns at the time, that kittleson has shown, you know, in ten years, it may actually operate a little bit differently or things like that, so we think that it's, it's better to kind of respond to what the conditions are as we go, plus in our current t.s.p., glisan is designated as a community corridor, so we also have a number of other issues that we have to look at throughout that corridor in terms of, of what the environment should be like, what we want it to be like, and as we continue on into the future and we see how the, the level of service and the capacity issues kind of fit within these, these new main street designated areas and community corridor areas and things like that, we may have ways of defining how we, we, we think that things should operate, what, you know, what seems to be acceptable and, in certain areas, and what's not acceptable in others.

Saltzman: I have some other questions.

Katz: Go ahead.

Saltzman: The intersection at 47th and halsey then, then, as I understood it, there is not a deterioration in the level of service in the northbound -- well, the intersection, itself, with the addition of the, of the thousand car garage?

Jeffrey: Well, there is certainly every time you add traffic, there's some sort of a deterioration. The analysis that kittleson put together, we worked with them quite a bit to come up with a model that really looked like what the, the system was doing out there, and when all was said and done, the actual level of service of the intersection, itself, still meets the adequate level of service of d or better.

Saltzman: D or better?

Jeffrey: D or better, the current standard is d or better. And at signalized intersections you may get one movement that's bad that might be operating at f, but balancing that with all of the other movements can bring it up to, to a d or better, and then that, that pretty much is what we noticed had happened in this case. It is true that there is cuing that happens on 47th, there is a backup, there is congestion that runs through that movement, and it is one of the movements that, that has a lower level of service, but the intersection as a whole operates acceptably, and that's what our current standard is, is for what the intersection operates as.

MARCH 6, 2003

Saltzman: Did I understand from somebody in testimony saying that, that the master plan proposes to close the 52nd avenue on-ramp to interstate 84? Did I hear that incorrectly?

Katz: I didn't hear it.

Judy Kennedy: The exit and entrance from the hospital campus.

Jeffrey: Street vacation.

Saltzman: Ok. I guess my last transportation question was the, the, well, really the parking issue and the parking hotline, I don't know if this is, this is information you are familiar with or maybe providence can answer this, but, but I am trying to get some sense, are the problems that people are, are, employees are parking in neighborhoods, are they blocking driveways? And if so, what's, what's the hotline, is it somebody answering it 24 hours a day or -- is it a recording -- what is the nature of the problems and what's the hotline designed to do.

Katz: Identify yourself.

Underriner: Dave with providence. It is a 24-hour hotline --

Saltzman: Somebody answer itself.

Underriner: Our security dispatch who is there 24 hours a day so the phone is answered. It's actually been out for a month -- it's been up for a month but we have not had any calls to that hotline but we have a requirement from the employees to not park, so if we are aware and they are parking there, there are consequences to the employees. Certainly, we would take care of the issue once the hotline was called and we found out about it, but we certainly educate and remind our employees to not park in the neighborhood. It's, it's certainly violates our policies that we have for employees.

Saltzman: Ok. Thanks.

Katz: Mr. Sten, did you have any traffic issues? All right. Thank you. All right. The, the good neighbor agreement, the ability to monitor the plan, the phase of development, time line, the working together for a zone change to allow retail and all of that, multimodal split, community garden, all these, come on up, providence. All of these issues signify to me that, that relationships have, have, I would suspect, either deteriorated or not at the highest level as, as it should be for, for a, a good, a good neighbor and good partners, such as providence and the neighborhood. I am surmising that. It is very easy to begin to deal with those issues if you truly are committed to dealing with those issues. And the neighborhood is looking toward a good neighbor agreement. Now, when you -- the policy -- there is a difference between a policy and an agreement, an agreement is you both agree and you both sign and you hold each other accountable. A policy is nice words about the direction that you want to take. I can't recall and somebody help me out, a good neighbor agreement framework for master plans. You probably know better than our staff on that one, but -- give you a second to think about it.

Grillo: You do have a framework for it, but it is not in the approval criteria --

Katz: We can, we can -- we can do anything that we want, within reason.

Grillo: What I did was knowing that you did have that framework, I took pieces of that framework that were relevant into this case and made them specifically part of this good neighbor policy. One good example is the situation with regard to type 2 and 3 discretionary reviews and providing advanced notice of those kinds of things.

Katz: So you can translate what you have into a good neighbor agreement and continue to leave the door open for additional issues that the neighborhood wants to discuss?

Grillo: That's right. I think that, that, in essence this, this policy was originally called an agreement, and it wasn't meant to, to denote a contract, just that was, that was the, the language that I was using at the time. My intention here is, is that this, this serves as, as a framework that has

MARCH 6, 2003

enough teeth to get us going and it seems to me what, what I am really hearing from the neighborhood is that there's a bigger planning process that needs to get going with regard to glisan in that area. In our, our intent is to really help facilitate that process while other things are happening with the city. Right now as you have alluded to, there may be opportunities through the main street program and other things to bring some dollars and to bring some, some, some city organization to that effort. But in the meantime, I don't think that, that we actually have had very good relations with, with the neighborhood associations, themselves. There may be some neighbors that were not participating effectively in the neighborhood association process, but we have had very good, I think, relationships with the neighborhood associations, and that is, I think, why this kind of a policy really makes sense at this stage. We can use this as a framework to make agreements as we move forward in this plan.

Leonard: Mayor Katz.

Katz: One second. We can change the -- let me get a question on the agreement. Do we have a model for, for master plans or not?

Walhood: We do frequently impose a condition that, that --

Katz: I missed that.

Walhood: They include a good neighbor agreement, the specific content is often alluded to, but it's an agreement.

Katz: That's fine. Ok. So we have the ability -- I just want the neighborhood to know when the council gets to discussing it, we have the ability to, to require good neighborhood agreement, and you can take those pieces out of the policy and turn them in an agreement and have both folks sign. I don't think you mind that. I think the hearings officer didn't feel he had the ability -- did you want to add on that?

Sten: I want to clarify. Did your client sit down with the neighborhood and go through the, to reach an agreement process and was unable to reach one so you came up with the policy or, or have we not tried that yet?

Grillo: No. What happened was, just a quick summary, is that as I mentioned before there were a number of meetings that were held before we really submitted the plan, and what I did is I took a lot of those issues and tried to put them into something like this, which was, which was a policy very early on when before we got to the hearing process. Frankly with the hopes that somebody might come to us and say, well, i'd like x and y to be part of that policy. We could do that, and I think that that's what I am suggesting, so no, we didn't sit down and say, let's hammer out a good neighbor agreement, in part, because we were already at that stage of the, of the process. So, my concern is, is that there may be some things that the neighborhood wants, particularly with regard to retail and other things out there, and you have heard the traffic issues already trying to load a lot of retail onto glisan and in doing other things at the same time, is, a very big issue to try and wrestle with, so we need to be cognizant of the scope of things that we might open this up to if we do go to something, an agreement like that.

Saltzman: I guess what, what made me a little nervous, I should say before I get too much into this, that, that for the number of master plans that I have had the pleasure to have hearings on here, this -- the two sides are not that far apart in terms of, of what I have seen. I have seen a lot of these, and this is really not too bad. It is a little unusual when it gets to this level that, that you haven't actually tried to get an actual agreement in place because while I completely agree there may be things that, that you can't deliver, I am not real sure that that's a good reason not to try and do it before this council is asked to sign off on a 10-year plan.

Katz: Commissioner Leonard

MARCH 6, 2003

Leonard: Well, I have developed, I don't know when we are going to be in a discussion --

Katz: We are now

Leonard: Well --

Katz: You can leave and if there's something that either side wants to comment on in the middle of our discussion, just raise your hand and we will, we will bring you --

Leonard: I want to propose this as, as a motion that, that we can discuss and change. To kind of, I think, is consistent with the discussion we are having. That would be to approve the hearing's officer's decision contingent upon a reasonable good neighbor agreement that would be reached by the center neighborhood association and the Portland providence medical center. Elements of the agreement shall include but not be limited to issues regarding parking, safety, traffic, construction activities, on-site uses of campus and pedestrian access.

Katz: You were shaking your head, Kathryn.

Beaumont: I just -- I guess this is a motion just to get the, the outlines of what a good neighbor agreement contain on the table.

Katz: Correct.

Beaumont: That's fine. We are going to be holding the record open and continuing the hearings so I wanted to make sure this wasn't a motion addressing the ultimate decision on the appeal because that will come in the future.

Katz: Ok.

Beaumont: Is that clear?

Saltzman: I guess that's not clear to me.

Beaumont: As I understand commissioner Leonard's motion, what you are putting on the table is a motion for the council and the parties to consider about what the elements of a good neighbor agreement --

Leonard: No. No. I actually said approve the hearing's officer's decision contingent upon --

Beaumont: There's been a request to --

Katz: To hold it open.

Beaumont: We will need to hold the record open for seven days to allow people to provide any new evidence or testimony

Leonard: I see.

Beaumont: Hold it -- allow another seven days for people to respond to whatever came in during the first seven days, and then the applicant has a final seven-day period should they choose to exercise it to --

Leonard: So it's not appropriate to dispose of this, of this issue. Got ya.

Beaumont: I was trying to clarify whether you wanted to throw out the elements you would like to see in a good neighborhood agreement for ultimate consideration by council

Leonard: Well, these are -- what I have said is it shall include those issues but not be limited to those.

Sten: Can I ask a qualifying question? Help me on my memory. My memory when we -- when we leave the record open we take a tentative motion and leave the record open. Am I wrong on this? Is this something different?

Katz: He's right.

Beaumont: I think you have done it both ways in the past, so --

Katz: What we have done in the past, and see if -- we take a tentative -- we take the motions, and a tentative agreement on the council, and then we come back.

MARCH 6, 2003

Beaumont: You can do it that way, if you like. Everybody recognized that it is a tentative decision. Your decision could change once you have seen the material that comes in.

Sten: Well, I think my, my -- we are in discussion now, mayor?

Katz: Yeah.

Sten: I mean, I am basically inclined to, to go with something like what commissioner Leonard said. My interest would be in trying to put some kind of time parameters, which would probably be more than the 21 days in place, particularly the two sides could agree so that providence is in the position if they can't reach an agreement, there's no approval and what I'd be saying is that that would come back to the council on the points that, that -- if there was a negotiation process, would come back to council at some point

Leonard: I have a second --

Katz: It's written that way.

Sten: You can say it more succinctly than I

Leonard: If they failed to reach an agreement by July 15, 2003, either party may request the city council develop a good neighborhood agreement as a condition of allowing Portland Providence Medical Center to proceed consistent with the hearing officer's January 9, 2003 decision with the condition a good neighborhood agreement be included.

Katz: We have done that in the past.

Beaumont: I'm not aware that you have. Because that would have the city council retaining jurisdiction well beyond the point in time when you have made a final decision here. , so I'd be happy -- I think that we need to think a little bit about the second part, and Idaho be happy to work with you on that.

Katz: And commissioner Sten, your issue was, was it comes back here or, or you said --

Sten: I was thinking something along the lines it's the same concept that commissioner Leonard is working on but, to look at the two sides, 45 days, in a sense either take a tentative decision and set the vote for 45 days from now or set the hearing over for 45 days, and expect you guys to come back and if it's, if -- I am expecting what will happen is you will fix 99% of the disputes between the two of you and there will be 1% left or something less the council will have to make some final decisions on, but it's my sense that, that this hearing officer's decision is very thoroughly done, one of the thickest I have ever seen, and it's very thoughtful, and I think that the neighborhood has some pretty legitimate points that it would like to get some more clarity on, so I think you can get pretty close.

Katz: Ok. The neighborhood -- no, just one of you, the lead spokesman, go ahead. Just comment on that quickly.

Bainson: Quickly say since the good neighborhood agreement is the objection. In the letter I received from commissioner Saltzman and Sten's office, written by Mr. Grillo, has language in here of a good neighborhood policy that, you know, we have not seen as a neighborhood association. These are just excerpts from it. I think that there is a lot here for the two sides to really sit down and work on and I think that we can do it in a reasonable period of time. Again, I would like to say that it's Laurelhurst and possibly Rose City Park. That makes it complicated but Laurelhurst and Center because we are on the same side of the freeway, and Glisan, we --

Katz: Stay on up here. Can you do it in 30 days? I get a sense from the council that, that they are ready to make, to make a tentative motion on 30 days.

Grillo: I do think that we should do it sooner rather than later. 30 days sounds like, like something that may be feasible, but are we negotiating -- is this a multilateral negotiation with three neighborhood associations, what about the business associations. This could be -- and that's

MARCH 6, 2003

really, really the logistics of doing this. My thinking for what it's worth is, is that I would prefer to see this facilitated, and I am not sure that we can get the right kind of facilitation up and running in that, in that period of time. I think that, that that's why I try to stay with a good neighbor policy that we use a facilitator for rather than trying to get us into a, a good neighbor agreement situation with multiparties.

Katz: You can get a facilitator and I think certainly come back both parties come back to us at the time that we formerly adopt the, the, the motion. Tell us that you are working on it, that it's going well, that these are the issues you have agreed -- at least identified, identify the issues you have agreed to deal with. I think you can do it in 30 days.

Leonard: And my motion read the center neighborhood association is the other party.

Katz: And only the center neighborhood

Leonard: That's all I named, in the motion it could be different but that's what it said.

Grillo: Could I have a moment to meet with the client in terms of timing? Spring break is coming up and I want to be sure the right people are there.

Sten: I want to make sure the neighborhood -- if you want more time than 30 days -- I don't want to box you in because you guys don't have paid staff to do this.

Bainnson: This is brian banson, our board meets the third tuesday of every month, and I think this is something that the board -- the ultimate great has to be approved by the board. I don't know if we would have time to come up with an agreement approved by this march meeting, certainly by the april meeting because again as commissioner Sten said, you know, spring break, a lot of the neighbors are going to be gone for a week.

Sten: I understand we need to get this done, but it's a 10-year plan, and I don't think that 60 days will prohibit this from getting done. And I haven't had anyone come down here and tell us it hasn't been done yet.

Katz: 60 days? All right, good. All right.

Saltzman: Just to get back who the parties are I think that probably laurelhurst and the glisan business association should be parties --

Leonard: Did you say the southeast uplift, doesn't that capture all of them or --

Saltzman: I think the southeast uplift has south of the freeway. Central neighborhoods northeast is north of the freeway

Leonard: Doesn't it capture all those?

Saltzman: There is hollywood and rose city park --

Leonard: But it doesn't have to include all them. But if you said southeast uplift it would include whoever it was that was interested in participating in this agreement.

Saltzman: That includes the business association, too --

Leonard: I believe it does. Does anybody know? It doesn't?

*******:** What? All right.

Saltzman: I think we should go with laurelhurst, center, and glisan area --

Leonard: And the only reason I said center neighborhood association is because they are appealing. So, I mean, that's who is at issue here, so I think that they should be able to figure out who it is that they want to have help them.

Katz: That's a good solution, so if, if you folks can agree that it ought to be some other neighborhood association, certainly ought to be the center, business association that should be involved. Is that --

Saltzman: Glisan area business association, I believe it is called.

Katz: Glisan area business association

MARCH 6, 2003

Leonard: Here's my own thought about that, is if you start -- I was very impressed with the neighbor's presentation. As commissioner Sten was, I like working with groups that are thinking of solutions. And so I don't want to -- I don't want to inadvertently name a group that might have some whole other set of issues that are then required to sign off on this, if we stick with this group, they have proven that they are focused --

Katz: You make a good argument. All right. So it's going to be your neighborhood association and if you need help or you want help, you make that decision and work in cooperation with, with providence. All right. Now, the issues that commissioner Leonard laid out aren't limited only to those, so there may be other issues that the neighborhood association wants to address and work through, through with the hospital, so I don't want to limit it just to those, but those should be included. Included, but not limited to. All right. Anything else? So --

Saltzman: I'd like to put in a pitch for a roof garden. A community garden, roof garden. You can have a lot of roof space there --

Katz: And we will drop you off by helicopter.

Saltzman: This is west gates garden.

Katz: This gentleman is not going to be happy if I don't ask him to come on up here. Come on up quickly.

*****: Only take two seconds.

Katz: Yeah, that's what they all say. [laughter]

Gary Naylor: Gary Naylor, the hearing's officer, in his condition identified as part of the good neighbor policy, center and laurelhurst neighborhood associations, and we certainly request to be a part of that policy.

Katz: You take that up with center sorry because they are the appellant. All right.

Grillo: Will we be setting a time certain to return?

Katz: We need to do that, so the motion, the motion was to accept the hearing's officer's recommendations and to add the requirement -- go ahead, read it again

Leonard: Approve the hearings officer's decision contingent on a good reasonable neighborhood agreement is reached by the center neighborhood association and Portland, providence medical center, elements of the agreement shall include but not be limited to issues regarding parking, safety, traffic, construction activities, on-site uses of campus and pedestrian access, and then there was some discussion about 60 days, that that --

Katz: We will come back in 60 days

Leonard: We will come back in 60 days and review that.

Katz: All right. Do I hear a second?

Sten: Second.

Katz: Roll call, this is attentive agreement underlined

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

Katz: Mayor votes aye. Motion passes. Now we need to set a date to come back, 60 days. What do we have?

Moore: Week of may 12.

Katz: May 12?

Moore: Yes, it will be a thursday, it would be a thursday. It's may, and I show everybody in right now.

Katz: We have got budgets so you folks need -- we all need to be around.

Moore: So if you want to come back on a thursday, it would be may 15.

MARCH 6, 2003

Katz: Thursday, may 15. Ok. Everybody, that's your notice, sir. All right. May 15 on thursday, 2:00 p.m. Thank you, everybody. We stand adjourned. [gavel pounded]

At 4:15 p.m., Council adjourned.