



CITY OF
PORTLAND, OREGON

OFFICIAL
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **19TH DAY OF MARCH, 2003** AT 9:30 A.M.

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

Commissioner Saltzman arrived at 9:34 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.

On a Y-4 roll call, the Consent Agenda was adopted.

	Disposition:
TIME CERTAINS	
<p>*234 TIME CERTAIN: 9:30 AM – Create City of Portland Small Business Advisory Council (Ordinance introduced by Commissioner Francesconi)</p> <p>Motion to accept amendment to add an emergency clause: Moved by Commissioner Francesconi and gaveled down by Mayor Katz after no objections.</p> <p>(Y-5)</p>	<p>177336 AS AMENDED</p>
<p>235 TIME CERTAIN: 10:15 AM – Accept Burnside Triangle Advisory Group Report/Recommendations (Report introduced by Commissioner Leonard)</p> <p>(Y-5)</p>	<p>ACCEPTED</p>
<p>236 TIME CERTAIN: 11:00 AM – Adopt the South Corridor Locally Preferred Alternative Report and Recommendations (Resolution introduced by Commissioner Francesconi)</p> <p>Motion to adopt the South Corridor Locally Preferred Alternative Report and Recommendation: Moved by Commissioner Saltzman and seconded by Commissioner Sten.</p> <p>(Y-5)</p>	<p>36130</p>
<p>CONSENT AGENDA – NO DISCUSSION</p> <p>Mayor Vera Katz</p>	

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<p>237 Confirm appointment of Amy Jones to the Portland-Multnomah Sustainable Development Commission for a term to expire June 1, 2003 (Report) (Y-4)</p>	<p>CONFIRMED</p>
<p>*238 Contract with five firms for design and space planning services as required in support of Bureau of General Services projects and provide for payment (Ordinance) (Y-4)</p>	<p>177318</p>
<p>*239 Contract with five firms for structural engineering services as required in support of Bureau of General Services projects and provide for payment (Ordinance) (Y-4)</p>	<p>177319</p>
<p>*240 Pay claim of Tatyana Balbatunova (Ordinance) (Y-4)</p>	<p>177320</p>
<p>*241 Pay claim of Nina Kovaleva (Ordinance) (Y-4)</p>	<p>177321</p>
<p>*242 Give final approval for the issuance of Economic Development Revenue Bonds, Broadway Project, Series 2003 in an aggregate principal amount not to exceed \$50,000,000 (Ordinance) (Y-4)</p>	<p>177322</p>
<p>*243 Declare the City to be a hybrid entity under the Health Insurance Portability and Accountability Act of 1996 (Ordinance) (Y-4)</p>	<p>177323</p>
<p>*244 Extend agreement with Cable, Huston, Haagensen & Lloyd for outside legal counsel (Ordinance; amend Contract No. 33228) (Y-4)</p>	<p>177324</p>
<p>*245 Extend agreement with Tri-County Metropolitan Transportation District of Oregon for the City of Beaverton to provide officers for the TriMet Transit Police managed by the Portland Police Bureau (Ordinance; amend Contract No. 51485) (Y-4)</p>	<p>177325</p>
<p>Commissioner Jim Francesconi</p>	
<p>*246 Amend Interagency Agreement with the Portland Development Commission for 2002-2003 professional and technical services for transportation improvements (Ordinance; amend Contract No. 51819) (Y-4)</p>	<p>177326</p>
<p>*247 Authorize an Intergovernmental Agreement with the State of Oregon to accept a \$10,000 grant for construction of a bicycle traffic signal at the intersection of the Eastbank Esplanade and NE Oregon Street (Ordinance) (Y-4)</p>	<p>177327</p>

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<p>*248 Amend Intergovernmental Agreement with the Oregon Department of Transportation regarding bikeway signs to extend the length of the agreement from two years to three years (Ordinance; amend Contract No. 51535) (Y-4)</p>	<p align="center">177328</p>
<p>*249 Authorize the Office of Transportation to enter into an agreement to subordinate an existing loan to The Belmont Limited Partnership to refinanced senior debt (Ordinance) (Y-4)</p>	<p align="center">177329</p>
<p>*250 Accept a \$59,000 Land and Water Conservation Fund grant from Oregon Parks & Recreation to assist with the development of Wilkes Park (Ordinance) (Y-4)</p>	<p align="center">177330</p>
<p>*251 Issue a Power Line Permit to Portland General Electric to construct, operate and maintain an underground power line within a portion of the Terwilliger Parkway Corridor (Ordinance) (Y-4)</p>	<p align="center">177331</p>
<p align="center">Commissioner Randy Leonard</p>	
<p>*252 Grant a temporary revocable permit to Portland State University and establish terms and conditions (Ordinance) (Y-4)</p>	<p align="center">177332</p>
<p align="center">Commissioner Dan Saltzman</p>	
<p>*253 Authorize the sale of a parcel of property owned by the City on Swan Island (Ordinance) (Y-4)</p>	<p align="center">177333</p>
<p>254 Authorize an Intergovernmental Agreement with Metro to offer up to \$300,000 from the Solid Waste Management Fund to attract a commercial food waste processor to Portland (Second Reading Agenda 223) (Y-4)</p>	<p align="center">177334</p>
<p align="center">Commissioner Erik Sten</p>	
<p>*255 Agreement with Insights Teen Parent Program to fund activities related to a rental assistance program under the Transitions to Housing Program and provide for payment (Ordinance) (Y-4)</p>	<p align="center">177335</p>

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REGULAR AGENDA

<p>256 Accept Bid of Nutter Corporation for street improvements on NE Alberta and NE Grand to 15th for \$588,989 (Purchasing Report - Bid No. 101968) (Y-4)</p>	<p>ACCEPTED PREPARE CONTRACT</p>
<p>Mayor Vera Katz</p>	
<p>*257 Authorize memorandum of understanding with Metropolitan Sports, LLC, and Teachers Insurance and Annuity Association of America regarding PGE Park (Ordinance) (Y-5)</p>	<p>177337</p>
<p>Commissioner Jim Francesconi</p>	
<p>*258 Amend agreement with Portland Streetcar, Inc. to provide additional services related to Portland Streetcar in an amount not to exceed \$361,250 (Ordinance; amend Contract No. 31428) (Y-4; Commissioner Saltzman recused himself)</p>	<p>177338</p>
<p>259 Create a friendship city relationship with City of Bologna, Italy (Second Reading Agenda 207) (Y-5)</p>	<p>177339</p>

At 12:15 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **19TH DAY OF MARCH, 2003** AT 6:00 P.M.

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

Commissioner Saltzman arrived at 6:09 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>260 TIME CERTAIN: 6:00 PM – Increase the threshold for upgrades to nonconforming development and increase consistency in the code (Ordinance introduced by Mayor Katz; amend Title 33)</p> <p>Motion to eliminate the automatic rollback requirement on the threshold from \$100,000 to \$35,000 after two years and Council review the threshold level in two years: Moved by Commissioner Leonard and seconded by Commissioner Francesconi.</p> <p>(Y-4; N-1, Sten)</p>	<p>Disposition:</p> <p>PASSED TO SECOND READING AS AMENDED MARCH 26, 2003 AT 2:00 PM</p>
<p>REGULAR AGENDA</p> <p>Mayor Vera Katz</p> <p>S-261 Impose temporary surcharge on Business License Fee to provide funding assistance to Portland Public Schools (Second Reading Agenda 231; amend Code Section 7.02.500)</p> <p>(Y-5)</p>	<p>SUBSTITUTE 177340</p>

At 7:24 p.m., Council recessed.

March 20, 2003

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **20TH DAY OF MARCH, 2003** AT 2:00 P.M.

THOSE PRESENT WERE: Commissioner Leonard, Presiding; Commissioners Francesconi, Saltzman and Sten, 4.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Kathryn Beaumont, Senior Deputy City Attorney; and there was no Sergeant at Arms.

<p>262 TIME CERTAIN: 2:00 PM – Tentatively deny appeal of Centennial Community Association and uphold Hearings Officer’s decision with modifications to approve the application of Qwest Wireless LLC for a conditional use to construct a seventy-five-foot tall monopole at 1546 SE 169th Place (Findings; LUR 01-00737 CU; Previous Agenda 134)</p> <p>Motion to adopt revised Findings: Moved by Commissioner Saltzman and seconded by Commissioner Francesconi.</p> <p>(Y-3; N-1 Leonard)</p>	<p>Disposition:</p> <p>REVISED FINDINGS ADOPTED</p>
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At 2:14 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.

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Closed Caption Transcript of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

MARCH 19, 2003 9:30 AM

Katz: Let's take item 234.

Moore: Do you want to do the consent?

Katz: Oh, i'm sorry. Let me start over. Let's get to consent agenda. Any items to be removed off the consent agenda by the council? Anybody in the audience? Ok. Roll call on consent agenda.

Francesconi: Were we -- yvonne, are you here for something that's supposed to be removed? Aye.

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

Katz: Mayor votes aye. [gavel pounded] all right. Now on time certain. For some reason I thought those were communications. 234.

Item 234.

Katz: Commissioner Francesconi?

Francesconi: We have a panel here that's coming up, I think, with jennifer and mike paul. Why don't you folks just come on up as I briefly introduce this. As this resolution -- ordinance says, there's 43,000 small businesses in Portland. Which generate -- which are more than 85% of the jobs here in Portland. So that's -- the whole council cares about small business and want them to succeed in our city, not just now, but always. The second thing we believe in is letting people closest to the problem advocate for themselves. In the period of time i've been on the city council for the last maybe seven years, the group i've noticed that isn't here in an organized way are small businesses. And I think that's because businesses are running their businesses, the six or seven days a week into the evening. So what we've sought is a council -- as a council is to try to find a way we could advocate to some have small businesses advocate for themselves, and that's what's behind creating this small business council. So I appreciate the mayor very much when she appointed me as the small business liaison to p.d.c., but this council reports to the whole council, and we made some adjustments in how people will be appointed to this council to reflect that it represents the whole council, not just the small business liaison to p.d.c. And so we've been fortunate, when you begin anything, it takes p.d.c. And staff's willingness to allow this to happen, and -- because citizens can disagree with staff, and then it takes a great group of citizens coming together who not only represent themselves and their own businesses, but more importantly, represent others and -- who keep that in mind, that they're here on behalf of others, and that it's a privilege to serve. And we're very fortunate that we have that terrific group of citizens, and they're meetings are fun and spirited, and it's a joy to go to. And I would encourage you all to attend, as many of you have. Let me turn it over to jennifer.

Jennifer Johnson Nolfi, Portland Development Commission: Good morning. Good morning mayor Katz, commissioners, thank you so much for having us here today. I'm pleased to be here on behalf of don maziotti. He's at a commission work session, so he could not be here, but I want to encourage you to support the ordinance formalizing the small business advisory council. I'm going to share with you some updated small business stats. I got some from the employment department since we submitted the ordinance. There are about 95% of the firms in Portland are small businesses, and those are firms with less than 50 employees. That's nearly 49,000 firms in the

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Portland area which translates into 312,000 jobs and a payroll of around \$2.4 billion. 50 employees, less than 50 employees is the definition we've agreed on. About half of these firms are less -- even smaller with less than five employees, that's about 13,000 firms. And maybe five employees doesn't seem like a lot, but when you multiply that times 13,000 with an average of 2.5 employees per firm, that's about 32,500 jobs. Small businesses are the backbone of the job creation and an important part of economic development, as you all know. They serve a vital role in providing services and support to the larger firms in the Portland region. It is for these reasons that it is important that we take the needs of small business into consideration as we develop policies, programs, and resources and at the same time, raise the visibility of small business in the community. The objective of the small business advisory council or the s. B. A. -- sbac is to provide an organized voice for small business with the Portland city council on policies, regulations, and projects and to enhance the competitiveness of area's small businesses. I should also point out the formation of the council is a component of the implementation of the economic development strategy and their priorities include working with the city to help develop a predictable, stable, timely, and customer-driven business climate and developing services and systems to support small business growth and formation. We worked several months to bring together a group we felt would best represent the diversity and vitality of Portland area small business community, taking into consideration geography, ethnicity, gender and the networks that serve the small business community. Our strategy was to create a public-private partnership, realizing the efficacy of this group was dependent on the participation and support of the public sector, and the need to avoid redundancies and duplication. We invited you, your staff and the bureaus to participate, as well as representatives from the federal, state, and local levels. You will hear more about the current priorities of this group, but I want to assure you that we're working very closely with you and your staff and the staff of the bureaus, particularly in the areas of the bureau of purchasing, development services, planning, licensing, and environmental services on these issues. Once again, to avoid duplication or redundancy. I've been very impressed with the commitment and enthusiasm from everyone involved, and I encourage you to use this group as a resource, a sounding board, and a mechanism for communicating to the broader small business community. I would also like to thank you and your staff as well as the bureau directors and their staff for their time, commitment and support. And now i'm going to -- i'd like to turn your attention to mike paul, the chair of our small business advisory council, our vice chair ethan dunham, and other members who have joined us here today. Thank you.

Mike Paul, Chair, Small Business Advisory Council : Thank you, jennifer. Mayor Katz, commissioners, thank you for having us here today. I just wanted to point out that even though the definition of small business is 50 employers or less by our definition, I think I was grandfathered in because our company only had 50 employees in Portland at the time that I was asked to join the council, now we have a few more than that through a merger with centennial bank. My name is mike paul, my address is 2900 northeast brazee court and i'm in the commercial banking business. I believe you have all the material --

Katz: Closer.

Paul: Thank you. What i'd like to share is just a few observations, primarily. One is that the issues of small business are distinctly different than the rest of the city. And this body will give you the kind of feedback I think you need to help in decision making. I have noticed that some of the issues are different among my colleagues, based on geography, the size of their business, based on other factors, different than what the corporate world might tell you about certain issues. There does tend to be a focus on the service industry and definitely these are folks, my colleagues are very accomplished multitaskers. They're asked to do a lot, and they do a lot. I've gained a very healthy respect for not only running a small business, but watching people in action. One other item I think

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will be very helpful to you that i've observed is the cooperation between the public and the private sectors. In our working groups that will be described here in a few moments, I have seen some very good interactions, very good support by bureau heads and folks from the city in terms of explaining issues, why things are the way they are, and what we might be able to do about them. So there's a good interaction between both public and private. I think you'll see that will occur as well. The one other thing I wanted to mention was that commissioner Francesconi mentioned I think the phrase was "spirited" meetings. I wasn't already, I have become a believer in democracy, that the majority can rule, and consensus is important to build among a group like this, the diversity in this group is very significant. We have -- if you did a dot map of this group, we represent I think every zip code and possibly every business association that we can probably touch. Not all, perhaps, but a very distinctly diverse group. The last thing i'd like to mention is that we do appreciate having jennifer's involvement. She's very good at coordinating and very good at -- and knowledgeable about how we can gather support for initiatives. Thank you.

Ethan Dunham, Vice Chair, Small Business Advisory Council: Thank you, mayor Katz and commissioners for letting us come here today. Like mike, my home address is in northeast Portland, and my business address is in northwest portland. I appreciate being a lifelong small --

Katz: Do you want to identify yourself?

Dunham: Ethan dunham, excuse me. My company is isis corporation. Being a lifelong Portland resident and business owner, it's a privilege to be here speaking to you, and actually feeling good about the process. What i'm representing today is a group which -- what you're familiar with, creative service industry, which interestingly enough represents an enormous amount of two things, first of all we have -- in 1997 there were fewer now, we had almost 27,000 workers and 10,000 businesses. So we represent that small end of the spectrum. However, we also represent industry that brings lots of dollars into the state from outside. The most notable are places like will vinton studios, and wieden & kennedy, however smaller organizations do that also. In the economic development strategy, led by p.d.c., creative service assist one of the target industries identified, and some of the key issues that we've identified as a group we've been able to bring already to the small business advisory council, and one of those being the attitude of the city staff. And we want to recognize your efforts, mayor Katz, and that of your chief of staff, sam adams and margaret mahoney, in addressing the attitude of the bureau of development services as part of the regulatory reform efforts. Although this is an issue that's not just limited to one bureau, we'd like to offer our support in addressing the attitude, and this city is -- issue is city wide, and look to continued improvements. The permitting process was also identified as a problem for -- and while we're pleased with many of the efforts and improvements already, and the amount of energy and activity that's happened right in the small business advisory committee already, we want to support the continued process, and improvements in regulatory reform is a priority issue. Finally, we look forward to working with each one of you closely, and with your staff, and the staff of the bureaus. We don't want to contribute to any redundancy, but reinforcing efforts by working with your staff to identify ways in which we can continue to make a difference. Thank you.

Katz: Thank you.

Nolfi: We've got some other people.

Francesconi: I think I have it here.

Francesconi: We have I think two or three panels. This is the small business folks themselves that wanted to share this with us.

Katz: Ok.

Andrea Baugh: Good morning, council and mayor. My name is andrea, i'm with group a.g.b., and i'm located in northeast Portland. I've been part of the sbac, and my role is to talk to you today about the structure and the guidelines that will guide this group. It is important to keep in mind that

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we needed structure, and we need some guidelines so that we can bring you focused input and our concerns as small businesses throughout the community, and that you know that we've provided some thought to it, and that there's a consensus, maybe not everybody's agreed, but we've voted and these are our concerns, or input into your decision-making process. We've recently completed those guidelines and the structure, and I believe you have those in front of you. The chair and the vice chair will be recommended by the sbac to your body for approval. We've established a membership and communications committee as permanent committees. We want to ensure from a membership standpoint that we continue to recruit a diverse group, and from a communications standpoint, that we will be coming to you at least twice annually with written and public testimony to talk about what our accomplishments are, what we've been working on, so you understand what we've been doing that we're not just wasting your time, your staff's time, but we've been doing something, accomplishing something. Our goal is to really have input into that decision-making process so you understand our concerns. We're also -- we've created ad hoc groups that will be working on specific issues that the group has voted on that they feel are the top concerns. Those groups may be from issues that each of you have brought to the committee, or the committee has brought to itself, or they're just topics of the day, like a b.i.t. Tax or something like that, that is of importance to this group, and we've put together a group and had them take a look at it, come back to the group terror discussion and recommendations. -- for discussion and recommendations. I also think in looking at this as also being from the city, I think the idea -- I think it is a very diverse and group of members, and it provides you kind of a -- if you will an eyeglass into the small business community from diversity of the type of businesses, and diversity of the group that's are represented, and I will say that they're a very vocal group, but I think they're focused and they want to provide you quality input into your decision-making process. Thank you.

Ken Turner: Good morning, mayor Katz, members of city council. I'm ken turner, and I manage east port plaza shopping center. As chair of the alliance of Portland neighborhood business associations, we represent 36 business districts throughout the Portland area, and through those associations, thousands of individual businesses. And i'm happy to be here today to support the formation of the small business advisory council. As you know, the apnba recently published its action for Portland business vision 2002-2003 wherein we identified many issues our business districts are dealing with, primarily in the area of city regulation and policies. Nonconforming development is one of those areas, and we have now partnered with the city and are currently working with sam adams to try and inventory some of those areas in key parts of the city. We see the sbac as a tremendous resource to help us address these issues and working directly with you and your staff to help identify solutions through existing frameworks or mechanisms, and to help identify new ones. The sbac has identified three priorities in the near term to help gain momentum and keep the group focused and are now forming subgroups around these issues with self-appointed volunteers. These priorities will change over time, and could be expanded to include other issues. These issues voted by the full committee as priorities are regulatory reform, reducing the cost of doing business in Portland, and expanding the contracting opportunities small businesses have with the city and p.d.c. City staff members will participate in these working subgroups, and this will help create a partnership and to avoid as mentioned before, duplication and redundancy. As you know, reducing the cost of doing business -- is one of the priorities we selected and we're working with our members and through them the groups they represent to provide the council with real numbers about how these proposed changes will impact small businesses. This is the type of contributions we can make, providing you with real, grass-roots street-level case studies, data and information that will assist you in making informed decisions. Again, I solicit your support for the small business council.

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Martha Bergman-Gamlin: Good morning, mayor, commissioners. My name is martha bergman, i'm the owner of a niche manufacturing company that employs 20 people in the central eastside business district. I encourage you to support the formalization of the small business advisory council because working with you, your staffs and the bureau, we can involve more small businesses in our community effort to create jobs and improve our environment. According to the harris database there are 2,180 manufacturing companies inside Portland. At our company we're demonstrating the first world workers making sustainable wages can manufacture world class products and sell them through the americas at competitive prices, also, over half of our staff use bike or public transportation to work. I would like to join my efforts with others to encourage more niche manufacturing in Portland. Working together with your staff and small business advisory council, we'll be sure not to duplicate ongoing efforts, and we'll work with inside the mechanisms already set up by the city to identify ways that we can compliment the ongoing work of the city. Hopefully we can send the message throughout the business community that this is a city that works. Thank you.

Katz: Thank you.

Francesconi: Can you repeat that sentence a little more slowly about first world workers? This is a key to our whole city, our whole country.

Bergman-Gamlin: That's why i'm an advocate of niche manufacturing. We are demonstrating, we've been in business 20 years, we're demonstrating that first world workers making sustainable wages, can manufacture world class products and sell them throughout the americas at competitive prices.

Katz: What's first world?

Bergman-Gamlin: Our wage base doesn't even begin until it's \$10 an hour. So we go up from \$10 an hour. That's our entry level job.

Katz: What does --

Bergman-Gamlin: Sustainable wage is usually set at \$10. An hour, in Portland. Oh, first world workers. European and north americans.

Katz: Ok.

Bergman-Gamlin: The ones that are giving up manufacturing.

Katz: Gotcha. Thank you. Let's keep going.

Francesconi: Saying a word about your business up front is good to do.

Wendy Lane: Thank you, mayor, and commissioners, for the opportunity to be here today. My name is wendy lane, I live at 4945 southwest humphrey boulevard, I have a business at 16th and taylor. I'm founder and owner of lane marketing communications, and have been for 13 years. We have 22 employees, and we primarily practice public relations for many local companies in all sorts of industries. I want to encourage you to support the formation of the small business advisory council. As a third generation Oregonian, i'm really concerned about working in one of the largest states in the country with small business. Small business has afforded my grandparents, my parents, and myself to make a good salary, to employ other people, and I want to continue that on. I agreed to join the small business advisory council because i'm concerned about three issues. One is the increasing cost of doing business in Oregon, and as you've heard, this council is going to address that. Number 2 is, i'm concerned about a government that doesn't seem to realize that small business has a value, and increasingly sees us as a piggy bank. And thirdly, i'm really concerned about a shrinking pool of larger companies for a growing company to do business with. I had a recent retreat with two of my vice-presidents, two young women who are 30, and I said, all right, 10 years, i'm out of this deal, it's yours. What shall we do? They said, we have to move outside of Oregon to grow. I am a native Oregonian, I don't want to see that happen. So i'm hopeful in joining

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the small business advisory council that we can play a role in developing a value for small business within the city, and within our government. Thank you.

Gale Costillo, Executive Director, Hispanic Metropolitan Chamber: Good morning, mayor, members of the city council, my name is gail castillo, i'm the executive director of the hispanic metropolitan chamber. As executive director of the hispanic metropolitan chamber, I encourage you to support the resolution before you today that will provide an important voice for small businesses. The hispanic chamber as over 438 members and we're growing every day. Many of those members are small businesses. Small businesses and minority-owned businesses are increasingly important part of our economy, in Portland and in the state of Oregon. We are creating jobs and contributing to the tax base. According to the u.s. Department of commerce, there are over 10,500 minority-owned businesses in Oregon. The small business advisory council will provide an important mechanism for small businesses to provide input to the city regarding regulations and policies that impact a group of businesses that are the backbone of our city and also of our state. One of the priorities of the small business advisory council is to increase contracting opportunities for small businesses. We look forward to continuing to work with the city council and the city staff to continue to identify contract opportunities that can reduce the city's cost while also supporting the small businesses in Portland. Thank you very much.

Connie Hunt: Hi, i'm connie hunt, my husband bob and I have the east bank saloon and restaurant company at 727 southeast grand avenue. When I was first asked to participate in the small business advisory council, I was just thrilled. So often we hear people talk about small business really being the backbone to the economy. But we don't often see that in practice. I was really optimistic to be a participant. I saw it as a real positive step toward building a bridge between the public and the private sector for small business. And so far my participation with this group has led me to believe this really is the place to be. I believe we're different. The sbac is different. We have direct access to you through your staff and hopefully through contact with you guys personally. We represent a very diverse type of business group. We represent a geographical diversity we haven't seen so far with small business, and also a real nice diversity among the industry segments of small business in the city. As a member of the board of directors of the Oregon restaurant association, and as an officer as well, I can tell you the restaurant association is thrilled to be participating with me here at the local level. We haven't felt that we've always had the voice we should have at the local level of government, and because of the numbers that we employ and the number of establishments we have here in the city, we felt it was really important to become a visible participant in the small business advocacy arena. Small businesses don't always have the same resources as big business. I can tell you that from personal experience. I've had to take time away from my day-to-day work in numerous times to deal with the regulations, the taxations and the licenses and other obstacles that larger businesses often have trained, specialized professionals to do for them, or separate departments in their big businesses to deal with those kinds of things. I was really interested like wendy, in looking at why it costs us more to do business in the city of Portland. That was my biggest issue. Fortunately for me, we have an ad hoc committee at the sbac that will have us take a look at those issues, both short-term and long-term challenges so we can deal with why it costs so much money to do business in the city of Portland. I am thrilled that staff is at our meetings, both our sbac meetings and our ad hoc committee meetings. They are providing us with great expertise, guidance, and a real -- it's creating a level of understanding, and I think appreciation for both sides of the dialogue that we haven't seen before. I want to give special thanks to pdc, they have been a wonderful partner in this, jennifer johnson has been invaluable, i'd love to see her continue with us. Thank you so much for having us here today. Thanks a lot.

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Francesconi: Thank you, folks. Jim, when I had the bureau, jim and his whole staff was so instrumental in helping create this before jennifer was ever on board. Without jim's help, we wouldn't be here. So I wanted to thank you as well, jim.

Jim Wadsworth, Director, Bureau of Licenses: Mayor Katz, commissioners, i'm jim wadsworth, the director of the bureau of licenses. I want to echo what you've heard from the small business advisory council members that have been here today and testified. The interchange we've had, the synergy we're starting to create between the bureaus and the small business advisory council members, both in the advisory council meetings and in the subcommittees that we've put together, has really been exciting. It's given us a chance to look at things from the small business perspective, and let the small business advisory council see things from our perspective, and how we deal with our environment. We're looking at many issues around eliminating redundancy, identifying those areas where we can make significant improvements that will provide us an opportunity for some cost savings, both in our bureaus and the businesses. And that's a true win-win. The -- I think we've got an organization here that's really going to pay dividends to the city, and i'm very proud to be one of the staff associated with it.

Katz: Thanks, jim.

Greg Peden, Portland Business Alliance: Good morning, mayor, commissioners, greg peden with the Portland business alliance. Just wanted to support the effort here and echo the words of I think everybody else that's testified. I wanted to let you know that the business alliance has a small business group as well, and that the efforts of that group and the efforts of the small business advisory council are really complimentary to each other, and jennifer sits on our organization and marsha from the alliance staff sits on the advisory council, and our group is focused on marketing and external strategies. This group is really focused on regulatory efforts and they're very complimentary to each other. So I think the business alliance is really excited about this. I want to commend commissioner Francesconi for his leadership, and jennifer as well, and we wholeheartedly endorse the effort. Thanks very much.

Katz: Thanks, greg. Ok. Anybody else signed up?

Thomas Lannon, Office of Neighborhood Involvement : I'm here on behalf of david lane, who is out caring for his two newborn twins today. I'm going to read a statement on his behalf. O.n.i. Has been working with commissioner Francesconi's office on getting small business associations to support each other more than they do now and to establish stronger partnerships to work on projects of mutual benefit and interest. O.n.i., p.d.c., and commissioners have sponsored two neighborhood business dialogues, participants included neighborhood association reps, activists, small business owners and small business advocates. We're finalizing a report to commissioner Francesconi that should be available soon. Neighborhood businesses contribute to the unique character of Portland's neighborhoods. Many neighborhood activists site these small businesses as critical to the flavor of their neighborhoods. Small businesses contribute to the sense of community and neighborhood livability that we're proud of here in Portland. The small business advisory council is one important effort to ensure that small businesses remain a vital interest in Portland and on the front burner of the city's agenda. O.n.i. Will continue to work with the small business advocate to strengthen neighborhood business partnerships. Thanks.

Katz: Thank you.

Moore: That's all.

Katz: All right. Then we'll have roll call.

Moore: This is a nonemergency.

*******:** This goes to second.

Katz: Oh, it is an ordinance. Do you want to -- why did you make this --

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Francesconi: I was trying to follow the rules. What happens is, if it's a nonemergency, we vote on it next week.

Katz: Why don't we put an emergency on this.

Francesconi: Ok. Good. Thank you.

Katz: Suspension of the rules --

Harry Auerbach, City Attorney's Office: You just need to amend it.

Katz: We've amended it.

Francesconi: Thanks, mayor.

Katz: Any objections? Roll call.

Francesconi: That's the kind of can-do spirit: Right there: Just a couple things. Before I do the thank yous, in my mind, I think there's three primary functions of the small business of using your talents, and the rest of you that aren't here. One is to review our current and future rules and regulatory process, and give us important feedback, hopefully before the fact in the future, as we're looking at these rules and regulations. And give us important feedback that we need to have when we make decisions here. And so that's one. Second is to raise to us issues that we may not be on our screen -- that may not be on our screen, to be proactive in bringing to us both barriers and things that can help small businesses. So being proactive. And then a third, which we didn't talk about today, but we have had spirited -- good -- not spirited, good discussions about, was to get information out to other small businesses about what we're actually doing, trying to do to help businesses. So it's -- because we're not going to bridge this gap between -- with the businesses, some aspects of the business community unless we do a better job in the regulatory side, unless we're more assertive in trying to remove barriers, and you bring those to us, but also unless we communicate better. And to communicate, I used to run a small business, because it was a law business, i'm not sure I had much credibility with small businesses even then, but now that i'm up here, I don't have any credibility, but you do, so we need your help in communicating proactively, you know, what we're trying to accomplish. So those are the three purposes. So commissioner Leonard, for example, has just -- wants to come to the next council meeting, so if that works, please put that on the agenda, and then that should go for every commissioner, because what we want to do is use you as a focus group, I don't know if that's the right word, as a group to get feedback on all the issues that are present here. Ok. And then i'd like to thank in addition, I want to start with the mayor, because this never would have happened, you know, everybody's trying to direct p.d.c. And here came one more person, so mayor, I want to thank you, not just me, but you create add whole council to do that. Again, the bureau directors, a couple others I want to mention of staff that have been terrific, sue, sue keel, bonnie morris, howard cutler, and i'm going too leave out some others, but there's a group of managers that also meets trying to help shape the agenda, and I think they've seen this as very helpful. And i'm leaving out christina, jennifer, christina from my office, and jennifer, you've been terrific. Coming into a job with no job description, creating your own description, creating a council with no job description, and helping shape a job description, so I want to -- I appreciate that very much. Aye.

Leonard: I'm looking very forward to working closely with you. Aye.

Saltzman: Aye.

Sten: Let me just thank you real quickly. This is terrific. I know it wasn't easy to put together. I really think that we do have issues that have to be addressed. I've also been quite concerned the last few months that as we argue about them we create a perception to the 99% of the people who don't take part in all these things that things are worse than they are, and that hurts everybody. So I think what we have to do is not white wash things, but essentially move together to make things better and send a more positive message out there, and I think this gives us an opportunity to make things better, and I very much appreciate you giving us this chance. Aye.

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Katz: Well, I want to thank commissioner Francesconi and jennifer, where are you? Ah. There you are. For putting this together. Let me just also suggest that one of the responsibilities that any new group has is to understand where we're going, and I want to recommend a presentation that the council heard yesterday from gil kelley, a very well-integrated presentation about long-range planning, private investments, regulatory improvements. And the connections between those two. It was very valuable, I think impressed the entire council, it was very thoughtful, and I think the planning commission needs to hear it if they haven't heard it, the p.d.c. Commission needs to hear it, my mayors' round table needs to hear and it now this small business council needs to hear it. So you understand how we view the world and where we think we're going, because a large portion of that had to do with the rethinking of regulatory reform, period, not just picking and choosing sections of the code that have been flagged by everybody as one that we need to deal with immediately, which we need to do, but a much more broader approach. I don't know quite yet what that all means, nobody does. I'm not even sure at this point gil really knows, but it's something that it's worthwhile, further conversation by the city council and certainly by the council. So I would recommend that. So good luck. I'm pleased to vote aye. [gavel pounded] all right. Thank you. 235.

(Commissioner Saltzman left at 10:10 a.m.)

Katz: Come on up. This was handed over from commissioner Saltzman to commissioner leonard. So come on up, whoever wants to make a presentation.

Moore: It's not quite 10:15.

Katz: Let's go under the regular agenda. 256.

Item 256.

Moore: I think they're here.

Moore: Accept the bid of nutter corporation for street improvements on northeast alberta and northeast grant.

Katz: Is there anybody that wants to testify on this? If not, roll call.

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

Katz: Mayor votes aye. 257.

Item 257.

Katz: Come on up again. No, no.

Tim Grewe, Chief Administrative Officer: I missed the words, I definitely got the look. I'm tim grewe, your chief administrative officer. With me is steve janik, an attorney working with the city on the issue of pge park. I'd like to give a few introductory comments. As we reported to you last february, a new group, which we're referring to as metropolitan sports, is working on a deal to purchase the single a pasco baseball team, the triple a Portland beavers and the a league timber soccer team, which was previously -- currently owned by p.f.e. The new investment group is headed by two former p.f.e. Limited partners, peter scott and scott thomason. Metropolitan sports is working to finalize this purchase. This is taking longer than they had hoped it would take, and as a result there's a need to infuse some capital into the current baseball operations. As you can appreciate, the 2003 season is rapidly approaching us, in fact we have a padres-beavers exhibition game scheduled for march 28. So we need to be sure that the planning and preparation for that event and the subsequent baseball season continues. Metropolitan sports partners have come to the city and indicated a willingness to contribute an additional \$500,000 in capital to p.f.e. Before they complete their purchase deal with teachers. But in return for that, they've requested that that added \$500,000 receives a priority in payment over other payments coming from the reformed company. And specific, they're requesting that one-third of the \$500,000 take priority over payments to the city, and one-third of the \$500,000 take priority over payments that they would otherwise be making to teachers. So in effect, the first two-thirds of incoming coming out of the pge park would

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be going to pay off this \$500,000. The additional one-third, by the way, is solely at risk for metropolitan sports. So the memorandum of understanding before you this morning would establish just this agreement, and provide priority treatment of the \$500,000 in capital that metropolitan sports is prepared to put into the operations of the stadium. I want to say that from a financial standpoint, this really doesn't change the risk factors of the city. The reason for that is in the event of a liquidation, be it through bankruptcy or to deal -- the deal simply falling apart, teachers really hold -- the bank that holds the finances for the teams, they really hold the secured position to any claim on remaining assets, so were this deal to fall apart, it's very unlikely the city would see in the foreseeable future, at least, any of the \$864,000 owed to us by p.f.e. We need to ensure that we continue preparations for the 2003 season, that is absolutely critical to the financial stability of the park. Partners are willing to risk contributing another \$500,000 to keep these preparations moving ahead. And we recommend to the council that you approve this memorandum of understanding. We'll be prepared to answer any questions that you have at this time. (Commissioner Saltzman returned at 10:13 a.m.)

Katz: Council have any questions?

Steve Janik, Ball Janik: Just one clarification. Steve Janik, representing the city. This priority that the \$500,000 would receive operates only in the event that no deal is made and the assets are liquidated, or there's a bankruptcy. It does not have priority in the event a deal occurs and they are able to generate cash going forward. So it's only in those two circumstances of a failure of the transaction to close or a bankruptcy. And therefore, we are in no different position under this memorandum than we are right now.

Katz: Questions?

Leonard: Do we all have a copy of this? Is that what we're talking about?

Katz: Yes.

Grewe: You should have the ordinance and the memorandum of understanding in front of you.

Katz: This was a memo by Lawrence Tuttle.

*******:** Oh, thank you. I haven't seen that.

Katz: Why don't you take a look at it. You don't need to comment on it now. Further questions? When are we going to see an end to this?

Janik: When we see an end to it. It's going to have to happen very soon.

Grewe: We are working daily to bring this -- the new proposed deal to a conclusion.

Katz: I just need a comment on it, because there's been such misunderstanding and such misrepresentations of all the things that's happened, but there's enough that's happened over, how many, the last two years, to write a book about it. And Steve, you'll probably be the author of it.

Janik: I don't think anybody will buy it.

Katz: All right. Anybody testify?

Moore: Nobody signed up.

Katz: I didn't think so. All right. Roll call.

Leonard: Mayor? Well, just a concern.

Katz: Why don't you hand it over and show it to them.

Leonard: If this had been raised, I'd feel more comfortable voting.

Katz: Fair enough.

Janik: This statement from Mr. Tuttle makes a couple of points that I'd like to respond to. Number 1, he says that he is concerned because this appears to be a loan between Portland family entertainment and metro sports. I don't quite understand why he is concerned about that. What it is, it is the infusion of cash by Peter Stott and Scott Thomason who are partners in Portland family entertainment and now who are the partners in metro sports. He suggests that this should be personally guaranteed. I don't quite understand why he wants it personally guaranteed from the

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city's point of view. This is not money we're loaning from the city's point of view, right now the money we're owed, the \$864,000 from last year, would be behind teachers \$26 million of secured debt, so if there was a bankruptcy or liquidation, we would not see that money under the current situation, and we would not see that money under the proposed memorandum of understanding. So we're not really changing our risk. And he also suggests that the \$500,000 be put into escrow prior to the council approving this. Well, that's kind of backward. We need to approve this first, then they put the money and they're prepared to write the check today, the money will go in today. If they don't put the money in immediately, then this whole thing collapses.

Katz: Ok? All right. Roll call.

Francesconi: The one thing I do appreciate is that we're not owning any baseball teams as part of this. So I appreciate this direction. Aye.

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

Katz: Mayor votes aye. [gavel pounded] thank you. All right. I think we're at time certain now. So let's just --

Moore: 235?

Katz: Yes. Let's go to 235.

Item 235.

Katz: As I said, this came from -- came from the council to commissioner Saltzman, and then over to commissioner Leonard. But I see we have a panel here, so we'll turn it over to the panel. Who wants to start?

Brian Hoop, Office of Neighborhood Involvement: I will. Mayor and councilors, my name is Brian Hoop, I work for the office of neighborhood involvement. I wanted to thank you for the opportunity today to present the findings and recommendations of the Burnside Triangle Advisory Group and the office of neighborhood involvement and the metropolitan human rights effort -- advocating for an issue of significance. Significant historical, cultural and -- for 11 months, we have provided the logistical staff support for the Burnside Triangle Advisory Group, and in that time we've had nothing but the utmost respect for the dedication and commitment exhibited by a core group of 12 individuals who have worked tirelessly on this project. With minimal resources the group has compiled an impressive historical, gay, lesbian, and transgender -- they've reached -- to identify community priorities, and have spent many Thursday evening debating goals and objectives for this project. So the speakers are Melinda Jette, and Jacob Brostoff, the co-chairs, and Michael Pena, who will be taking my place, who is a business owner in the area. Thank you.

Jacob Brostoff, Co-Chair, Burnside Triangle Advisory Group: Madame Mayor, members of the council, I am Jacob Brostoff, I live at 831 Southwest Vista, Apartment 104, Portland. I'm the co-chair of the Burnside Triangle Advisory Group. Next to me is my co-chair, Melinda Jette, and a member of our group, Michael Pena. We're going to be presenting some recommendations to you as well as some findings that we've developed from a survey of the community. When I say community, I want to be clear from here on out we'll abbreviate that as the gay, lesbian, and transgendered community or GLBT, to save some time. Before we begin, I want to thank commissioners Francesconi and Leonard and Saltzman and really the whole council for the three of your support while this was under one of your bureaus, and it's plain to see our strategy was just a wait until the bureau moved around council enough so we could add up to at least three votes. Then we were assured that things would go smoothly.

Katz: Do you think I can do that with the police bureau?

Brostoff: Absolutely. If you want to have us be the advisory, we'll make sure everybody loves what they do.

Melinda Jette, Co-Chair, Burnside Triangle Advisory Group: Before we begin we want to make one little comment. That's about a fellow member, Allan Barr, who worked tirelessly as part of

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our historical committee, and he worked to prepare the history tours. Unfortunately he passed away before the tours were given in september, so we just wanted to remember him before we begin.

Katz: Thank you.

Brostoff: Before we begin, we wanted to frame the issue by talking about where this neighborhood is in downtown Portland. It's bounded on the west by i-405, on the south by southwest Washington, on the north by west burnside, and on the east by southwest park. So that's the burnside triangle we're talking about. Stark street is the main street, if you think about it that way. Who are we? We are representatives of the glbt, patrons, businesses and residents of the triangle. We are empaneled by you, 11 months ago. As part of the west end plan. And we were charged by you of assisting the bureaus with west end plan implementation and providing feedback to the council on west end plan implementation issues for the glbt community. What's in the triangle? Well, a number of things. First of all, significant amount of history to our community.

Jette: My name is Melinda jette, i'm the other cochair. I want to give a brief overview of the history as it relates to the community. Many people are not aware but there's about 100 years of history there for our community. Dating back to the turn of the 20th century and perhaps as early as the late 19th century. In that area, there were many bars and clubs and cafes that were patronized by gays and lesbians in those early decades, and it was also a place targeted by the city officials and police through the middle decades of the 20th century. This involved surveillance, undercover surveillance, there was also some -- there was an important vice scandal in 1912 that ruined the careers and lives of many closet homosexual men. However, by the late 1960's and the early 1970's, with the gay and lesbian liberation movement, there was changes that were afoot in Portland. The Portland town council rooted in the burnside triangle, it was a gay business association. It worked with social activist and city officials to bring a level of tolerance to the glbt community, starting in the late 1970's. Since that time we've seen both change and continuity in the burnside triangle. It continues to be a place for many gay, lesbian folks to patronize businesses there, we must make a note it is primarily a place for gay men, because of the important bars that are there.

Brostoff: Why are we coming to you now? For a couple of reasons. It was 11 months since you empaneled us. In the west end plan, which is the document that created us, there are significant changes to the zoning and therefore the development potential in this neighborhood. That has translated into a neighborhood that's really undergoing significant change. Kind of book ended by the museum place development on the south and the brewery blocks on the north and things are definitely changing in the triangle. Finally, I think there's some fear on the part of a number of people that we're at risk of losing some of the great neighborhood assets that we'll talk about a little bit in this presentation. There's also recognition there's really an opportunity there to grow and change in a way that preserves the continuity and the history and the importance of the neighborhood for the community. So what do we do? Well, a couple of things. We led some community history tours to raise awareness about the triangle and do some education about its importance to our community. We spent a lot of time talking with the media and got some significant media coverage. I think you've got a packet that outlines that. And finally, we administered a community survey. And we're here today to present the findings of that survey and the recommendation that's we're basing on it. So what does the survey say? Well, it was a survey we distributed to business owners, patrons and residents of the triangle, and the first striking feature was that we heard nearly -- not unanimously, but very strongly over 80% that there's strong support for having it officially recognized as a glbt-identified district. Next, we heard that the patrons that patronize the businesses in the triangle are very loyal, close to half of them shop at the businesses in the triangle at least once a week, many more often than that. And lastly, there's a lot of consensus. There's consensus for recommendations in the following categories. First of all, making

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improvements to the public realm, things like improving public safety, improving the streetscape, next there is recommendation to acknowledge and celebrate the history of the triangle, that could involve things like putting up placards and memorials to the history that's occurred in the triangle that's important to our community. Third, we heard loud and clear from a number of people, vast majority, that there's a lot of support for a community center. And lastly, we heard that the people who shop in the triangle and who live there really appreciate the businesses there, want to see them stay and want to see them get stronger. So we have some quotes, we have two sections to the survey. One was a checking off what you'd like to see happen, and checking off who you are, and one was an open-ended set of questions. From the open-ended set of questions, people wrote in comments about the neighborhood, and what they'd like to see, and we heard strong themes. Melinda will go over those.

Jette: Just as a preamble, what I'd like to say in that reading over all these written comments from the respondents, one of the things that comes through loud and clear is that the glbt folks are like anybody else. They're interested in public safety, a real -- a neighborhood who has a vitality, and they're also interested in a place where they can feel at home, where they're publicly recognized as a group within the city. We'll go through some of the quotes that reflect this. The first has to do with how important the neighborhood itself is, as important it is to the patrons that go there. The quote reflects the idea that glbt folks can go down the street with their partners and not feel so worried about their safety. The second one is about how people are really supportive of strong small businesses in the area. In a sense, the backbone of the economy. And people want to see this improved, and they want to see it diversified. The next has to do with the physical environment. I think all people would agree that neighborhoods people want to see street trees and street escapes, places for people for pedestrians and bicycles. Another point was the importance of a community center. And in a city that has a strong history of community centers, the glbt community feels they would like to be a part of that movement as well, so there is a strong support for a community center that could be patronized by glbt citizens.

Brostoff: Lastly, we're going to briefly go over some of the key recommendations that we have developed based on the results from the survey. The first is we recommend that the city council create an interbureau team consisting of staff from the bureaus who are either programmatically working on topics or issues in the triangle, or who are from bureaus that may be able to support some of the other recommendations that are not yet under way. Next, I think the top recommendation we heard back from the community was, move forward with developing or understanding what it would take to develop a community center. That's a topic that's been under discussion in the glbt community for some time. It's a significant undertaking, and I think it's going to be difficult to accomplish something like that without support from the city. So that's probably our top recommendation. Next, find a way to acknowledge the glbt community's history and celebrate it in public, give it some public recognition. Next, make improvements to the public realm, including public safety and streetscape. Next, continue to provide low-income housing and services for residents of the triangle. We heard from a number of response dents that that was very important priority as the triangle moves into the future. And lastly, preserve and strengthen the small businesses that serve our community in the triangle. Those are our recommendations. We're happy to answer questions about them when the presentation is over, but briefly I want to turn it over to michael pina, who is sitting to my far left, he's a small business owner in the triangle and he's going to talk a bit about his experience there.

Mike Pina: I'd like to first of all thank you for letting me speak today as well. Thank you for letting me be on the burnside triangle advisory group. I thought it was a great opportunity to be able to sit down and look at some of the things in the community I seem to be missing. I have been a former dot commmer and i've travelled around the world and visited many gay districts, or districts

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that are orientated toward the bisexual and transgender community. One thing I found missing in the burnside area was there was no recognition or any shops that I found or other than bars. So when I moved here 2 1/2 years ago, that was the goal. The goal was to try to find a place and location where I could set up a shop, I could be a coffee shop, an internet coffee shop at that, and be able to attract many different types of customers, whether they're gay, straight, bi, transgender, and so far we've accomplished that goal. It's called heaven, it's an internet coffee shop, and we have created a very diverse community there. As we -- as I joined the group, I realized that was something that was missing, the opportunity for people to come to a shop and not be -- nothing but a bar. It seemed like the growth was exactly where we needed to go. And as I went through the recommendations and I saw what came up with the survey, I saw that also was the case. Then as I started going through and looking more, I started evaluating what is the growth that's happening, what do we need to do to make it happen more? I think there's been a lot of pressures for many businesses down there, small businesses, that's been a situation i've been trying to juggle with myself as well. And I just think that i'm glad we've had the opportunity you to be able to participate in that growth, and I want to continue that growth, and also I want to make sure that what we see as the recommendations here go forward, because I believe it helps the community in that way as well. My job was to conclude this quickly, and I tried to do that, but I don't want to run over our time.

Katz: Thank you. I just glanced at the history of the burnside triangle. Did you write it? Did you do the research on it?

Jette: Yes, I was -- we -- there was a group of three of us.

Katz: Fascinating. There was a lot of that I was not aware of. So thank you for giving us that information. All right. Questions?

Saltzman: Did you have more people?

*******:** My understanding is there's one person signed up to testify. I'm not sure what that person is here to testify about.

Katz: Ok. Questions by the council?

Saltzman: Yeah, I had a couple questions. This is really great. I want to commend all of you for your efforts. It's exactly -- you've done exactly what we hoped you would do when we appointed you back about a year ago. I had the pleasure of going on several -- I think what is a beta test walking tour last summer, and it was a really very fascinating tour. It touched a lot of historical points that are mentioned in the paper, and I know melinda has done a lot of work on that. So it's really great work. I was curious about the recommendation about the community center in terms of, what do you see that looking like? Is it something like a southwest community center, or is it more like a northwest cultural -- the cultural center in northwest Portland, or what -- what's the flush on that?

Brostoff: I think -- it is like the southwest community center in that it must have water slides. [laughter] no, I think frankly I think we asked that as a relatively open-ended question. If you look on the survey you'll think there's not -- we weren't really leading people in a particular direction.

Saltzman: What's your vision of that? Or do you have one?

Brostoff: I guess part of my vision is similar to what I understand is happening in chinatown now, that -- I think this is what we understood from the survey results from some of the written comments. It's my understanding there's a community center that's going to be part of a project going on in chinatown, part of which celebrates the history of the chinese-american community in chinatown. I think as we talked about it in the group, and folks, correct me if i'm wrong, we talked about something that acknowledges history but is also a gathering place for a community and a place where folks can launch new ideas, launch new groups, and come together and meet. And I guesses that's not a very specific answer, so my apologies, I think that's sort of yet to be determined.

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For example, the lesbian community project and other groups have been talking about this, and I think they have a diverse said of ideas about what that would look like.

Saltzman: Your recommendation for the city to form an interbureau team, is to move ahead with these recommendations, including the small business development aspect, or small business retention and development, more after cultural identity streetscape improvements, the community center. Were there recommendations about public safety? Because you didn't touch on that. What were the public safety --

Jette: That came through loud and clear in the survey people are concerned about public safety. But they're concerned about the -- regular things you would be concerned about, but also about how the community members will interact with the police. So we made a recommendation that the board that they have now develop wynn that's specific to the burnside triangle and takes into account its specific needs.

Saltzman: Ok. Great. I certainly look forward to continuing to work with you and commissioner leonard, and others to get an interbureau team together. And I do want to thank michael for bringing another small business into that area. There are some very -- there's some great small businesses in that area right now, some very eclectic businesses, and we want to make sure as the west end and the burnside area redevelops, that we don't lose these precious gems of business hose have some very unique products and -- for people throughout the city. So I want to work with you to make sure all that's retained. Thanks.

Katz: Ok. Further testimony?

Moore: Dr. Michael d. Krup.

Katz: Come on up. Thank you. You didn't want to testify? All right. If there's no further testimony, i'll take a motion to accept the recommendation and the report.

Francesconi: So moved.

Leonard: second.

Katz: roll call.

Francesconi: Instead of saying this at the end, i'll say it at the beginning. Jacob, i'm proud of you. He was an intern in my office. I have a lot to learn from you now. We've reversed roles. We haven't -- have many, many strengths in our city, but we have a ways to go to recognize the diversity of those who have contributed in the past, as well as those we need to contribute in the future if we're going to be the kind of city we want to be. That goes as well for the gay and lesbian community. We need to work to go for the recognition you call for, to make us a more diverse community to the world. And capitalize on the strengths of all our citizens. So we'll have to talk about what's the right way to implement this. One way is an interbureau team, another way is to -- the bureaus that are already doing work, have them create a special emphasis within the bureaus. Which may be an interbureau team. So we'll have to talk about how to execute this. But I appreciate all your work. Aye.

Leonard: I'm very proud that this report comes under my watch. Safety for me is a very important thing that people feel safe and be safe probably in my agenda of items, is the highest issue in everything I do kind of flows from that. But I want the larger community to know that this isn't a report that's a green light for businesses that some might consider appeal to the most basic common denominators in human relationships to flourish and grow. That's not what this report says. A careful reading of this report actually flushes out all of those issues amongst the gay and lesbian community. It's quite fascinating to read the comments. What the report wants is a responsible, identifiable, safe community that everybody within the gay and lesbian community can enjoy. And that absolutely reflects my vision for this city. And as a young teenager, 13 and 14 years old, I used to go down to that -- as when I met in my office with jacob and melinda, I shared with them in that area they had a little place we now think of as teen clubs, but in 1967-68, a little place in that

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district called espresso cafe. They had these two new hot singers named janis joplin and jimie hendrix, they played all night long and sold chocolate-covered grasshoppers and ants. This was in the triangle. So I have deep affection for the district. I have some of my best memories are from that area. And I would love it to be the kind of place that everybody felt like that about growing up living there, so i'm really pleased and proud of this report and happy to vote aye.

Saltzman: This is really great work. I want to thank all the volunteers. You've obviously dedicated to the future of this triangle, and it's exactly -- you've produced exactly the type of work we really needed, very specific recommendations. I want to continue to work with you to make these recommendations realities. I think it's particularly -- I think the community center is a very intriguing idea, but the public safety recommendation is also important. We know the minority communities are targeted for violence by perpetrators, and it happens throughout the city, but it -- I think it can happen all too often in the triangle area. So your recommendations to work with the sexual minority round table and others is a good one, and we'll move forward on that too. What you've really done is called attention to an important historical district in the city of Portland's history, and there's a lot of rich history here, and there's a cultural identity that has attached to that area from early 1900's to today, and it's important that we preserve the past. I think all of us up here care very much about preserving Portland's history and recognizing the rich cultural diversity that makes the city strong. And the culture of the gay, lesbian, bi, transgender community is one we need to recognize, and honor, and celebrate and let people know we have a district like many other cities do, that has a history and a cultural identification, and you've started the wheels rolling on that. And we'll do our best to make sure that those ideas become realities. Aye.

Sten: I also want to thank you. It's not easy to slog through the whole process that the city has to do these things, you've really done a remarkable job of bringing people together, and i'm just delighted. It's mostly been set, i'm delighted to support this and get it to the next step. I think it's a significant message for the city to send, I think it's an issue of public safety. I think it's also an issue of economics. There's huge markets here that -- aside from being the right thing to do, which is the main thing we ought to embrace and cultivate, because there's a lot of people interested in patronizing this part of town, all parts of towns, and we ought to be sending a message that not only is everybody safe and welcome, we ought to be thriving here. I think that's really important. I used to go to the plaza, which was another club in a different era not too long after commissioner leonard -- i'm just a little startled to realize I didn't see anybody of note there. We had horrible 1980's techno music. Same activities, different bands. Glad to vote aye.

Katz: I just want to thank you for sharing some history. I wasn't aware, especially the history just shared by commissioner leonard, I had no clue: I was thinking that he was talking about east Portland, I didn't realize he was talking about the triangle. So thank you for all the work you've done. I don't know whether an interbureau team is the route to go. That's not the point. The point is there are some recommendations here that each one of us can take on within our own bureaus, whether it's my work at pova on the v.d.i., the visitors' development initiative, or pova itself, which sam adams sits on as a member of that team, or it's the work from the Portland development commission, or the planning bureau. So I would like to approach it that way, and maybe sit down with commissioner leonard and commissioner Saltzman and try to figure out where -- where we ought to start and what the priorities are. I agree with commissioner Saltzman, that the public safety issue is a top priority. As you well know, we have cases that come to my attention that don't reflect very well on this city, and the victims are members of the gay, lesbian, transgender community. And that's a -- that's just not a tolerable situation, and the whole public safety issue needs to be continually addressed. The other one is young gay man that I met just recently, I was curious about what he does when he's not working, and he said, well, i'm tired of the bars. I just don't would be to go to the bars anymore. And all I go is to the gym. And that's not really where I

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want to meet some people. I said, what is it -- what is it that you want to do? It would be wonderful to have a community center that I can go to, feel comfortable, feel safe, and be able to meet people and do things that we do in a community center. And so the -- when I read the report and you identified that as something that needed to really be honed in on, I absolutely agree. So we'll focus in, we'll try to prioritize the issues, make sure that our bureaus, that where you recommend specific items to be done, have been alerted to that, and we follow up individually, and then let's hone in on the public safety and see what we can do to find some resources. Hopefully in the private sector for a center. Aye. [gavel pounded] all right. We have 15 minutes before we get on to the time certain. So let's jump to 258.

Item 258.

Katz: I understand there's an error on page 1 with -- we've corrected it, it's just a dollar amount. So anybody here want to testify? Oh, vicky.

Vicky Diede, Office of Transportation, Street Car Project Manager: Good morning, mayor, commissioners. My that i'm is vicky, i'm with office of transportation and i'm the Portland streetcar project manager. As you know, with the exception of some small special purpose grant funds from the u.s. Department of housing and urban development, the Portland streetcar system has been built with local funds, both private and public. And that has allowed us to stay out of a federal process which can add a lot of time and cost to any project. While that strategy has worked really well for the current system that's operating and will work for riverplace, once we start looking how to finance gives as someone so put, we run out of duct tape. So tri-met has suggested, and pdot and Portland development commission, and Portland streetcar inc., have come to agree that we should try to federalize this phase three project to riverplace. And by that, what I mean is we gain agreement from the federal transit administration that we can use the local monies that we will spend to design and construct the riverplace extension as future match for any federal grant or earmark that we would receive to finance gibbs. So in order to do that, we need to do three things. We need to go through the national environmental project act, and since the streetcar runs within city public rights of way we should qualify for a documented categorical exclusion, and that process is less time consuming than a full-blown environmental analysis. Secondly, we need to get the phase three project on both the metropolitan and state transportation improvement projects list, and lastly, we need to complete the final construction documents to include general and special provision that's f.t.a. Will require, such as by america and the day advice bacon wage rates. The potential is that we will be able to match on a 50/50 basis, somewhere around \$11 million to \$13 million in future federal funds. -- funds. So with that, that's one of the actions we'll -- that will occur as a result of this amendment. It's one of the work products. The second work product has to do with a preliminary analysis of the gibbs extension. Back in january of 2000, the street car future alignment committee chaired by michael powell recommended the streetcar alignment through the south waterfront run on southwest river parkway, and that adoption was -- resolution was adopted by council. And then in november of this last year, 2002, the north macadam plan adopted by council reintroduced the idea of having the streetcar run on southwest moody to southwest gibbs. Primarily I believe because of timing issues. There was a great concern that the northern portion of river parkway through the schnitzer properties in particular would not be constructed in time to have the streetcar serve the development in the central district by the end of 2006, which is when that is scheduled to come online. But both the schnitzers and the seidels have expressed an interest in the alignment and have agreed to participate in a study through the balance of this year to see if it's feasible to relocate the seidel marine facilities and to dedicate the rights of way needed to build the streetcar potentially on southwest river park way. So the preliminary work called for in this amendment is for Portland streetcar inc. To work with all the public agencies, the developers, the property owners, neighborhoods and any others to identify the conditions and issues that we will

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need to address when we go into the preliminary analysis -- preliminary engineering and environmental analysis process for the project, since we will be seeking federal money. That will include alignment alternatives that should be carried forward, as well as identifying capital and operating budgets, finance plans, and the schedule to provide service -- streetcar service to southwest gibbs by the end of 2006. The third piece of the work has to do with block 153.

Katz: Where is that?

Diede: Oh, sorry.

Katz: Is that the one on the corner?

Diede: Yeah. This is block 12353, right here. -- block 153, right here. The old south-north light rail alignment called for a diagonal to continue through the urban plaza diagonally through block 153 and connect up with southwest harrison. But during preliminary engineering, Portland development commission and pdot determined that the diagonal wasn't position because this block wasn't owned by the city. So we agreed to circumnavigate the block, as you can see the track there. Recently the north two-thirds of that block that's been transferred to pdc, and p.d.c. Has expressed a desire to acquire the balance of the block and develop witness two levels of below-grade parking and the streetcar in a diagonal alignment across the block. So working with the p.d.c. And p.s.i. Consultants we determined it was most cost effective to locate the streetcar in a temporary alignment, single track alignment on the two sides of block 153 and then build the diagonal in the future in coordination with the development of the block. Now, there is about a \$379,000 premium to do that, including the design revisions called for in the amendment before you. P dot intends to seek federal funds as part of the gibbs project to fund the construction of the permanent diagonal alignment, but if it turns out that that isn't eligible, or if no federal funds are available or if the timing is totally out of sync, it will be funded by savings to the project by doing the temporary alignment now, and by p.d.c. Through south park blocks' urban renewal funds. Those are the three things before you. I'd be more than happy to answer any questions.

Katz: Questions?

Francesconi: What i'd like to do for the council, what I meant to do, i'd like to have a work session on transportation. I'd talked to you about it before, but so we can talk about what vicky just said, the federalizing of the streetcar is a very important step, and it's a big deal. What i'd like to do with the mayor's permission is have a work session not only on the streetcar, but the next item with light rail, so we can give you a sense of what we're thinking just long-term. That will have to do with transportation of freight and the south corridor study the mayor's working on as well. So I wanted to let the council know, because at one point I told you we were going to have a work session. We're going to set this up so you can see how all the pieces fit together.

Katz: Good. Questions?

Saltzman: I was going to recuse myself from this vote because I own property that's affected, potentially benefits from I believe it's phase three.

Diede: Yes.

Francesconi: As long as you pay your l.i.d.

Diede: Sign the petition.

Katz: Anybody else want to testify? No. All right. Roll call.

Francesconi: Just the federalizing of this project, it was I think roger shields who is just a brilliant person here, who saved us a lot of money, saved the public a lot of money by doing this public-private partnership. He was the one that said that. There's long-range plans which tri-met really embraces, and eventually taking streetcar all the way to lake oswego, and having it really become part of the transportation system. Thus far I think it's fair to say the primary purpose, and it's been a very important purpose, has been to help in the land use and development side. There's a study that shows that the streetcar's contributed to a billion dollars of new growth, including property taxes,

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that help feed our other services. But now as we're talking about extending it through east side and having it be an inner city circulator, and talking about taking it to lake oswego, then it becomes more integrated into the transportation system as well. So these are very important steps. The other issue here that this contract allows is taking a fresh look at north macadam on the street, on the streetcar alignment. And so that's something that i'm also working, getting personally involved in. And then we'll have a report back to you, but having roger shields be the one as kind of a mediator fresh set of eyes to look at this, makes a lot of so that's the other important part of this. And then vicky, I continue to appreciate -- I appreciate even more the work that you do. Aye.

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

Katz: The integration of the system is really very critical, but what we've learned I think, and vicky, I hope you would agree, is that we see a lot more benefit when a streetcar runs through undeveloped areas, and the growth is surrounded -- surrounds the streetcar. And so i'm looking forward to that growth occurring in the south water front area where we have high hopes for a science and technology quarter and links between ohsu and Portland state university. So this is very exciting to continue this venture with the streetcar. We started it not knowing where the money was coming from, but we always seem to manage to find l.i.d.'s or other resources as well as hopefully some federal funds. Thank you for all your work. I think the idea after work session to see the big picture is a good idea. Aye. [gavel pounded] all right. Let's go 259.

Item 259.

Francesconi: We're going to make this a team effort with non-italians involved in it. Aye.

Leonard: Aye. **Saltzman:** Good work. Aye. **Sten:** Si.

Katz: Aye. [gavel pounded] 236.

Item 236.

Francesconi: One of the things bologna is excited about is learning from us on light rail. Laurel, you can come on up here as well as richard brandman from metro. One of the things we pride ourselves here is that we keep good ideas and good projects moving forward regardless of who's on the city council. One of the things that's really defined our region is the landmark regional decisions that we've made regarding light rail. And -- which is really about regional economic growth and livability through investment and transit. So what we're presenting to you today is what's been agreed upon by our regional partners as a locally preferred option that will then go to the metro council, who actually makes the decision. But because so much of this involves Portland and our citizens, we've played an important role in deciding this. So what we're talking about is for the future of the public transit and light rail investments, is two phases, as shown on this map. The first phase we're recommending is along 205, the second phase on inner southeast connecting to milwaukie. And there's several reasons that we chose -- we're recommending that we choose as phase one 205. One reason is cost, we think we can do this cheaper and quicker. A second reason is that the ridership numbers, you'll hear more about this, are surprisingly high, as high, even slightly higher than inner southeast. And then the third reason is that this is also an important infrastructure project for east Portland. Having said all that, it's the citizens of inner southeast who have kept this alive after the failure of a pass vote, and we have to commit and the regional partners have committed to our partners in inner southeast, that this is two phases, and that we're going to guarantee that this -- as best we can, that this happens. Because without the citizens of inner southeast, we wouldn't be talking about any of this today. They actually were ahead of the policymakers. Returning then briefly before I turn this over to laurel with phase one, this is a great opportunity for us to help link east Portland with some important infrastructure, which eventually this will connect all the way to vancouver through the -- across the river in two places, eventually. But it's also an opportunity so -- so simultaneously to do an important infrastructure project in east Portland, do one of the best things we can do in my opinion for central city by revitalizing the

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transit mall all the way to Portland state. And then by doing that, and putting this investment in the transit mall, it will also make it cheaper to do phase two. Because it will set up phase two, which we really have to get to. Last thing I want to say, before turning this over, is there's a tremendous group of talented citizens throughout, and lent's and gateway and these citizens have embraced this project as well by the way, which i'm not sure would have happened several years ago. But there's also a great group of talent in pdot, in tri-met, in metro, in the other jurisdictions that really have embraced this dream that by making these kind of investments, we can help spur our economy now, which needs spurring, but we can also set up the future livability and economic growth of the future. So as seattle and atlanta cannot deal with their congestion, cannot transport freight, by making these kinds of things, we're setting up the economy of future generations as well as that livability that makes us special here. And to do that it's really taken a tremendous talent of staff people that i've just had an occasion to witness over these last six months, and the talent and dedication of these staff people that we have across jurisdictions is a treasure that we don't want to let go of. And we're competing now against other regions, unlike we've ever competed before. Other regions have now cited Portland as an example, and they want to take those federal dollars and put them in other places. And so we have to continue this momentum together, or else we're going to lose it and not be able to get it back, in my judgment. Laurel?

Laurel Wentworth, Office of Transportation: Thank you, commissioner. I'm laurel wentworth from the office of transportation. With me this morning is richard brammond, to my right, and dave unsworth. We're just going to in terms of formatted, provide you a little more information with regard to the proposal here before you, hear from our public, as well as answer your questions at the end of this conversation. So with that, richard, would you like to move forward?

Richard Brammond: Thank you, mayor Katz, members of the council. As laurel just said, i'm the deputy director of planning for metro. It's a pleasure to be here and to bring to you a recommendation that's really as commissioner Francesconi just said, the culmination of several years of very intense work that were preceded by even more years of work that preceded this current effort. The recommendation that's before you today is -- has again guided by a policy committee. If you want to follow along on the power point, the policy committee has had broad representation from elected officials from throughout the corridor, including commissioner Francesconi from representing Portland city council, brian newman, as well as the mayor of milwaukie and clackamas county commissioners. Very briefly, because I know we want to get through this rather quickly, south corridor, this project is an outgrowth to the old south-north project. When that vote failed in '98, we went back to the drawing board interstate max came out of that and the north portion of this south-north corridor, and the southern portion of the corridor, there was never a desire or 8 think an expectation that light rail would come back. We had listening posts in southeast Portland and milwaukie and clackamas county and the conclusion was, let's look at things besides light rail in that corridor. We did that, we did that with very strong community effort, and the conclusion of that effort was, no, we don't like any of these alternatives that we looked at, we looked at the commuter rail, high occupancy commuter lanes, and I think surprisingly to all of us it was citizens of milwaukie with citizens of southeast Portland who said very strongly, we don't like these options that we're looking at, and we really would like to see light rail come back on the table. So why the south corridor itself? As you can see, the south corridor with the two proposed projects would in essence go along -- a long way towards completing a system of regional rail in the Portland metro area. It's an important link for land use, our centers, as well as serving basically high growth areas throughout the metro area. And the actual e.i.s. Itself, the environmental impact statement, we had eliminated some of those other options I just talked to you about in an earlier study, and what that left us with was a no-build option, what happens if you were to just add a bus and rapid transit option, which is a lower cost bus option that has minimal bus

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improvements, but it's not significant in terms of its dedicated right of way or its ability to add riders. We also looked at a dedicated busway as well as the two light rail projects. In the e.i.s. We compared the impacts, the benefits and the costs of all those options. We had a very extensive public process. We had great staff who went really I think beyond the norm in trying to reach members of the community who would have an opinion on this project. They attended literally hundreds of meetings, we had lots of workshops, open houses, other events, and they also besides the traditional things of web pages and communications, newsletters, they went door-to-door and knocked on over 200 doors in areas that would be directly affected by the proposals that are before you today. At the conclusion of the e.i.s. That was published in late december, we had a public comment period that was a federally kind of sponsored public comment period that closed on february 7. We again had more open houses, more hearings, where we received over 300 comments. We've compiled all those comments, they're in a fat book, that book was distributed to all the members of the policy group, and there was overwhelming support for moving forward with light rail in both milwaukie and the i-205 corridors. There was little or no support for the bus way or the b.r.t. Options, and as we'll hear in a few minutes, there was concerns that were relayed to us along with the support. The recommendation itself was based on the technical findings, a few of which we'll get into. The financing plans, as well as the -- I think very strongly the public 10 advertisement. The recommendation itself is a two-phase project. The first project being the i-205 alignment with the Portland mall from the steel bridge to Portland state university. With the second project being milwaukie light rail, with the proposal to bring back the caruthers crossing, which was out of the old south-north project. Because of financial considerations, these projects would have to be constructed sequentially. There's no ability to construct them concurrently, which I think was a goal at the beginning of the process. Why did we get to where we are? I-205 with the Portland mall has the high eggs ridership after will the options. It had the lowest light rail cost and the very few environmental impacts. There is a large portion of right of way that's already dedicated to a transit way in the i-205 corridor and the light rail is able to -- in the i-205 corridor. It connects two regional centers at gateway, and clackamas, not to mention of course tying in with the central city and the whole rest of the regional system. There's very few impacts to existing neighborhoods, and again, we're using that right of way that was set aside. What does this do for us, building these projects? Over 6 million new transit trips per year would occur, and i'm not talking about 6 million more today this, is 6 million more in the future than if we just added buses in the future. So very significant additions to transit. Lots of construction jobs created as a result of it. Just the construction. This is not even the indirect impacts, this is direct impacts, building both of these would create 7,000 jobs, again, the land use connection. Our 2040 plan, which we won't get into, is trying to connect all of the major centers in the region with light rail, and again, 205 connects the regional centers as well as the lents town center. Getting a little more specific, what does it mean to construct light rail in the i-205 corridor with the Portland mall? The goal is to construct concurrently with one contract from the federal government the entire project and the entire project, the stated desire at the beginning of the process is to construct the mall all the way from the steel bridge to Portland state university, along fifth and sixth avs. Why? No surprise to you, the mall itself has -- has been the alignment that has been the preferred placement of high capacity transit in downtown Portland for more than 20 years. The development community has responded to your plans, and that's where the highest intensity of development has occurred. There's tremendous public support for that. The mall itself is getting a little tired, and it needs to be revitalized. And just the sheer ability to connect to p.s.u., the largest transit destination in the region, would have great benefits. There are several issues that need to be examined. What if financially it's not feasible to go to Portland state university, so we'll be looking in this next phase at a turnaround potentially at main street, almost right outside your building. Nobody's hopeful that's the outcome,

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but it's being explored as a fallback option. We're also talking heavily with the business community about concerns they have, one of which is to examine a continuous auto lane on the mall. That will be examined in this next phase. Moving on to milwaukie, the preference here is to build milwaukie light rail, again, with the caruthers crossing, the environmental impact statement actually examined using the hawthorne bridge. There were a number of issues related to that, plus it didn't serve p.s.u. And it didn't serve the south end of downtown or the south auditorium district. We're saying in this instance that in case of a financial shortfall, meaning you can't afford the caruthers bridge, the hawthorne bridge could still remain on the table. The construction of this can't actually start until i-205 is complete, just because of the flow of federal dollars and the lack of local dollars to match those dollars. I think i'll skip this next slide on milwaukie and go straight to brooklyn. This was one of the issues that d. Where our decision was required. There are two alignments explored through the southeast neighborhoods. One is called the west brooklyn yard alignment, running right along the railroad tracks behind the major building that's are along 17th avenue and in -- in southeast Portland, and the other was to examine an inner state max style construction of putting light rail along 17th avenue in the median of 17th avenue, and that 17th avenue alignment obviously serves the community much better, it gives abetter station locations, better land use locations, and in the end, that is the recommendation to use 17th avenue, and that also had strong community support. Next steps, this is working its way through a large process, other local governments are adopting similar recommendations, as you are. This will come back to metro, it will come to our transportation policy committee, j pact on april 10 and it's before the metro council on april 17. Next steps, we have to complete a supplemental environmental impact statement for the mall, and a final environmental impact statement for the whole thing. We need to complete a finance plan, hopefully begin construction in '06 and begin operation in '08 or '09. As in any project there are lots of outstanding issues. These projects are never easy, and what we found I think over the years is through a good public process, we're able to try and address all the concerns raised. There's a long list of issues, and those issues will all be examined in detail throughout the final e.i.s. Process and there have also been already commitments from tri-met and the city and metro to certain communities to address those concerns sooner than later. Lastly, on the milwaukie -- on milwaukie, we need to complete additional design and environmental work, we need to continue to refine that river crossing option, complete the financial plan, and then hopefully get that project to construction after 205's complete. I'd also like before closing to thank everyone who's been involved in this process, probably thanking first the public, the public put in just hundreds and hundreds of hours and stayed with a long, long process through to the end, and I think it was their persistence and enthusiasm that got us to where we are. Also I want to thank the staffs of all the local governments, particularly laurel, steve, stewart for all the help with the city.

Katz: Thank you. Let's hold questions and hear public testimony. So don't go away. We'll bring you back. All right. Let's open it up to public testimony.

Francesconi: But first three, if you can come up in threes, we're going to hear from lents and gateway first. I hate to speak with other folks, but lents is ok with this. In fact they're excited about it. Yet of money is the next phase. So talking about our local match is not -- now we're talking about alignment. You're free to bring it up if you like.

*****: I've been asked to bring it up.

Katz: Identify yourself. I just want to say, commissioner Francesconi is right, but the money issue there, probably you're going to talk about it as well.

*****: I won't dwell.

Katz: Don't dwell on it, but that is the next issue. Go ahead.

Dick Cooley: My name is dick coolly. I used to be dick cooley. I've grown some whiskers. Some people don't recognize me. The pact has asked me to bring two messages to me. This alignment

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will augment the light rail service in gateway, that gateway already enjoys, and it will help stimulate new development in gateway, and all of that is very important to building a regional center. The second message they've sent to us is that the -- they want to send is that they view the regional center as a very big goal with a lot of components to it. The perspective funding at this point is then -- the l.r.t. Extension is helpful, but it doesn't strike at the heart of what will make gateway a regional center. So they are anxious that you be certain that as you make spending decisions over time, that those spending decisions be balanced enough to meet the broad needs. Our broad demands after regional center. We also think that there are ways to -- that we can contribute to light rail extension, and combine it with our regional goals, but they have to be very carefully targeted to do that. An example would be finding ways to create -- to use the land tri-met has at the light rail station. We can buy the land from them, and develop a regional development and that money can be used to extend light rail. Those are the kind of ideas we'd like to pursue in the future. But we're excited about the prospect. We feel gateway is on the verge of some interesting things, including some funding. We think -- so it's a good thing. It's all very good.

Katz: Thank you. Questions? Thanks, dick.

Francesconi: Steve satterly, the outreach director and organizer from the milwaukie light rail coalition, ross williams, citizens for sensible --.

Katz: Come on up. So how's the river?

*******:** I was just going to ask you that.

Steve Satterlee: Thank you. I'm steve satterly, i'm outreach director for the --

Katz: Grab the mike.

Satterlee: As you know, we were a group of transit activists from inner southeast Portland who our name implies, are dedicated to see that the milwaukie-Portland rail line becomes a reality, and also we're also interested in other transit projects throughout the region. Basically i'm here today to express our conclusion's support as recommended by the policy committee. While we're disappointed the milwaukie line will not be the first phase, we strongly support the combined light rail strategy in the south corridor. We believe both lines are important transit investments, and vital to meet the ever-grown public demand for transit services that will i'm sure see in the region as we go through. Turning to specifics, we are committed to seeing both phases completed, as fully implemented in the recommendations. We strongly support the construction of the Portland mall light rail alignment from the union station to Portland state, of course, and that -- in phase one in particular, and as well the caruthers bridge southwest link street connection to the mall in phase two. And we're glad to see that the brooklyn-17th avenue alignment is in there as well. Next comes the hard part, how to pay for it all. We're looking to the city to take a leadership role? Developing a sound, equitable, financial plan for both phases which will draw broad public support throughout the region. We urge you to be creative, drawing on traditional sources as well as new, innovative strategies. And you'll hear probably more about that in a minute or two. I will close with this -- the city recently took some media criticism over losing columbia sportswear to the suburbs. One factor in that decision was a parking ceiling at a potential site near omsi that was part of the designated light rail stationary. Let's not first -- risk further embarrassment, let's make sure the omsi station becomes a reality. Follow through. Thank you.

Katz: Thank you.

Satterlee: And thank you, commissioner Francesconi, for those kind words. I appreciate your recognition of the work we've put in. It's been more than 10 years now, and we're going to keep it going.

Francesconi: I guess I wanted to thank you and all the other citizens, it was probably hard to get those words out of your mouth that you support phase one being other than your alignment.

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Satterlee: We have all along. We were glad to see our early efforts did result in not just one, but two light rail options, and we say both our -- both are needed and I think the regional strategy is a good one.

Katz: Thank you. Where are our young people from? What school are you from? Campbell? Campbell elementary. Milwaukie. Well, you're just here at the right time. Guess what? We're talking about milwaukie light rail coming in the future. That was the testimony you just heard. You're going to hear somebody else talking about it as well.

M'Lou Christ: Council members, mayor, I hope our river is doing fine. My name is m'lou Christ, I live in the buckman neighborhood. I thank commissioner Francesconi and the staff for all the work you've put in over these years. So I won't refer to that part. But I want to mention that meanwhile, while we were working so hard to get light rail for the south corridor back on the table, a couple more routes went in. Somehow money was found to do them without a vote, and while we were doing that lobbying. We're grateful light rail is back on the table, we're very pleased with the route that's recommended as steve mentioned. But while we understand the political and strategic reasons why the 205 route is going to be phase one, it does hurt that we're no longer not even next, that we're going to be next after this. So what we would really like is to hear, even though you don't want to talk about it yet, how you're going to fund phase two. So we know it will happen. Well, this is going to be the third line in a row without a vote being necessary, and folks are getting pretty used to that. And times are chilling. So maybe a vote sometime for phase two is not very promising, especially if it includes the cost of a new bridge. And maybe even getting further down toward p.s.u. So how can we be certain you're going to dance with the folks what brung you and that there will be another tune right after this and it's ours? If you're cobbling together funds now for phase one, we think you ought to be figuring out funding for phase two, too, now. Excuse the switch in metaphors, but aren't we family on this yet? How will you assure funding of phase two? Thank you.

Katz: Thank you. All right. Keep going.

Francesconi: Come on up, chris. Rob degraph. And that's all I have on my list, then we can open it up. Oh, steve clark. Good.

Katz: Is that all on the list? Ok. We'll open up public testimony after this -- these two gentlemen finish their testimony. Ok. Chris, why don't you start.

*******:** Would it be ok if steve began?

Katz: He can if he grabs the mike and introduces himself.

Steve Clark, Portland Business Alliance: Thank you. Commissioners, my name is steve clark, i'm president of community newspapers. I'm here today representing the Portland business alliance. As some of you might know through the years, i've been active regionally in transportation issues serving as chair of tri-met's transit choices for livability, active in many highway and freeway project issues. Most recently as a member and subcommittee chair of the metro transportation investment task force. I'm here today representing the Portland business alliance as chair of the subcommittee on transportation. The alliance, through its predecessor organizations, the Portland chamber, and the association for Portland progress, has a long history of supporting regional investments in our transit system, and in light rail in particular. It should come as no surprise that the Portland business alliance supports the recommendation today for the light rail service to the south corridor. As you all know, the most challenging aspect of delivering light rail to clackamas county and portions of southeast Portland is in choosing which of these equally meritorious lines or directions should occur in a phase one implementation. Both alignments show strong ridership, both are warranting support for the region. They serve clearly different parts of our population, different land use areas, and different transportation needs. Pragmatically, and those financial decisions call for first phase alignment to the south corridor along i-205, and the second phase to

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the milwaukie area, both should include consolidation -- consideration for the transit mall, which Chris will speak to in a minute. The I-205 corridor has the advantage of being the least expensive, less expensive than Milwaukie certainly, and at this point the financial support of the region. It's significant to note that our Clackamas County neighbors and the business community support the I-205 corridor as well as the initial phasing. I-205 and the mall provide significant benefits which you will hear from in just a moment. The one thing I've realized regionally and having worked in every community of the region and having grown up in North Portland, public partnerships, public-private partnerships are what make this region work, and as you will hear more I believe, is what has made light rail work. And that's what we'll provide for the incremental phase in a phase one and the Milwaukie alignment. Business-public partnerships. Business public-private partnerships. As a member of the Metro Regional Investment Transportation, we phase -- we support this phasing. Speaking to the comments by the individual before us, we have also provided the region a financing plan for not only your efforts on phase one, but also on phase two into Milwaukie. In closing, I-205, the Milwaukie alignment, the transit mall, and a new Caruthers bridge make for good regional transportation sense, and as Commissioner Francesconi also talked about, they provide for good economic sense. They're manageable, they're affordable in steps. The region has provided for east side, has provided for west side, it's now time for the region to provide for I-205 and Milwaukie. In doing so, we will deal with our economic issues, we will deal with our transportation issues, we will do this in a public-private partnership for good land use, for good transportation. Thank you. I'd like to now welcome Chris.

Chris Kopka, Portland Business Alliance: Good morning. Downtown development group, 920 Southwest Second Avenue, Suite 223. I'm also here representing the alliance to speak on the transit mall and also the chair of the South Light Rail Advisory Group. One of the alliance's first actions was to in fact endorse light rail. Not only endorse the system, the systems we're talking about today, but actually also support the increase in the payroll tax assuming it needs more funding to fund the operating side. So I see where -- we're a staunch supporter of these kinds of improvements. You really have two actions today with regard to the transit mall. I need to talk about two of them. The first one is simple -- the locally preferred alternative includes the transit mall. It's the preferred alternative. Also in your packet today is a fallback alternative, which is not the transit mall. It relies with the I-205 alignment, utilizing the cross malalignment that's First Avenue, Morrison and Yamhill, and in the case of Milwaukie, would utilize the Hawthorne bridge. And while we are totally in support of the preferred alternative, we have had reservations and continue to have significant reservations if we have to move to the fallback strategy. Moving to supporting the transit mall is not a desire, it really is imperative to the whole system. I'd like to talk to you about six or seven examples about why it is, and then I'll leave it there, just to reinforce why it should be the preferred alternative, it's why it's what's before you and it's what we need to deliver on. First of all, Portland -- part of the success, a big part of the success of Portland's transit system is we make transit convenient for people. We take -- we pick them up where they need to be picked up w., we drop them where they need to be, and it's a reasonably short trip. It always remains competitive with the automobile, but if you're close to the pickup close to the drop-off, you have a good chance -- a better chance of having people take transit. In this case making our main transit artery running through the north and south of downtown First Avenue, all the way from the steel bridge to the Hawthorne bridge, were we to build that segment, would be moving the center of gravity. It would be putting transit where people are not. People are primarily along Fifth and Sixth Avenue. It's not First Avenue, so we need to bring the transit to where the origins and the destinations are. The system also needs to handle transfers. The nonpreferred alternative does not really effectively deal with transfers. If you're on First Avenue you have to connect to the east-west alignment on light rail and eventually connect with streetcar and what you really want is that seamless connection of

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service which transit mall would give you with light rail. It would be shared with buses, it would be able to connect to the street car, and it would be -- the transfers would be far more convenient for the customer. The system, the new system should not disrupt other existing vital systems, and we view the hawthorne bridge as being one of those vital systems to our economy and to our network. And we have significant reservations about trying to incorporate light rail onto the hawthorne bridge. The system should not be overtaxed or overused, and while a study was done that showed you might be able to by tri-met and metro, that you might be able to try to shoe horn in more light rail on the cross mall, we seriously question whether you should do that. It's not just a question of more cars on the track and the headway, it's adding more people at every station. In a few months we'll have interstate avenue with those people waiting on the same stations, think about adding two more lines and putting people waiting on the same sidewalks. The system wasn't designed to handle six legs of light rail on the cross mall. The -- as we build a more complete system we should build in reliability and flexibility. I think it would be all to all of our advantage we have more than a single alignment within downtown. You know today if with e -- we have a disruption in service or do a repair, we implement a bus shuttle across the river. There's no backup system if a car dies on the line, at the have an accident. If we have the cross mall and the mall you can divert traffic at the steel bridge and not have to implement shuttles and we'll be carrying at that point many more passengers by light rail than we do today. So for all those reasons, not to mention the fact the mall is tired, the mall does need repair and it does need reinvigorating, we strongly encourage you to proceed with the locally preferred alternative only and not the fallback strategy. Thank you.

Francesconi: There's some public safety issues going on today. How many -- that's why the mayor -- how many people want to testify? Feel free, we just want to get an idea.

Katz: I will try to stay here, but if I leave, understand it's because of some issues that we're going to be facing here in the city. Thank you.

Moore: Come up three at a time.

Terry Parker: Thank you for allowing me to testify. My name is terry parker, i'm a resident of northeast Portland. The committee that recommended the current two-phase has politicians in a pricey candy store. Wanting everything they -- wanting to buy everything they see and expecting to raise tax toes cover their sweet tooth. How much does the public have to bleed for political candy? Just like last week, I spoke before you because you wanted more money for schools. How then as I understand it is there enough money to construct three separate projects as part of phase one while at the same time fleecing the taxpayers to make schools the top priority? Taxpayers need a permanent do not cross line in the sand. The public review process must come before the back room deals. In principle I support the long planned i-205 max alignment set aside from the freeway was constructed. I also support the need to establish a bus transfer center other than on the downtown milwaukie streets. It is a total waste of taxpayer dollars to put max on the transit mall when a perfectly good less expensive first avenue alignment exists. How can Portland promote walking as an alternative but make a double standard exception for max riders. Diagonal lines through the mapped walking distance circles only for first avenue must not be tolerated. A transit gem already exists -- jam already exists. Get it off the mall or don't build it at all. Taxpayers are funneling too much mine into downtown. I totally doubt the downtown community exclusively is willing to pay for the entire local match of the mall. Especially with increased business taxes. Phase two must be put on the back burner. The public does not need two taxpayer funded lollipops at the same time especially when there's a recession. All phases must be bare bones transportation projects only, not involving art or designer street escapes. If long-term the hawthorne bridge cannot be used for max due to so-called traffic disruption, no consideration must be given to running any fixed rail system across the Broadway bridge. Both bridges have similar traffic counts up to 30,000 motor vehicles a day. Finally just like bicycles, must start paying their own way, the majority of

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local matches funds for new max lines must come from transit users. Not property tax -- not the property tax. Given tri-met as annual passenger revenues of 53.193 million dollars, adding a 10% surcharge to transit fares about a dime a ride, would raise over \$5.3 million a year. That would exceed over \$100 million during the length of a 20-year bond cycle. Increased ridership from the new service would cover the interest. This is a must-do type of funding that is not new. User-based surcharges to fund capital projects already exist on everything from blazer tickets to events at the expo center where the lack of parking may force some events to move out. In closing, this project must be guided by three directives -- the efficient use of funds, choosing the lowest cost light rail options and routes, keep it a one at a time transportation project only, and like the private transportation companies that preceded tri-met, require payment from the transit users. Thank you.

Francesconi: Did it right in three minutes.

Katz: Go ahead.

Harry Law-Hing: Good morning, mayor, commissioners. My name is Harry, I've lived my entire life in the city of Portland except for the four years I spent in the military. In 1966, we bought our home in southeast 94th in the Lents neighborhood. At that time, the area felt like a neighborhood. In the 1970's, our immediate neighborhood was destroyed when the first southbound ramp to I-205 was built directly across the street from us. We received no sound barrier wall to diminish the noise. The ramp was soon followed by the construction of the bicycle path directly in front of our home. During the construction, we lost friends, neighbors, that were forced to move and also our view of Mt. Hood. In return, we gained noise and pollution. We were promised we would be left undisturbed in the future. In approximately 1995, after being told our home was not going to be taken for light rail expansion, we were forced to connect with the sewer system, which was a major expense and a construction nightmare. Now, the threat of our home being taken for light rail expansion is once again before us. We have been made promises throughout the years that have all been broken. We have seen our neighborhood destroyed by becoming primarily neglected rental properties, homeowners left the area as living conditions deteriorated, crime increased as the neighborhood declined. We have survived one construction project after another. We have endured noise and pollution. There has been a tremendous amount of stress over the years, and yet we've continued to make improvements to our home and to our property. Believing that we would remain there for the rest of our lives. We have been asked to trust what we are being told time and time again, and that trust was broken each time. Now we are being asked to think of leaving our home of 37 years, a theme was paid for in full in 1988. We live a debt-free life on a fixed retirement income. Our retirement years should not be spent relocating to a new home with all that would entail. If relocation becomes necessary, we absolutely insist to continue living debt-free life in a comparable living situation. In closing, I ask you, how does the city of Portland treat us as neighbors over the years, and how does it plan to treat us as neighbors in the future? Thank you.

Katz: Thank you.

Ray Polani: Mayor, commissioners, good morning. I'm Ray Polani, I'm co-chair for citizens for better transit and I live on southeast Ankeny Street in Portland. Let's come to the fatal flaw of this project, the Achilles heel of it. It is downtown, the crossroads of the regional rail system. East, west, north, and before too long, south as well. The recommendation before you is for light rail to be on fifth and sixth Avenue Transit Mall and for construction of a new bridge at Caruthers Street. It will not work. It will be a waste of public resources, because it will fail to provide for either the crucial capacity or the needed speed that regional light rail will require to sell the -- the future of downtown and the region. What to do? Phase one should use the Hawthorne Bridge and First Avenue to connect to Max. A relatively low cost project which preserves the only viable long-term option.

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Max underground through east and west downtown, crossing under the willamette. This is essential to have a credible, reliable project, which will serve the future of both downtown, east and west and the whole region. It is the only rational justifiable use of public funds. This is what the taxpayers expect, and deserve. Anything else will be a waste of resources which we cannot support, because we cannot afford waste. Follow the example of west coast cities, vancouver bc, san francisco, seattle, and even los angeles. Finally, the priorities of the i-205 and milwaukie phases should be reversed. Mcloughlin first, 205 second. This is where the existing needs are. Thank you very much. I have a couple of articles that were published in the tribune.

Katz: Fine. Thank you. All right. Keep going.

*****: Cynthia, why don't you --

*****: Thank you. I don't have anything --

Katz: Identify yourself for the record.

Cynthia Peek: I'm cynthia peek of the chair of the lents urban renewal advisory committee. Also president of foster-powell neighborhood association. I'm speaking in my capacity with the lents urban renewal. I brought with me today copies of the letters that we prepared the official comments, prepared by the urban renewal advisory committee. What we did concerning this is a vote of nonsupport at this time. I checked with mr. Southgate, my contact at p.d.c. This morning, he thinks the vote was unanimous, but that's not my recollection, but it was darn close if it wasn't. At this time it's a vote of nonsupport until some issues are resolved. Many of the same issues you just heard from harry, who just testified. We have some safety concerns, we have privacy conditions. We're concerned about crossings that maybe aren't protected safely enough for the public, specifically things like, what's happened? Hillsboro, where people are getting killed by the trains. We don't want that to happen. They're concerned about crime riding into the community. But even more so we're concerned about traffic and how the park and ride will affect the daily life out there, how it will be used. And we want to see those addressed. Those concerns addressed. We have also had a difference of opinion on whether these are issues of concern. And until they recognize that we are really concerned, I don't think they can solve our problems for us. So we're at a bit of an impasse right now. We also want to say that we are not -- some of our neighbors are concerned about where the money is expected to come from to pay for all this. We have very little money in urban renewal, we do not have enough to share with light rail. The only way we can see any funding at all going to light rail is if it's in conjunction with a structure such as maybe helping with just a bit on a parking garage, but no huge amount. We can't do that.

Katz: Thank you.

Francesconi: I've got a question, you have a duty to represent the committee, and you've done that just now. But I was present -- because we had to take testimony on behalf of the regional committee in lents when you testified and when ken turner testified. And you did raise these concerns, so i'm not saying you didn't, in fact I see a letter here from tri-met dated -- from metro dated january 13 trying to address some of these concerns. But my question was, I recall my recollection was both you and ken turner as individuals now not on behalf of the committee, actually wanted these concerns addressed, but testified in favor of this alignment. Is my recollection correct?

Peeks: My personal opinion is that I would like to see this alignment. I think it could be good for lents. I'm very concerned about the money, i'm very concerned about the location of the park and rides. Those are my personal feelings outside of the scope of urban renewal.

Francesconi: All right.

Katz: And in all fairness, that's what you shared with us at our p.d.c. City council commission council meeting.

*****: Yes.

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Katz: Thank you. Ok. Jim?

Jim Howell: Mayor Katz, commissioners, my name is jim howell, i'm here, since I don't see anywhere else here, i'll represent -- we are a bit sad that you picked the i-205 before the milwaukie - mcloughlin light rail. Mcloughlin currently serves over 5,000 people a day on crowded buses in stop and go traffic, and we felt they deserve the high capacity mode first over i-205, which doesn't have a single bus or rider yet. We've asked tri-met to put a bus on 205 many times, but they've always said there's not enough ridership and they can't afford to put buses on. That said, I think our big issue is the downtown. Putting light rail on the surface, on the mall, would be a very serious mistake. Because as ray mentioned earlier, there are two major problems, one is speed, through downtown and the other capacity. Currently it takes 22 minutes to get from lloyd center to goose hollow. That's the same amount of time it takes to get from goose hollow all the way out to the transit facility west of beaverton. It's the same length of time it takes to get from lloyd center to the airport. Or lloyd center to rookwood. This is very slow operation. People that raid the system will tell you this is a real dog as far as the downtown. So a subway system would cut a good 10 to 15 minutes off that running time, which it would in fact greatly increase ridership. And it's going to have to be done before light rail -- because light rail on the mall or a cross mall does not have the capacity in the future. And that hasn't been addressed. So what we're suggesting, before any measures taken to put light rail on the surface on the mall, that a serious study be done of the total system, what -- i'm talking 20, 30 years, what we're going to need, and what seriously would be the cost and implications of a subway. I handed this out, have you got it? It's -- on the second page there's an illustration of a type of a subway that -- about a three-mile section. It would be the kind of thing we're going to need in the future, and I think it should be studied -- studied seriously now, and I thank you very much.

Katz: Thank you, jim. All right.

Susan Pearce: Good morning, mayor Katz and commissioners, i'm susan pierce, i'm chair of hosford abernethy neighborhood development association. I just came to mention the following, much of what has already been said, hand has always been supportive of public transportation and alternatives to cars. And we were among the first of the neighborhoods that pushed to get light rail back on the table after the voters defeated it a few years back. We want -- we are disappointed that the phase one would be i-205. Of course, but I think we're in support of both and understand at least some of the decision-making, we are supportive of both light rails. We want to be sure that phase two the milwaukie-Portland corridor is kept on the table. And not forgotten. We'd like to be sure that financing at this time is creative, and we're sensitive to the financial issues, and does not disenchant the public, who will at a later time be asked to maybe vote for phase two. I'm so sorry, I lost my thought train there. We also like to start early to maintain the ground work to keep the phase one on the table -- phase two, the milwaukie-Portland on the table. This is important as -- to maintain a corridor of transportation from milwaukie to Portland to help prevent the use of the side streets for transportation, as well as for parking. One of our problems in our neighborhood is suburban, people from the southeast coming into our neighborhood, parking their cars and walking across the hawthorne bridge and leaving their cars in the neighborhood all day. We're hoping this will help alleviate that. We would support the caruthers bridge crossing ultimately. Although we recognize there may be a need to use hawthorne bridge temporarily. I also know that both the hawthorne business -- hawthorne boulevard business association and the central eastside industrial council are concerned about the use of hawthorne bridge by light rail in terms of affecting traffic coming into the inner southeast. The southeast, the inner southeast specifically, southeast in general, has long been passed over for infrastructure improvements and we would like to see this improvement.

Katz: Thank you.

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*****: And I think that covers it.

Katz: Thank you. How many more?

Moore: Two more.

Ross Williams: My name is ross williams, citizens for sensible transportation, i'm also chair. We strongly support both phases. We have not had a chance to discuss the project fully since the dune town alignment was had, so that's not part of any endorsement that we would make. But we're primarily concerned about a couple of issues with regard to defining -- regard to the financing of the project, and we raised these before, which is that our experience with inner state max, which we were very involved in, and the inner state urban renewal district, is that the use of urban renewal funds to fund a regional transportation facility, is not a good idea in general. There's been national discussion of what happened in inner state where we came up with some very innovative policies which are not being implemented largely because there isn't the money to do it. And what we need to realize is any transportation infrastructure really provides opportunities for people. It means people can get the jobs they couldn't have gotten to before, they have a wider choice of housing, and to really take advantage of that, requires the communities, low-income communities, communities that have urban renewal funds, have those funds available to dot other infrastructure improvement that's are needed in the community to take advantage of light rail. So the coalition as a whole looked at that, and said, we're not saying you should never do it, but it should be carefully, carefully considered before you start using urban renewal money to provide the local match for transportation program that's real lay regional facility designed to help people throughout the region. The second thing is that I think this is going to be the first time a major program has been -- major new light rail line that's been done, other than airport max, where a vote was not taken prior to implementing it. And I think it's important that that be done carefully so that the second phase of this project actually goes forward. I spent -- since the last vote in the region on this, dealing with light rail and going to meetings and watching community people putting hundreds and hundreds of hours into something which initially was not going to be on the agenda and get it back on the agenda. And all of the people who lived along mcloughlin line, who put time first into persuading people in milwaukie that they should consider it and persuading them it was a good idea, and then persuading the regional leaders who were gun shy to take it up, and then they found i-205 was going to be the priority, rather than the line they had been working on with all that energy. I'm fearful unless there's a common funding package from the start with an awareness of where that money will come from, that there's a danger the second line will never get built, because the voters will never approve it, and it's not part of the single project. And I think you need to think about how you do that. I think also it's important to remember that in 1994 the voters did approve a project from clackamas county along mcloughlin boulevard through downtown to vancouver, contingent upon vancouver building a light rail line. It seems to be reasonable to go back to them and ask them to fund the project that the region has decided to build. Thank you.

Katz: Thank you.

Ruth Bade: This is a copy of a letter -- [inaudible] my name is ruth bade, a representative for the southeast light rail coalition. I also serve as an urban renewal board member in lents and neighborhood association board member, but i'm here in my capacity for the light rail coalition. As you know, and have discussed, we have had a lot of community input. However, there have been additional -- there have been not sufficient means to mitigate the issues that we have brought up. I asked -- as cindy said, urban renewal did vote nonsupport. The neighborhood association also voted nonsupport as well as the light rail coalition voted nonsupport for the following reasons. There are concerns with the proximity of tracks to residents. Especially residents in the johnson creek area. The frequency of stops is not conducive in a residential neighborhood we have -- there are currently one stop at every major intersection we have, division, holgate, powell, and foster.

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We feel that is too frequent. Holgate has been a source of controversy as it is a residential area. There are concerns with the incurrent -- inherent crime and congestion that go along with a stop, alternatives have included either no station at holgate, or no park and ride at holgate and a station only. There's also a concern with the potential to lose urban renewal funds, which has been addressed already. I have at numerous times met with tri-met, light rail, and commissioner Francesconi, your aide, michael, they have been very amiable with me and have promised mitigation, however when bringing these to the coalition and the various boards, the mitigations promised have not been sufficient for us to give our full support. I believe it is extremely important to the community that tri-met and transportation and the -- and you keep promises made to the community and that issues are as mitigated as much as possible before the construction of light rail, and we'd like to see some things possibly in writing to guarantee mitigation. Thank you.

Katz: Ruth, could you make sure that we all get a copy of your testimony? Ok.

Francesconi: So we have a ways to go. Tri-met's given you some things, metro, so I understand we're not where we need to be. And we need to do more. Part of it is tri-met is going to also negotiate with p.d.c., a memorandum of understanding about who does what in that regard. So we need to continue to work with you to get where we need to be. I just want to say one thing that you may disagree with. It's come up twice. Brian newman, if we were here, he would say this. There's no studies anywhere, folks, that show that crime increases in neighborhoods served by light rail. This is actually been studied. And so there are no statistics justifying that assertion. So I just wanted to let people know that there is that evidence out there.

Katz: All right. Council have any questions? If not, i'll take a motion -- we're almost done. I'll take a motion to adopt the south corridor locally preferred alternative report and recommendation.

Saltzman: So moved.

Francesconi: Second.

Katz: Roll call.

Francesconi: I've talked a lot. Let me just say a couple more things. First, on the big picture, we can't just let -- we're going to come out of this recession, we need to do some construction projects like this light rail would provide to get out of it. But we have to take a longer term view. We can't just let the future happen to us. And that's what the citizens of milwaukie said when they got together to keep this thing moving. So light rail is a critical part of our transportation infrastructure. And every additional alignment that we make adds -- increases the value of the whole system. And it also brings us closer together. The days when Portland can control economic future of the region are gone. We need vancouver to be part of this, we need clackamas county to be part of this, and bill kenemer has been a strong proponent. We need all of clackamas county, including milwaukie, to be part of this, and I want to thank Washington county for recognizing this, being part of this jpart process and for advancing this. We also have to condition to work together as a team, folks, and that includes the regional governments as well as the citizens. We are in this regional competition now. And we don't have the seniority in congress that we used to have. Hopefully question will develop it, but what we lack in seniority we can make up with experience and teamwork. And that's how we have to proceed. So we do need to do this. I want to say a couple things in regards to the issues that were raised here. First of all, we need to make this investment in east Portland, both parts of east Portland, 205, eventually milwaukie. We need to make this investment in the transit mall, and we need some federal money to do it. At least hopefully it will be 60% of this project is going to be federal funds we're going to bring in. And that's why it's important that we keep this momentum going. Now, I do think we have to talk about how we come up with the federal match in a way that benefits in phase one, that benefits the neighborhoods, but does not repeated what happened on interstate. The council has gotten your message loud and clear on that. And we have to -- having said that, I do believe that neighborhoods that benefit more than

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other neighborhoods have to play some role in this. So I hear testimony today from gateway and lents that at a time that inner southeast would die for this project. And I hear it at the same time that other urban renewal -- other neighborhoods like cully would love to be a -- and so would inner southeast, and have the benefit of those additional resources that go into this. So we need to have this -- we need to have this conversation in partnership with those other neighborhoods, and do it in such a way that doesn't drain from the housing, the economic goals, the places that need to be developed with those urban renewal millenium funds. Regarding the next phase here of how we do this with fund this with milwaukie, I do believe we have to go back to our citizens for a vote. I don't think we can continue to do this without checking back with our citizens and getting some additional resources. So mary lou, the way i'd rephrase it is, I think we need to unite for, that because I think we're going to need that at some point. I don't think we do need to raise property taxes, or any other taxes in order to do the first phase. I think we can do this without that. And continue our investment in transportation infrastructure and neighborhoods. I'm not so sure that's possible or even preferable as we continue this. So -- but we need to have a plan b. That's what -- how I would rephrase it. Instead of start working on a plan now, I think there has to be always working on a backup plan. I also think we have to do in this project to make the next project cheaper. And that's why getting to Portland state is important. And I actually believe Portland state, and i've already had some discussions with them, need to contribute to this. To get the transit mall to Portland state. There's no question that it has to be on the transit mall. I appreciate the testimony from chris, it was a little overkill. This thing has to be on the transit mall for all the reasons he said, plus our central city, our downtown is expanding to the west end, and you don't want to put it on first that far away. So that part I think also needs to happen. So we can do this, but we also then need to understand that there does have to be a future vote from my perspective on this, and we have to prioritize. We can't load up the ballot when that time comes. That's something else that we can do in order to help deliver. There's some other conversations going on because it's also particularly hard for inner southeast, because they thought they were going to get the next light rail line, and now 3 to wait. They thought they were getting the next community center, and it went to southwest Portland. So there is an opportunity at Washington high school to do this community center. I know that's not what you're here for, but it's a high priority of mine. In saying thank yous to folks, I didn't list steve awatta. I wanted to specifically also recognize his role. And the role that all the people have done in keeping -- there's too many names to list, so i'm not going to do it. But you know who you are. Thank you. Aye.

Leonard: I am supportive of this project. I wish we could simultaneous with phase one do phase two. I think it's an important part of the project, and i'm interested in trying to figure out how we can make that happen faster, rather than slower. The only suggestion I might make with what i'm looking at up on the map in phase one and hopefully the mayor would agree with this, is where we see the foster road station that we might consider that to be the major league baseball stadium station. How do you feel about that?

Saltzman: Is that an amendment?

Leonard: Aye.

Saltzman: Well, i'm very happy to support the locally preferred alternative today, but I think we have to be fully cognizant of the realities of the situation here and be prepared to look at some very ways to basically trim down the overall cost of this project, because what I see is a very costly project. The first phase I think we can get away with because we can do it on existing right of way, and a lot more room to work with, but phase two does give me serious cause for concern about the cost of a caruthers crossing versus the hawthorne bridge, which when I served as a county commissioner, we spent a lot of money strengthening the hawthorne bridge for light rail, so that question percolates through my mind. So I think we have to be -- we need flexibility in pursuing

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this project, and we need to look at ways that maybe not the Cadillac version we want, but are going to get a basic comprehensive light rail system that's going to serve south to Clackamas County and southeast Portland as well as east Portland. So as this project moves along, I'll be prepared to make those ebbs and flows and support things that may not be the idealized version, but we can't I think blow it up a ballot measure and risk failure like we've done in the past, and sometimes we get a little ahead of ourselves and get ahead of the voters and their sensitivity to their pocketbooks. So we don't want to make that mistakes too many times. Aye.

Sten: I want to thank everybody that's come in today. It's pretty incredible listening. There are disagreement, but listening to the sum total of each of you, because everybody's basically agreeing with some things that need to be worked out as we go along with a couple of exceptions on the issue of the mall, but it's a nice piece of work in the sense it makes it easy to support this. I think we have so much work to do, and it's so easy because we've got so many experts that agree on most of the pieces. We've got so much work to do to fund this, trying to come together around this strategy I think is just critical. Because it's -- I don't think we can get the funding unless we have a route, unless we have cooperation, so my hat's off to everybody. I want to thank commissioner Francesconi for leading the effort on our part. Keep an open mind, I do agree the urban renewal strategy has been too difficult, and when you look at the little amount of money that's in the lens urban renewal district, trying to keep those funds, if at all possible out of it, I think that makes sense, because there's not enough. You can only spend a small amount of money once, and there's not enough in those districts. So I'm looking forward to working -- I think this is going to take years to do, but I think we have to get our transit system a couple notches up. We're just not quite to the point yet where there's enough routes to enough places that -- I believe at some point we'll reach a tipping point where we see a huge jump in the ridership, and I think it's -- ridership has gone up quite a bit. It very impressive, in the last 10 years, and I think at some point, there will be a point we see a real jump, because you'll be able to get everywhere in a predictable fashion, which we're not really at yet, despite all our best efforts. I'm looking forward to seeing how this goes. I shouldn't say this, but I'm far not all that optimistic about our current federal priorities, and I'll leave it at that on the big picture. But hopefully we'll get there and get things like transit straight in our federal agenda. Aye.

Katz: It's all been said except the line to Vancouver. I think it's absolutely critical that we continue the line all the way up north, and then over to I-205. So that's a given. The use of urban renewal dollars was a tool that -- where we had no alternative, and we did cobble the money together, and as a result, I recall the conversation, I was there when the interstate citizens drew their vision and talked about their dreams for the community, and lo and behold, that was the only money we had available that we used and diverted to the light rail. And consequently, they're going to have to wait a little longer. And as somebody said here, this is a regional transportation system, and if it's a regional transportation system, it ought not only be at the -- on the backs of the people who live in the area. Having said all that, I chair thanks to commissioner Francesconi, who gave me the opportunity to chair the Portland mall section of the light rail, and we'll be talking about how we're going to redesign the Portland mall. I can tell you now there will not be parking on the Portland mall. And to add all of this, we today -- today I received an award on behalf of -- I've accepted it on behalf of the city, that we're one of the top 10 best walking cities in the country. So not only do we ride a bus, we ride light rail, we ride streetcar, but we also walk. I'm very pleased to accept that and thank the community for making sure that we have a pedestrian friendly city. Aye. [gavel pounded] thank you, everybody. I just want to remind we're coming back at 6:00, I do need four people here for the vote on our funding mechanism for the schools. All right? I'll see you at 6:00. We have budgets this afternoon.

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At 12:15 p.m., Council recessed.

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6:00 PM

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

Katz: Please note who's present and who's tardy. All right. S-261.

Item 261.

Katz: I think commissioner Saltzman would want to vote on this, so -- I don't want to start the other one.

Leonard: Are you allowed to vote after you pass --

Katz: No.

Leonard: We used to --

Katz: I know.

Leonard: At the end of the session you could --

Francesconi: At the end of the session?

Leonard: The day of.

Francesconi: Vote on things --

Katz: Are you going to talk a lot? Why don't we start. Roll call.

Francesconi: I want that rule.

Katz: No. Roll call.

Francesconi: Well, it's -- we're part way through a collective effort to save the most important function in our city, which is our schools. And so it's a collective effort. Now we have to pass this.

But as part of it, we all need to do our part. The city needs to do its part, the residents are being asked to do a lot, and so it's difficult to ask businesses in a recession to also contribute. But business communities also an important part of our community, and with -- without -- with the shortest school days in the country, without some stability for three years, it really hurts our economic future. Nobody wants to come here, no companies want to come here, so we appreciate those business folks who have stepped forward and who realize this. So we are going to try to do some restructuring of the tax to make it a little more equitable. But the reality is, we all have to do our part, including the business community, as tough as that is. So it's been a good moment where we've kind of come together around our schools collectively, but we have more work to do. So I would just like to thank everyone who contributed to this. Aye.

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

Katz: Mayor votes aye. [gavel pounded] thank you, everybody. All right. 260.

Item 260.

Katz: Let me start by saying that you all know that the item we're going to deal with today raises the thresholds for upgrading nonconforming development. And it begins discussion on the regulatory reform. This is the first item that went to the planning commission that got reviewed by the planning commission, and you're going to hear the report from the planning commission today. There is far more to do. You heard Gil Kelley in the presentation on the budget about kind of rethinking all of this, and that's wonderful. We need to begin having that discussion, but we also need to address some of the issues that have been flagged by the community. By both neighborhood associations and the business community about what we needed to address. Now, as we begin to -- the discussion, it's very important to flag the policy issues that we're going to be facing, especially on this first one, which is the nonconforming upgrade triggers. One of the reasons we had this in the code was, it was our ability to get older buildings to move closer to standards that were absolutely of importance and vital to the community, from seismic upgrades, to a lot of other issues that we feel is important. But the flip side is that it's also important to create an environment that encourage economic investment, and encourage business to reinvest in the community and to

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expand. We talk a lot about balance and balancing goals, and this will be our first test to see if whether we agree tonight, and I think we will be agreeing tonight, that this is a good balance for a period of time then for further review after a two-year enactment of this change in the code. So you've got to get the threshold low enough to get meaningful progress toward the goals, but not so high as to block economic development and reinvestment. We had a \$25,000 figure, the number has gone up substantially. You'll probably hear tonight some pros and cons, but it's the beginning of I think very important discussion for the council to have. So with that, let's hear from the planning commission.

Betsy Ames, Assistant Director, Bureau of Planning: Thank you. My name is Betsy Ames, I'm the assistant director for the bureau of planning. We are here tonight with the first of several packages that you'll be seeing this year as part of the regulatory improvement work plan. I'm here tonight with Brad Carter, who's a city planner with the bureau of planning, and will be giving the presentation tonight. Carrie Pinard on my left is a principle planner in charge of our code development section and is seeing all the code development work for the regulatory improvement work plan in the bureau. You said a lot of what I was going to say, so I think I'll just turn it over to Brad now.

Brad Carter, Bureau of Planning: Thank you for the record, I'm Brad Carter, bureau of planning. I want to note that the public record for this project is in the room before I start through the staff presentation. Before I get into the actual slides, I did want to touch on what we'll be going through with the staff presentation. I'll briefly review some of the project background on how we got to this point on the nonconforming upgrades, the portion of the regulatory improvement work plan for 2001- -- 2002-2003, I'll review some of the major components of the planning commission's recommendation to council, as well as going through and highlighting some -- using some visuals to highlight some examples of recent nonconforming upgrades through various areas of the city. In June of 2000, resolution 36080 from council which initiated the regulatory improvement work plan for the city of Portland, the crux of that was to streamline, update and improve city --

Katz: That was 2002.

Carter: Yes. The program, led by the mayor's office, led by Sam Adams, had a lot of outreach with various city bureaus, interested citizen and other stakeholders through workshops, focus groups, and other public meetings. Fast forward to November of last year, that's when council adopted the fiscal year 2002-2003 final regulatory improvement work plan. Of that, which a lot of what we were looking at was what was coined the top 10, or the top 10 plus, because it expanded to about 15 items, were sort of broke out into three of the four components you see before you. The first thing is what we're talking about tonight for our public hearing, the thresholds for upgrading nonconforming development. Code maintenance 2003 from bureau of development services will be before council on April 9, 2003, for a public hearing. As Betsy mentioned, there's a couple of policy packages, sort of subsets of items from the regulatory improvement work plan. The first one, policy package one, will be going to planning commission on April 22 for a public hearing, and depending on how many meetings we need to get through planning commission, we're expecting to come to city council sometime around mid-June. And then policy package two, right now we've got it looking as yet to be determined firm date for going to planning commission on those items, but we're guessing sometime around mid-summer. Getting back to the nonconforming upgrades component, a January 22 of this year, we -- bureau of planning sponsored an informational open house where interested public citizens, other agency people can come and review the staff proposal, ask questions of staff, and get a lot of their questions answered. And then on February 11 of this year is when planning commission had their hearing and decision. They had approximately about 30 people provided either written and/or oral testimony, two planning commission on the staff proposal -- to planning commission staff on the proposal. Before we get into planning

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commissions, the components of their recommendation, I wanted to review briefly what nonconforming development really is. Nonconforming development exists where a site at one point meant all the regular -- met all the regulations at that time, at that time it was developed, but it currently does not meet the current regulations because of the subsequent changes to the zoning code. Upgrading this nonconforming development means bringing it closer to compliance with the current regulations. One of these nonconforming upgrades required. Generally these upgrades may be required for property owner makes any type of alterations to the development on the site. And this can range across several different types of improvements or development, from remodeling of interior tenant space, referred to as tenant improvement, t.i., to exterior building expansion or change of occupancy. I wanted to show you a few examples across the city of some recent projects that had upgrades to nonconforming development. What you'll see here is a site on southeast 7th avenue, intrepid marble. On the left is the before site plan of what that area looked like, and on the right you'll have the actual photograph that was taken recently of that site. The area with the receipt dotted lines to draw your attention to that, that basically shows along the 7th avenue frontage this building before the upgrades and the improvements occurred, they basically had your standard diagonal parking right up to the sidewalks, with street trees along here, and because of the improvements to this site, you'll see they've got sort of saw-tooth landscaping along the parking lot, as well as improved sidewalks, trees, tree wells. Here's another more recent photo of the intrepid marble site, looking north along southeast second avenue. On the right side of the screen there's -- this is a similar development type, one block south of intrepid, so you get an idea of what it probably looked like before a lot of the improvements went in. This sighted a block south, the building is closer to the street than what intrepid marble is, but you can get a feel for how that parking lot was arranged. Within the -- under the current zoning code, nonconforming upgrades are typically required when alterations cross a certain dollar threshold. In most cases, this threshold is \$25,000 or 35% of the assessed value of the existing improvements. When a project comes along and reaches or exceeds that threshold, they're required to do upgrades in the following order. First is to do perimeter landscaping for parking lots and exterior development areas, second, is to improve the pedestrian circulation systems on site. Third is bicycle parking, followed by interior parking lot landscaping, landscaping in the existing building setbacks, minimum landscaped areas, screening, and dealing with the paving of parking lots and exterior storage and display areas. As this item first came to light under the regulatory improvement work plan development last fall, and continuing through the winter when we went through planning commission, several issues were raised by both other bureaus, other agencies, as well as the general public. First off, the current threshold of \$25,000 is thought to be too low, and it catches too many smaller projects, and act as a disincentive to site improvements. Another issue with the existing code is that current code includes several similar thresholds and/or expenditure caps throughout the code, and these are somewhat inconsistent and confusing. Current code does not allow, at least in some plan districts and overlay zones, limiting the upgrades to ground lease areas and/or allowing a phasing option. Finally, with no means of adjusting the threshold for inflation, the actual dollar value of the threshold will continually decrease over time if it remains constant. And you'll see in planning commission's recommendation they touched on each one of these four bullet points. First, planning commission's recommendation, the first component looks at the general threshold. They recommend to raise the threshold to \$100,000 on a temporary two-year basis. And to revert the threshold back to \$35,000 plus inflation if no other city action occurs in that temporary two-year period. Regarding of threshold and expenditure cap in some of the plan districts and overlay zones, planning commission recommends that in their proposal that you provide some simplicity and consistency across several of plan districts and overlay zones in the current zoning code. And those include the greenway overlay zone, scenic overlay zone, the columbia south shore plan district,

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cascade station/p.i.c. Plan district, the final -- the third bullet that planning commission had recommendations on was to expand the code to allow on ground lease sites that the improvements be tied to that -- to the specific ground lease, and not the entire site. As well as allowing a phasing option to bring the improvements up to code over a series of years. Finally, regarding the inflation adjustment, planning commission recommends that the code include a mechanism to account for this inflation, and that would be an annual adjustment based on a construction cost index as defined in the engineering news record. A few other examples of some nonconforming upgrades from across the city. This is the fire station site in southeast Portland at 3300 southeast gideon just off powell boulevard. You see the existing photo back in january 2003 on the left side, on the right side you'll see the site plan of the proposed upgrades. This has at least as of january had not occurred yet, and the project cost for converting this vacant space to an office for the fire marshal is about \$40,000, meaning the required -- meeting the -- meaning the upgrades could go up to \$4,000. What you'll see with the two red dotted boxes is that the areas where the upgrades will occur, you'll see along in the photo along this side is where under the proposed site plan they will have increased landscaping along that wall as well as here which is along the parking spaces on the street side. Street frontage. Here's an example of a project that some of you may be familiar with along northwest 23rd avenue, it's the old quality pie site that's now shogun's furniture. Tentative improvement, change of use, project cost is about \$83,000, meeting the required nonconforming upgrades, that 10% is up to \$8,300 on these upgrades. You'll see photos from october 2002 a few months later in january of 2003, you can see some of the site improvements are getting under way, and here's an array of photos taken just recently of what those improvements have turned out to be on that shogun's furniture site. You can see the improvements with the landscaping, landscaping here by the front door of the facilities and improvements along the side street here as you enter the parking lot. Here's an example of -- it's not just businesses, it's also nonconforming upgrades affects institutional uses. Here's an example of crossroads church at northeast 102nd. This is another change of occupancy on this site. An addition for a senior center and food distribution, this project cost is over \$100,000, about \$120,000, meaning the required nonconforming upgrades would go up to about \$12,000. Again, like many that you'll see across the city, these generally focus on improvements to surface parking lots. So you can see here where there's been some landscaping put in along the street frontage this, is 102nd here, as well as along the retaining wall on the periphery of the existing surface parking lot. Here's an example in inner southeast, 3377 southeast division, hot pepper studios. This was a sizable redevelopment renovation project of about 10,000 square foot building to retail office use. This gives you a good example of, that it's not just landscaping that comes into play, you'll also see in the lower -- image in the lower left corner improvements including bicycle parking, in this case they've got covered bicycle parking as well as site improvements for perimeter and interior landscaping to the parking lot. At planning commission, there was testimony received and planning commission spent a great -- a good deal of time talking about how the fees related to nonconforming upgrades fit within the other city fees and requirements. And without spending several hours trying to explain the fee structure in the city, I just wanted to touch on a few things that cost -- costs that can be included. This is looking at a commercial alteration permit. Some of the things that often get taken into consideration when you tally up the cost of a project and you're looking at some of these fees. These costs can include the building permit fee, plan check and review fees, such as fire, building, planning and zoning, transportation and storm water, you've got your s.d.c.'s from transportation and b.e.s., nonconforming upgrades, if they're needed, that's up to the 10% of the project cost. You've got your required upgrades for seismic and a.d.a., your americans with disabilities act upgrades, as well as possible storm water upgrades, street trees, sidewalk upgrades, and then the various trade permits such as mechanical, plumbing, and electrical. Plan the commission wanted to be clear there are a

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few things their recommendation does not address. First, it doesn't address any -- give any assurance that other important city policy goals in addition to economic development will be furthered through upgrades of nonconforming development during the recommended two-year period. Second, the recommendation, they feel does not provide a long-term solution to a very complex problem dealing with the existing costs of development in the city of Portland. It does not address the prioritize salvation of upgrades or a menu option, and this was raised during the fall deliberations on what the nonconforming upgrades component of the work plan would be. And finally, the recommendation will not remove the need for some possible adjustments on some locations due to site constraints. Planning commission's recommendation to city council, they recommend that council take the following actions. First, to adopt this ordinance and report. Second, to amend the zoning code as shown in the planning commission's recommended draft, and finally, to direct and fund the bureau of planning to undertake a comprehensive review of the nonconforming upgrade requirements along with other requirements that impact redevelopment of existing properties. This review should include evaluation of overall costs, including system development charges, permitting costs, mandating improvements and required upgrades, including storm water management. In addition, direct other bureaus to participate in this review as appropriate. That concludes the staff presentation on the threshold for upgrading nonconforming development.

Katz: Cary, did you want to add anything?

Cary Pinnard, Bureau of Planning: No.

Katz: Any questions by members of the city council? This is not terribly difficult, but it does raise some issues that probably will need to be addressed at some later date. Ok. Let's open it up to testimony. How many people want to testify? Oh, my. All right. Three minutes. If I see we're getting tired, we'll do 21/2.

Saltzman: We're tired.

Jim Labbe, Audubon Society of Portland: I'm jim labbe, here today representing the audubon society of Portland. 10,000 members, and submitting testimony that laurie faya and I put together. Our main concerns with this recommendation is really has to do with the magnitude of the threshold increase, and really the lack of information that we see that was provided to measure the degree of the impact. On the city's ability to achieve a variety of policy objectives, particularly relating to watershed health and the recovery of endangered salmon. So I think foremost in our concerns is the effect which is kind of unknown, it would certainly be significant, but to the number of required site upgrades in environmental and greenway zones. While the upgrades affected by the proposal do not yet relate to directly to storm water improvements, it's clearly the landscape requirements really reduce impervious surfaces and contribute over the long term to restoring an urban forest canopy. So I guess the other issue is there's been -- the process is backwards, because it's hard to know -- no judge -- to judge the effectiveness given how would it limit the changes that are pending in the review and revision of the nonconforming upgrade requirements. The storm water advisory committee has made several that I think would add flexibility and enhance the quality upgrades and address storm water issues, but even if these proposals are adopted, increasing thresholds so dramatically is going to impact the cases where they would be applied. So I guess it's hard to imagine how the threshold increase of this amount is not going to foreclose opportunities to address impacts to fish, wildlife and water quality through the redevelopment process. It was just two years ago we were talking about the city's redevelopment, and we have yet to start implementing those things, and now we're going to reduce the opportunities to do that. I guess to conclude, we'd recommend that the threshold increase be limited to inflation adjustments at the current amount for the next year, and then during this time the consequences of any threshold increase could be really examined more thoroughly, it would also allow I think a little bit better

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input from citizens and environmental community. We were a little concerned that we weren't notified, a number of people, I'm speaking for more than just myself, we didn't hear about the february 11 hearing, I don't know why, but we'd like to see that -- have more time to look at this issue.

Katz: Thank you.

*******:** Thanks.

Katz: Go ahead.

Tom Miller, Bicycle Transportation Alliance: Good evening, members of the council, my name is tom miller, and I live at 1322 north winchel street in north Portland. I'm a member of the board of directors for the bicycle transportation alliance. As many of you know, we're a nonprofit bicycle advocacy organization with over 3,000 members statewide. We work to create healthy, sustainable communities by making bicycle safer and more convenient. And in the interest of brevity, I think eye just set my comments aside. We know the issue. We're concerned with the quality of life issues here, and specifically the -- what the impacts that may occur to short-term bicycle parking. As the mayor noted, it's the little things in this community that make it such a great place. It's the landscape buffers, and the short-term bicycle parking. Those little things add up to create a great city. We depend on those things, and as such we've looked at the proposals, and we encourage the city council to adopt the bureau of planning proposal which is the \$35,000 threshold, which represents a \$10,000 increase. We think that's a cautious and reasonable approach. \$100,000, we're just concerned about the potential impacts. That's what would I have added. Again, the b.t.a. Recognizes the importance of a thriving, local economy, of course, in fact we depend on it. So we want to ensure that we do everything we can to ensure a thriving local economy. But we need balance, as the mayor noted, we need to balance the opportunities for the business community with the quality of life components that we all need. And so with that in mind, we encourage you to adopt the \$35,000 threshold that the bureau of planning recommended.

Katz: Let me just clarify. They recommended \$100,000 for two years, and then changing it back to 35.

Miller: My understanding is that the bureau of planning staff --

Katz: Oh. I thought you said the commission. All right. I stand corrected. If it's the staff, that's right, if it's the commission, it's right as well. Ok.

Francesconi: Do you have any idea if this were adopted how much less bicycle parking there would be?

Miller: Well, commissioner Francesconi, we've looked at that, unfortunately we haven't had time to address that question thoroughly. We didn't look at \$25,000 versus \$35,000, and in all honesty we didn't see any significant loss of bicycle parking at that threshold, which is why we can go ahead and support the \$35,000 threshold. \$100,000, we can't give you a firm answer, but I'm happy to look into it if you'd like me to.

Katz: Go ahead.

John Bradley: Good evening. My name is john bradley, I live at 2890 northwest ariel terrace, I appreciate the chance to be here tonight. First, I am a bicyclist, and I'm here to testify to raise the triggers, but weather permitting, I bicycle to as many meetings as I can. When you removed all the parking meters, there went my bicycle parking and I didn't complain. So that's fine, I'm glad you did it, but bicycle parking went when you pulled those parking meters out. Anyway, my company last year did over 50 jobs, construction projects under \$100,000. Who are those jobs for? Those jobs are for small business people who do not own their buildings, who have typically cut the deal with their landlord, and have underbudgeted the project before learning about the landscaping or the other things they need to do to improve the owner's building. So it really hurts small business people who are the backbone of our economy, who we need to pay more taxes so my two children

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in public schools can get a great education. City staff, in my view, these projects, \$50,000, \$60,000, when someone comes in and learns of all this, this, from my friends who work at the city, are the most difficult jobs which inhibit good public service in the permit department because they are so entangled and have so much effort to bring these small business people up to speed with their new obligation. Public benefit. A \$50,000 job has \$5,000 of nonconforming attached to it, minus two or \$3,000 of plans. The public benefit in terms of the actual improvement on these smaller jobs, in my view, is not worth the jobs lost the county -- to the fact that many of these jobs do not happen. So I encourage you to approve the \$100,000, and in two years not to relook at going back to \$35,000, but to let it roll and reinvigorate our jobs. Thank you.

Katz: Thank you. Thank you, gentlemen.

Katz: It's good to see all three of you. Ed, grab the mike and start.

Ed Washington, Urban Forestry Commission: Mayor Katz and city commissioners, my name is Ed Washington. My address is 6242 northeast 41st avenue. I'm here speaking tonight on behalf and as part of the urban forestry commission, which I'm one of the members, along with Mr. Harrison. He will handle the tough questions. I'm going to say that, we've had a chance, the commission has had a chance to look at all of the work that's been done, and we do have just some recommendations we'd like you to seriously consider as you move toward an agreement on this. We think the changes made to the threshold for bringing nonconforming development into compliance with the code's landscaping provision should be limited at this time to standards within the title 33 planning and zoning. Number 2, the planning commission's recommendation for a 300% increase in a threshold within title 33 should be revised, and the bureau of planning staff original recommendation of an increase in the threshold for title 33 to \$35,000 should be adopted. Also, no changes, we're hoping no changes should be made that affect the threshold for planting street trees until the forest commission has a chance to consider the issues raised by a such a change and make detailed recommendations to you if you desire that. Last, we make this final recommendation based on our understanding that a more comprehensive study of the nonconforming upgrade issue is planned. And we would hope for environment in that study and think the study outcome should be neutral to positive in its impact on the urban forestry canopy and on Portland's air and water quality. Those are the recommendations that came from the entire forestry commission. It isn't the opinion of any one of us, but it went before the full board, we even had an emergency meeting because I think they feel this is very important, so I want to share it with you. We also recognize and appreciate the extremely hard work that has gone into all of the work that you all have put into this. And so we just would hope that you would give some further consideration to these recommendations. And I'm finished, Mr. Harrison probably would have some comments to make.

Katz: Thank you. Michael, nice to see you. Grab the mike.

Michael Harrison, Urban Forestry Commission: Michael Harrison, 837 northwest 25th, also here with the urban forestry commission, which I'm on. I'm basically in agreement with the commission. We deliberated on this, there was a subcommittee formed by Dave Johnson, that consisted of John Warner, Ed and myself. We reported back to the full commission, and the full commission is unanimous in this position. Dave Johnson regrets he couldn't be here tonight, but he was scheduled to be out of town this week long before this meeting was scheduled.

Katz: Thank you.

Francesconi: Just a couple questions. Thanks for agreeing to be on the urban forestry commission, Ed, we appreciate it. You too, Michael, as well. I was extending -- I'm used to Ed as an elected official. Had you -- I'm not sure how we picked 25 in the beginning, or 35, or for that matter 100 in terms of any science, or any rationale, but how did you pick 35, other than the fact the planning staff picked it, and I'm not sure where they got it.

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Washington: Well, I think commissioner Francesconi, as we were reviewing this, we felt that 25,000, we understand perhaps when you looked at it that may be a little too low. We also felt the 35,000 is really a way up there, so -- so we figure, well, come back to the 35,000, it's really in between those two, not necessarily extremes, but those two. And I think that was --

Francesconi: That's the way I used to settle cases, too. Don't tell anybody. [laughter]

Washington: Michael may have another take on that.

Harrison: We were very concerned that some of the balancing issues associated with this change need to be examined more. The things that are going to be impacted most are the planting of trees. Pedestrian circulation and bicycle parking. Those are provisions which relate directly to air and quality. It seemed like a very big jump to go from 25,000 to 100,000, without a better balancing of how those issues interrelate. If we're just the -- if it were just the aesthetic issue, we'd have a much more tempered response to the \$100,000 proposal.

Francesconi: I -- that was going to be my next question, which is, so what -- is the same one I asked on bicycle parking. From going to 25 to 100, what kind of effect -- do you have any idea what that's going to mean in terms of making some progress on the urban forest?

Harrison: We really think the bureau of planning and the bureau of development services would have to be the agencies that would give you good impact on that. We guess. And it's maybe an educated guess, but it is a guess, that it could be over the time period a reduction in 20, 25, 30% in the number of trees planted that would ultimately contribute to the forest canopy, contribute to cleaning the air and contribute to helping solve the c.s.o. problem.

Francesconi: This is outside the scope of your testimony, so I'm relying on your past, but you brought up too that -- you brought up pedestrian circulation, how will this impact that?

Harrison: Well, on the list of priority things that need to be brought up to code, I think second or third on the list is on-site pedestrian circulation systems. We essentially -- how do you get from the sidewalk to the main entrance to the building? Do you have to wade through the cars or is there some way to get there that doesn't involve being part of the auto circulation system?

Francesconi: Ok. Thank you.

Michael Bolliger, Central Eastside Industrial Council: Mayor, other members of council, my name is Michael Bolliger, the immediate past president of the central eastside industrial council. Our office is at 511 southeast Belmont. We are property owners as well as business owners in the central east side. Recently we have applied to the p.d.c. storefront program, and I was asked to testify today in favor of the \$100,000 threshold. I believe this figure is a reasonable figure, and I believe the context, or the issue is maintenance of commercial building maintaining it, and keeping it in line and at a reasonable appearance versus development. Our building is projected to cost almost \$80,000. And the \$80,000 is to go in to replace single-pane windows with double-pane windows, we're going to restore tile and replace some brick, and improve the lighting. This is not a huge construction upgrade, but the costs are significant. And when you go in to a plan, you still have to go through plan design review, we're still dealing with planners, as is the project going to appear better, is it going to upgrade the building and the project and the property? And the costs to do that was almost \$3,000. So I think we have a bit of an overlay. The other thing is our building is not huge. It's a two-story building, 4500 square-foot footprint, it's valued at about \$450,000. I kind of agree with some of the questions that commissioner Francesconi asked, where did this \$25,000 figure come -- 35% in the planning code seems reasonable. But one-third of \$450,000 is \$150,000. Not 25. So if it's an old antiquated flat number, it seems to me that \$100,000 really seems reasonable for an owner to upgrade and want to maintain a reasonable commercial presence in the city of Portland. Thank you.

Katz: Let me -- in 1997, the threshold was increased from 10,000 to 25,000. And then increased by c.p.i., for anybody that wanted to know where it came from.

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*****: Thank you.

Katz: All right. Thank you.

Katz: Jennifer, we started the morning with you, we're going to end it today. Why don't you grab a mike.

Jennifer Nolfi, APNBA: Good morning, mayor and commissioners. I'm actually here on behalf of apnba, rob moss, chair of the urban development planning committee. I'm going to read a statement from them. I wholeheartedly support the increase of the threshold to \$100,000. While the linkage of certain development standards makes sense, there is a time and place. There are vast areas of the city that face deep, deep disinvestments, there -- Portland's world is about foster, lombard, kenilworth and dozens of others, while landscaping and bike racks can be important assets, if the added costs result in the absence of business and these business clusters, who have these regulations really served? By raising the thresholds the city is taking a step forward to encourage investment. Reinvestment. On the parallel line, the buildings most directly affected by this threshold are our stock of older buildings, historic buildings face hire than average per square foot capital costs, higher turnover in tenants and higher rate rents. In the face of low triggers these buildings do not get reinvestment and ultimately become eyesores, raising the threshold will encourage reinvestment in older buildings and keep them viable. We also wholeheartedly reject the idea after sunset for this threshold increase. If it is to become the practice to sunset all regulations, we can support a sunset, though I can think of a number of better starting places. This is -- if this is not the intent, and we don't think it is, this notion is misplaced and lacking any basis of logic. Again, we need to be moved beyond our myopia and recognize that Portland is a large city. What is good for downtown and for development standards is not good for the city as a whole. Except in prime locations, racing the cost of doing -- raising the cost of doing business simply results in deferred maintenance. While we appreciate the goals, regulatory triggers are not the path to success. Thank you.

Lise Glancy, Port of Portland: I've submitted a letter for the record, but i'm going to offer highlights from that letter. The port supports the recommendations forwarded to you by the planning commission with one exception, and that is the sunset of the increase in the dollar threshold. As an ultimate approach, we recommend that rather than automatically rolling back the 100,000 threshold at the end of two years, that you directed the planning bureau to use the two-year period to evaluate and appropriate condition an appropriate methodology for determining the threshold level. I haven't heard a lot of why the threshold has been established at any level, including the \$35,000 level. As a starting point, we suggest the planning bureau consider the recommendation of the group mackenzie, they submitted to the planning commission. I think you have a copy of that somewhere in your folders. Although not part of the council action today, we encourage council to direct and fund the planning bureau to evaluate the threshold methodology and additional improvements to the nonconforming upgrade requirements, and that includes looking at the menu option, allowing the credits system of credits as well as looking at the definition of site and other things. In closing, we applaud council for their regulatory reform efforts and staff. We encourage you to adopt the recommended changes to the code, again, with the exception of the sunset provision as noted.

Francesconi: Group mackenzie letter, I read your letter, it's around here somewhere, but I don't have it. Do you have it in the record somewhere? Or do you have it in front of you?

*****: I have a copy.

Francesconi: Oh, thanks. Commissioner Saltzman, you're on the spot. I appreciate it.

Glancy: It talks about a two-tiered approach, one for interior nonconforming and exterior with two different threshold levels, and it use as couple of examples from their consulting experience about what you really buy with the nonconforming upgrades at a 3500 -- \$35,000 threshold level versus \$100,000 threshold level.

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Katz: Thank you.

Thomasina Gabriele, Institutional Facilities coalition: Thomasina gabriel. I'm here representing the institutional facilities coalition, but also wearing my hat as someone who's been involved with a number of regulatory reforms. I'm here to support you, adopting this recommendation by the planning commission. I would second the testimony that you've just heard, that we don't automatically go back to the 35,000 in two years, that we have another discussion about that at that time, and that we do use this two-year period to really take a look at the whole nonconforming use chapter. In all of my listening to complaints and regulatory reform, nonconforming use is always at the top of the list. It's a very thorny problem, and I think it's a good example of the question we are starting to ask, which is, does a regulation really get us there? We have now -- if you just think about the landscape requirements, we are now depending on some small shrubs to solve some of our problems about the urban fabric and pedestrian livability on the street, as well as deal with storm water, as well as buffer between different uses, and I think we really need to take a look at what are we asking these poor landscaping materials to do, and can we do it a better way and achieve the result in the end. And still get the livability city we all want.

Katz: Thank you. Thank you, ladies.

Ann Gardner: I'm ann gardner, i'm here representing the northwest industrial neighborhood association. Our district includes over 500 businesses and many if not most are in the nonconforming category. First we would really like to thank the mayor and the city council for initiating this rigorous regulatory review project. It's reaching benefits particularly on the technical side of permitting but now we're at the hard part, and that's the code rewrite. This is the first amendment to come to you as the mayor mentioned, and we applaud the increase in the threshold from 25,000 to \$100,000. But quite frankly, our careful reading of the staff report and letter to you, we're somewhat concerned. We know and you also know the mayor talked about this, there's a direct relationship between the zoning code and business investment, job creation, tax revenues, and the provision of public services, safety, health, education. But the staff report seems to be primarily concerned with how these changes may impede the city's ability to provide other public objectives as opposed to responding to the directive of a really creating the balanced code. And let me respectfully offer that we are recognized, Portland is recognized nationally for our efforts in environmental sustainability, bike routes, tree-lined streets, and livable neighborhoods, and as hard as it is for us to hear this, we have a national reputation as a difficult place to do business. And the fallout of that reputation is almost immeasurable. As I understand it, that's one of the reasons why we're undertaking this hard project of the code rewrite, to really seriously look at the balance in our code. And so this first project really needs to set the tone. Again, we support the increased threshold to 100,000, but we would request as others have here from the business community, not to do the automatic roll-back, to take a good, hard look at this nonconforming section of the code, give it some serious consideration, within the context of balancing the code, and being supportive of a sustained business investment. So hopefully your vote today will recognize the relationship between zoning code, business investment, and community viability. Thank you very much.

Robin White, Portland Metropolitan Association of Building Owners and Managers: Mayor Katz and members of the committee, i'm robin white, executive vice-president of Portland boma, my address is 0308 southwest montgomery. We're here tonight, we really appreciate the city's move to increase the triggers to \$100,000, and basically it's no secret that our industry is currently facing vacancy rates that we haven't seen since the early 1990's. And in some markets, we're facing rates we've never seen at all. The bottom line is we're not seeing new companies moving in, or expansion of existing companies, and as a result, a lot of the t.i.'s we're look at are actually where people are downsizing, and the impact is not on the community, we're not bringing more people in. We do feel that the \$100,000 trigger is a more realistic number, and let me give you an example.

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There's a small tenant as an example, 1462 square feet. In 1997, when they moved into their space, the t.i.'s cost \$52,000. That same tenant moved into new space, same size, same finishes, same building, moved into it last year, and the increase for the exact same project was -- the total was \$66,504. When you're looking at larger projects, obviously that spread is going to be larger. And when you're -- when you look at numbers for the small projects, it doesn't seem like a lot of dollars, but it does in fact impact the owners' ability to make those improvements on the larger projects, it's larger dollars. We agree with testimony earlier that we would be very concerned about and oppose the rollback, the automatic rollback to 35,000, and feel that it's an opportunity for the city to look at the whole nonconforming use issue. Some of the other aside from what has been noted tonight, some of the other issues we see, not all projects are in fact -- not all tenant improvements are in fact going to impact the community. It is in fact putting in windows, putting in other things, anything you pull a permit for. And we're questioning whether those should be part of the trigger. Can an owner get credit for use at another time when they've exceeded the requirements of the nonconforming use statutes? Once an owner reaches compliance, does he get a bye, or does, if the code changes the next day, does he then all of a sudden get thrown right back into the process? We figure that -- we feel that, plus the whole menu approach where an owner could choose which upgrades would be most logical for the building, they're very important factors of the whole process. So we would encourage the council to not just go to the automatic sunset, but to instruct the planning staff to used time to really look at a balance between what the requirements are and what the impact is to the community. And to the economy. Thank you very much.

Greg Peden, Portland Business Alliance: Mayor Katz, members of the commission, my name is greg, i'm with the Portland business alliance.

Katz: We started with you in the morning too.

Peden: I was going to stay that, but I figured you already understood that. A couple of things. First of all, I want to recognize sam adams and you, mayor, particularly, that this is part of the regulatory reform effort that you started last year. To echo what ann said, this is the very first significant code change and I think it's a significant part of the regulatory reform effort. I want to draw your attention to the quality pie site that was used as an example. Think about that site. That lot has been vacant for how long? 10 years, 12 years? That's right in the heart of the number 1 retail street in this city. And that spot's been vacant for a long time. I'm sure it's more complicated than just this issue, but in the context of regulatory reform, of which nonconforming upgrades are, it's very indicative of the issues that we as a city face that ann and others have been alluding to this evening. We, the alliance, wholeheartedly support the \$100,000 increase. I honestly don't believe that the planning commission agreed to an automatic rollback of two years. I was at the commission, I heard the testimony, I heard the commissioners speak, I was under the impression we were going to study it after two years and see what kind of development this type of initiative has spurned, and make a decision as to whether it should be adjusted and to what level it should be adjusted to. But I do want to raids it that I came here tonight thinking that wasn't what the planning commission heard. I think that it makes perfect sense to raise this for two years and take a look at it. Let's see how much development is not occurring because of the current threshold. And i'd encourage you to pass a resolution tonight that keeps that into consideration. Thanks very much.

Katz: Thank you, greg. Anybody else want to testify?

Patti McCoy, Columbia Corridor Association: Good evening, mayor and city commissioners, my name is patty mccoey, i'm here on behalf of the columbia corridor association, we're at p.o. Box 55651, Portland. I'm here to comment on the proposed amendments to the zoning code relating to the nonconforming development upgrade thresholds. We're pleased to comment on this addition of the city's regulatory improvement project. We too were a part of it from last may and applaud the efforts to date. C.c.a. members have been challenged by the nonconforming code requirements of

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title 33, and this particular code change marks some noted improvements. We support the inflation index mechanism that's been added and we also support the sinking up of the thresholds in the plane districts and the overlay zones. This brings long needed consistency to the code. We also support the changes that allow limits to the areas where upgrades are required for ground leases and phasing of upgrades over multiple years in the plan districts and overlay zones. These will greatly benefit the columbia southshore and the cascade station p.i.c. plan districts in the columbia corridor. Most importantly, c.c.a. fully supports raising the general threshold to 100,000. While the change alone is not the complete solution, it is a bold and supportive first statement for business and economic recovery. Unlike the planning division's cinderella rollback recommendation which turns our \$100,000 carriage into a pumpkin at midnight two years from now, we too would ask that you direct staff to explore the new methodologies for arriving at the right threshold. In fact, ultimately it may be less than \$100,000 or it may be greatly more. We don't know what it should be based on we've reviewed the suggestions made by group mackenzie in this regard and find merit in them and would encourage the city to consider them as well. I think they are in your packet, but I have a copy with me if they're not. C.c.a. has additional ideas that were raised by members of our environmental and land use committee. These are prime ideas for consideration in the work plan number 2. They include the following. First, make the list of nonconforming upgrades a menu or cafeteria list of choices always I think you heard earlier this evening. This would allow the business owner to select which aspects to address first, second, and third, based on unique circumstances of their particular property. Not every upgrade works the same for every project. Also, consider adding credit for nonconforming upgrades for things that are not currently on that list. For instance, water quality improvements. Second, create a system for banking nonconforming development credits and allow those credits to be applied for improvements which will make better sense at a different time when the total dollars could be folded into complete project improvements. Conducting nonconforming upgrades in a jigsaw puzzle pieces costs more in the long run with set-up costs and economies of scale and until they are completed, they achieve neither the city's nor the business's purposes. A good example would be the \$5,000 upgrade, development upgrade that allows the input of underground sprinkler systems for trees that couldn't be planted until perhaps the next permit was drawn. And if you'll allow me the last point, finally, enabling banked credits to be used for offsite improvements when the improvements to the permit site don't maximize the investment or where it would create an onerous situation for the existing use. This could mean trying to apply the nonconforming budget to the permit site first, and then if that was unreasonable, applying the nonconforming budget to a location that was deemed more desirable by city staff. I thank you for your time and for considering our comments this evening.

Katz: Thank you. We just got notification that the war in iraq has just started, and the president will be on television at about 7:15 our time. All right.

Linda Bauer: I agree with the planning bureau's recommendation. The intent of the nonconforming use chapter is to bring properties that are now nonconforming closer to conformance, and exempting 80% of them doesn't get us there. Thank you.

Katz: Thank you. You know what? I think -- I think now that i'm reviewing this again, I recall the conversation in 1997, I think the same question was asked, how did you pick the 25,000, and on page 6 you have an array of evaluation ranges, and the count, I assume that's what you used or something very similar to that, in 1997, and found that about 63% would fall below the 25,000, so I think the conversation -- were you around then? -- was somewhere in the middle? 50, above, 50 below?

Cary Pinard, Planning Bureau: Cary pinard, planning bureau. Yes, that was part of the consideration, how many permits would be subject to this and what would be the right percentage. The other thing we looked at was the balance of the amount where the -- at the low end, the money

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that you would spend on nonconforming upgrades would start to do you some good, and we raised it from 10,000 where 10% of that would be a thousand dollars, up to \$1,000, if you barely met the low end of threshold, and it was considered that \$1,000 didn't go far enough to really start getting you along the line of where we wanted to go. So the changes were made to 25,000, also looking at what do you get for the 10%. As well as how many permits would be impacted.

Katz: Are you going to keep -- are you going to keep track of the permits again to know what impact this will have?

Pinard: We are going to try to do a better job than we have, and be able to get a little better and more focused information than we actually have now. But let me double-check that with members of --

Brad Carter: The mayor mentioned this table that's in the document, and how this relates to the actual permits. The table and the document are actually the overall commercial permits for last year that went through b.d.s., and these are just for the submitted permits, these aren't even the final permits. And so when you're looking at -- like commissioner Francesconi asked were the -- how this would affect bicycle parking or how would it affect internal circulation for pedestrians, this really functions as a proxy because we don't have -- we're not tracking that stuff at a level now where we can pull those types of numbers out of tracts. Basically because the nonpermitting -- the nonconforming upgrades are tied to some other project or permit that starts the ball rolling, sometimes that gets flagged, even though it occurs, sometimes it does not, but what you can pretty much take from these numbers is that a subset of these had not conforming upgrades tied to them. So we wanted to give people an idea of 63% right now we're below the current threshold, of that 63, that doesn't mean all of those permits were nonconforming, some of those were, some weren't.

Katz: I neglected to ask -- you don't want to come up? Ok. You're sure? Ok. Questions?

Francesconi: What happens in this two years to kind of get at a more -- a more solid number? And also, a kind of blanket here, you might want to do something differently. Group Mackenzie suggested a difference between interior and exterior, at least for bike packing -- parking. It's a little more sophisticated approach than just kind of picking something like we have. Is there going to be a work product that we can look at this? -- look at this? It not for me to create your work product, but I think --

*****: Betsy Ames --

Francesconi: This works like -- I think one -- I think Robin White, at least in her written testimony said that by raising the threshold it acts like a moratorium. You've raised it, and so something should happen in the meantime to kind of -- with a little more precision --

Katz: What's the question?

*****: What --

Francesconi: What are you going to do in the meantime, so when we come back in two years we have a better grounding to make decisions?

Betsy Ames: Betsy Ames, Bureau of Planning. We -- in the process to develop the top 10 list last year and the regulatory improvement work plan, the menu idea and the threshold were both raised as issues. And we wanted to get this package to you as quickly as possible because we heard the threshold was a significant barrier. So we decided to take the threshold forward first and hear what people had to say about other aspects. At the planning commission they heard a number of suggestions you heard tonight about banking credits, about treating interior and exterior improvements differently, about the menu approach, or tiering of the different requirements. And they also heard some concerns about how this relates to other requirements such as the street tree requirements that also have to be met, sidewalk improvements, storm water requirements, s.d.c.'s, all the things that add up to -- have quite additional costs on someone coming in to do improvements to the property. They are recommending that the council direct us to do a much

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more comprehensive look than just looking at the menu, and that we dedicate staff and funding to do that over the next two years. That is something that we have in our budget as an add package, as additional staff for the regulatory improvement work plan. Both for the main piece as well as a second tier package to recognize something like this has a much larger project would involve a lot of different bureaus, and it would be something that we could definitely work on in the coming year or two. And get to more precise figures working with b.d.s. On what the permits are, and what has actually been required of some of those, get -- work with the business community and small business community to get some additional information about how this has impacted them, and do additional outreach. So we can do that if you so direct us to do so.

Francesconi: Well, we need -- we need some check-back in two years to see how this is working. Whether we call that a sunset or not, it doesn't have to be a sunset. The only other thing is, I -- maybe i'm being parochial because i'm the parks commissioner, but I do remember how much deterioration there is in the urban forest, and this was a -- i'd like to have some idea as to, is this a 10% reduction, 20% reduction? I'd like to have some idea so that we can make that trade-off that we have to make. But now I have no idea what it is.

Ames: And it's very hard to know on some of these, because it's what hasn't -- the development that hasn't happened that might happen in the future -- i'm having --

Katz: I'm having a difficult time explaining it, but part of what we've heard is development hasn't occurred because we --

Ames: Because we have the \$25,000 threshold, so that's development that now if it occurs, maybe we won't be getting some of those improvements, but we wouldn't have gotten them before either. So it's hard to tell.

Katz: All right. I'll leave my comment.

Saltzman: Just a couple questions. The menu idea, are we just saying it's -- we don't want to deal with that now? I guess part of what i'm a little concerned is that we -- maybe we've tackled -- we've sort of approached this regulatory reform with a pretty ambitious energy behind this effort, and are we stopping short, and sort of picking off one and putting an automatic sunset in it, and then saying we're going to look at all these others, when in reality we probably won't and we'll be back to where we were two years from now with an automatic sunset? And I guess I do want to raise the question of, do we want an automatic sunset or do we want to make a commitment to revisit this in two years, but keep the the \$100,000 threshold in place. Are we stopping too short and are we going to lose a lot of the wind in our sails of regulatory reform in the intervening two years because frankly I sense there's a lot of dislike of this effort by the planning commission, and they're not going to necessarily embrace this further efforts.

Sam Adams, Mayor's Office: Sam adams, mayor's office. From the beginning I know you've been very concerned that this effort would bag down -- bog done for one reason or another. We are indeed delivering on the work plan that you approved that we set forth a number of months ago. The fact that this comes up absent the discussion of some of the other policy items is really a result of the fact that we only have a certain amount of staff to devote to regulatory reform last year. Remember we came up in the middle of the year, the budgets had already been set, so basically all the regulatory reform efforts, all the product you're seeing is being done from existing staff, summary prioritization. We have the opportunity in this next budget process to reprioritize more deliberately, because the mayor will be proposing a budget and you'll be approving it. You also have the opportunity to add resources as betsy mentioned, to the project. Planning commission, I met with the chair of the planning commission this week, and I felt very reassured that they understand that regulatory reform has to be a greater portion of their agenda on the planning commission just as it has to be a greater percentage of our efforts on -- as staff and your efforts as city council members. So all I can do is reassure you by noting that we have made a certain amount

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of progress thus far that we said we were going to make, by talking to key individuals, you know, that are part of the process, and I think that would it have been better to have all the policy issues and all the questions answered on this thresholds and triggers. This is the best we can do in the time and resources that we have. And it is -- it was when we did 14 focus groups and talked to over 500 people, the thresholds and triggers was the number 1 issue from businesses out in the community that they needed to help, and you told us to prioritize, help for small businesses, and we're trying to deliver that.

Saltzman: Ok. I appreciate that response. The question I think becomes for us, if we want to consider this, the deadline. The automatic sunset. The automatic sunset implies you can simply run out the clock on this thing and it's going to go back to the way it was, or almost to the way it was, or you can say we're going to do it and the council commits to revisiting it in this two-year period.

Katz: We have an amendment. To answer that question.

Leonard: Would you like me to make the motion?

Katz: Go ahead. You can do both.

Leonard: Well, I appreciated the testimony. I particularly want to point out again how much I appreciate the work sam and the bureau of planning have done, b.d.s., on doing this regulatory reform. It is vital to our community. And I think we have to strive to find a balance in our community. We can't make Portland the city Portland is without people paying taxes. And it's a -- that's where the rub comes. From neighborhoods and businesses. We have to get to that place where businesses can thrive and survive and also not just that, but we remain competitive with the communities around us. Clackamas county, Washington county, that's very important. Not just that businesses can survive, but that they don't choose to pick up and move to another locale that doesn't have the costs we do. It's a tough balance. No that end -- to that end, I want to move we eliminate the automatic roll-back requirement on the threshold from 100,000 to \$35,000 after two years, and that the council review the threshold level two years from now.

Francesconi: I'll second that.

Katz: I'm assuming that will encompass some of the issues that commissioner Saltzman raised, that a lot of these issues, there will be some time to look at a lot of these issues and come back to us with further recommendations.

Adams: I think that's a very --

Katz: Is that a correct assumption?

Adams: Yes. I think it's a useful amendment because it keeps us accountable, which is implicit in your concerns, commissioner Saltzman, that to your -- two years from now we better have some answers and information for you.

Katz: Ok. Any objections to the motion?

Sten: I'm not going to support that.

Katz: Please note on the record -- let's take a vote, then.

Francesconi: What I liked, wasn't going to second until I heard the end of your motion, which is we're going to review this in two years. Part of the motion, the presumption does change, but I do want an automatic review in two years. Because the one i'm most concerned about is the urban forestry question. But as long as we have that automatic review, i'm fine with this. Aye.

Katz: This is just the amendment.

Francesconi: Aye.

Katz: We're not voting on it today.

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

Sten: I guess this is going to be a fairly soft no, but here's why. As I read the planning commission argument, it said that it would -- I didn't want to make a big debate about it, but what it said was it would go down unless action was taken to restructure the thing. This is exactly the right move to

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make, given the responsiveness we need on the business community issues, some of the recession issues, but I think it's fairly poorly thought out. I don't mean any offense on that, I think there's a whole wide range of issues that are going to fall by the wayside that Audubon mentioned, that the bike parking advocates mentioned that don't have to fall by the wayside if we thought of a more comprehensive approach. A review with no consequences if things aren't thought through is not a review, it's the opposite after rollback, it just means it's going to keep it this way. So I like the planning commission forcing new ideas to come about, because it falls back unless with come up with a better strategy. So I like their strategy better than one, though I'm really close on this and I think we're not that far apart. No.

Katz: Aye. Thank you. And I assume, I'm going to make the assumption and speak at least for the bureau right now, that all your concerns, Commissioner Sten, that you justified, will be hopefully will be addressed. That is a budget issue, and we haven't really gone into the budget deeply to see what we need to prioritize or if there's an add package and where, and we'll be doing that work in the next few weeks. All right. Further questions? All right. Ladies and gentlemen, this passes on to second, and we'll vote on it next week. We stand adjourned until 2:00 tomorrow. [gavel pounded]

At 7:24 p.m., Council recessed.

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2:00 PM

[roll call]

Item No. 262.

Leonard: The mayor is excused. We have findings that are submitted. I actually had before we voted, after the hearing last time, I just kind of made a point to look at where cell towers are located, and i've observed that there are some areas where i'd seen as many as three towers within a very close proximity of each other. If there has been -- I guess my question is, has there been any effort to consolidate different companies' cells on one tower, has the city addressed that? It seems to me with that kind of rampant growth, we could have this ugly -- [technical difficulties] -- of towers for different companies located within two or three blocks of each other. And I hope you know what i'm talking about, because i've seen a number of examples of it.

Mark Walhood, Bureau of Development Services: Yeah, it kind of depends -- mark walhood, bureau of development services. It depends if it's in an industrial zone, and depending on when they were constructed, particularly towers constructed prior to 1997, city regulations were a little bit different. We became more restrictive after that in terms of constructing towers.

Leonard: I'm thinking east burnside at about 95th, right about where -- on the east side of 205, literally bordering it.

Walhood: I think that's probably happened because the carriers have -- because of antenna separation requirements, the carriers have either held the additional space on the tower that's next to the other one for their own future expansion, or because the technology would interfere with the existing antennas --

Leonard: I guess my question is, have we focused on trying to merge those sites where possible?

Walhood: Not that i'm aware of.

Leonard: I'd sure like to talk to somebody from your office about that, if we could have a chance to do that, i'd appreciate it. Ok. So you have findings?

Walhood: Yeah. Again, mark walhood, bureau of development services. Everyone was sent of what i'm going to call option a findings at about 4:30 yesterday afternoon, thanks to the work of frank hudson, we did -- you all have copies of a firm recommendation from the city forester recommending 15 trees with specific spacing requirements. Also giving you a one-pager that identifies the changes. I have had the revised findings, you have a new document that says as revised, 3-20-03 at the top. These have been reviewed by the city attorney, also accepted by qwest, the attorney for qwest, and louise cody in the neighborhood. The condition would now require the applicant plant trees per the forester's recommendation, and we have attached his memo as an exhibit.

Leonard: Ok. Do we need a motion to accept?

Saltzman: So moved.

Francesconi: Second.

Leonard: Moved and seconded. Roll call.

Moore: I should read the item into the record.

Francesconi: Aye.

Leonard: I have a concern, a broader concern than this that the city attempt to develop some rules with respect to the placement of these, and i'm concerned we might not have adequate rules. But to this specific finding, I will vote no.

Saltzman: I want to thank the forester and mr. Hudson and mark for getting this new tree planting configuration for the cell tower. Aye.

Sten: Aye.

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Leonard: We need to -- do we need to do anything else? Thank you very much. We stand adjourned. [gavel pounded]

At 2:14 p.m., Council adjourned.