



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

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

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

Commissioner Leonard and Saltzman arrived at 9:33 a.m.
Commissioner Leonard left at 10:23 a.m. and returned at 10:27 a.m.
Commissioner Saltzman left at 10:38 a.m. and returned at 10:48 a.m.
Commissioner Leonard left at 11:49 a.m. and returned at 11:55 a.m.
Commissioner Saltzman left at 12:27 p.m. and returned at 12:34 p.m.

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

At 12:45 p.m., Officer Curtis Chinn replaced Officer Frome, as Sergeant at Arms.

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

COMMUNICATIONS		Disposition:
773	Request of Annalisa Bandalera to address Council regarding Portland Peace Encampment (Communication)	PLACED ON FILE
774	Request of Todd J. Kurylowicz to address Council regarding issues with the Mayor and Council (Communication)	PLACED ON FILE
775	Request of Glenn Warren to address Council regarding Portland Peace Encampment (Communication)	PLACED ON FILE
776	Request of Leonard Alexander to address Council regarding Portland Peace Encampment (Communication)	PLACED ON FILE
777	Request of Andrew Seaton to address Council regarding Portland Peace Encampment (Communication)	PLACED ON FILE

TIME CERTAINS		
778	TIME CERTAIN: 9:30 AM – Adopt the recommendations in the Foster Transportation and Streetscape Plan (Resolution introduced by Commissioner Francesconi) (Y-5)	36158
779	TIME CERTAIN: 10:30 AM – Accept report on the Police bureau community assessment survey (Report introduced by Mayor Katz) Motion to accept the Report: Moved by Commissioner Leonard and seconded by Commissioner Saltzman. (Y-5)	ACCEPTED
780	TIME CERTAIN: 11:00 AM - Appeals of Irwin and Lili Mandel and Downtown Community Association against the Noise Review Board decision to grant a noise variance to Global Events for Rose City Thunder's 100th Anniversary Harley-Davidson Festival on August 16 and 17, 2003 (Hearing introduced by Auditor Blackmer) (Y-5)	APPEAL DENIED
CONSENT AGENDA – NO DISCUSSION		
781	Accept bid of Triad Mechanical Inc., for the Montana pump station upgrade project for the lump sum amount of \$827,791 (Purchasing Report - Bid No. 102231) (Y-5)	ACCEPTED PREPARE CONTRACT
Mayor Vera Katz		
*782	Create a new classification of Senior Laboratory Analyst and establish an interim compensation rate for this classification (Ordinance) (Y-5)	177674
*783	Create a new Nonrepresented classification of Treasury Analyst and establish a compensation rate for this classification (Ordinance) (Y-5)	177675
*784	Amend petty cash and change accounts (Ordinance; amend code Section 5.52.010 and repeal 5.52.060) (Y-5)	177676
Commissioner Jim Francesconi		

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<p>*785 Amend agreement with Portland Streetcar, Inc. for services related to the operations and maintenance of the Portland Streetcar system (Ordinance; amend Contract No. 33325) (Y-5)</p>	<p>177677</p>
<p>*786 Designate and assign certain City-owned park property as public street right-of-way for the SE McLoughlin Boulevard, Bybee Boulevard, Bridge Replacement Project (Ordinance) (Y-5)</p>	<p>177678</p>
<p>*787 Issue a Revocable Permit to Qwest Corporation to construct, operate and maintain a telephone pole and phone lines on park property at Portland International Raceway (Ordinance) (Y-5)</p>	<p>177679</p>
<p>*788 Amend contract with Cumpston Bros., Inc. for concession services at Eastmoreland Golf Course (Ordinance; amend Contract No. 51127) (Y-5)</p>	<p>177680</p>
<p>Commissioner Dan Saltzman</p>	
<p>789 Consent to the merger of Borgens Disposal Service and Portland Disposal & Recycling, Inc. residential solid waste and recycling collection franchises (Ordinance)</p>	<p>PASSED TO SECOND READING JULY 16, 2003 AT 9:30 AM</p>
<p>*790 Authorize a grant to Reach Community Development, Inc. for installation of rainwater harvesting system for toilet flushing and other green building features at Station Place located at NW Ninth Avenue and Lovejoy Street in the amount of \$70,000 (Ordinance) (Y-5)</p>	<p>177681</p>
<p>Commissioner Erik Sten</p>	
<p>*791 Authorize Intergovernmental Agreement with Cobb County, Georgia for the sale of Fire Information Service System software (Ordinance) (Y-5)</p>	<p>177682</p>
<p>*792 Authorize agreement with Peninsula Community Development Corporation for \$60,000 to support the development of affordable housing projects and provide for payment (Ordinance) (Y-5)</p>	<p>177683</p>
<p>*793 Amend agreement with the Community Energy Project by \$3,033 to purchase additional lead poisoning prevention kits and provide for payment (Ordinance; amend Contract No. 34324) (Y-5)</p>	<p>177684</p>

REGULAR AGENDA	
Mayor Vera Katz	
<p>*794 Accept a \$234,902 grant from Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms for the Gang Resistance Education and Training program (Ordinance)</p> <p>(Y-5)</p>	177685
<p>*795 Authorize contract with Aon Consulting to provide benefit consulting and insurance broker of record services for the period February 1, 2003 through January 30, 2008 (Ordinance)</p>	CONTINUED TO JULY 23, 2003 AT 9:30 AM
<p>*796 Approve settlement between Qwest and City of Portland Integrated Regional Network Enterprise (Ordinance)</p> <p>(Y-5)</p>	177686
Commissioner Jim Francesconi	
<p>*797 Amend agreement with Portland Streetcar, Inc. to provide services related to general contractor selection and other matters for the Portland Streetcar Project (Ordinance; amend Contract No. 31428)</p> <p>Motion to change the date in findings number 6 and 7 to July 23, 2003: Moved by Commissioner Leonard and seconded by Commissioner Sten.</p> <p>(Y-5)</p>	177687 AS AMENDED
City Auditor Gary Blackmer	
<p>S-*798 Modify selection and appointment process for the Citizen Review Committee (Previous Agenda 771; amend Code Sections 3.21.080 and 3.21.090)</p> <p>Motion to bring in the Substitute Ordinance: Gaveled down by Mayor Katz after no objections.</p> <p>Motion to delete the word "established" from exhibit one, paragraph three: Moved by Commissioner Saltzman and gaveled down by Mayor Katz after no objections.</p> <p>(Y-5)</p>	SUBSTITUTE 177688 AS AMENDED

At 1:53 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **9TH DAY OF JULY, 2003** AT 2:30 P.M.

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

Commissioner Saltzman arrived at 2:41 p.m.

Council recessed at 2:55 p.m.

Council reconvened at 3:06 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>*799 TIME CERTAIN: 2:00 PM - Amend Title 33 to allow the City to use the most current Federal Emergency Management Agency flood maps (Ordinance introduced by Mayor Katz; amend Title 33) (Y-5)</p>	<p align="center">Disposition: 177689</p>
<p>800 TIME CERTAIN: 3:00 PM – Consider the Land Use Board of Appeals remand of the application by Portland Bureau of Water Works for the Powell Butte Conditional Use Master Plan to address the cumulative environmental impacts at 16198 and 15800 SE Powell Boulevard (Hearing; LUR 00-00414 CU MS EN EV AD)</p> <p>Motion to adopt the revised findings and approve the Master Plan as originally approved by the City Council in October 2002: Moved by Commissioner Saltzman and seconded by Commissioner Sten. (Y-5)</p>	<p align="center">FINDINGS ADOPTED</p>
<p>S-801 TIME CERTAIN: 3:30 PM – Amend Title 33, Planning and Zoning to update and improve City building and land use regulations and procedures that hinder desirable development (Ordinance introduced Mayor Katz; amend Title 33)</p> <p>Motion to accept the Planning Commission's recommendation: Moved by Commissioner Sten and seconded by Commissioner Francesconi. (Y-4; N-1, Leonard)</p> <p>Motion to accept the technical amendments to clarify the review procedure and criteria for design review and design situations adopted two weeks ago and clarify that standalone, substandard lots in the r-7 through r-10 zones are still buildable: Seconded by Commissioner Leonard and gavelled down by Mayor Katz after no objections.</p> <p>Continued to July 10, 2003 at 2:00 p.m., As Amended</p>	<p align="center">SUBSTITUTE PASSED TO SECOND READING AS AMENDED JULY 16, 2003 AT 9:30 AM</p>

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

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **10TH DAY OF JULY, 2003** AT 2:00 P.M.

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

Commissioner Sten arrived at 2:03 p.m.
Commissioner Leonard arrived at 2:04 p.m.
Commissioner Francesconi arrived at 2:05 p.m.

Council recessed at 5:43 p.m.
Council reconvened at 5:59 p.m.

Commissioner Leonard arrived at 6:02 p.m.
Commissioner Francesconi arrived at 6:04 p.m.

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

	Disposition:
<p>S-801 TIME CERTAIN: 3:30 PM – Amend Title 33, Planning and Zoning to update and improve City building and land use regulations and procedures that hinder desirable development (Ordinance introduced Mayor Katz; amend Title 33)</p> <p>Motion to accept the Substitute Ordinance with technical amendments dated July 7, 2003: Moved by Commissioner Saltzman and gaveled down by Mayor Katz after no objections.</p>	<p>SUBSTITUTE PASSED TO SECOND READING AS AMENDED JULY 16, 2003 AT 9:30 AM</p>
<p>802 TIME CERTAIN: 2:00 PM – Accept South Waterfront Central District Project Development Agreement and direct implementation (Resolution introduced by Mayor Katz)</p> <p>Motion to accept amendments that Section 9.17.3 (<u>Additional Housing Units</u>) will include: If NMI develops more residential units in the Project Area, or on newly acquired land, than set forth in Sections 2.2, 2.3 and 2.4, then 36% of the Additional Residential Units shall be affordable Apartments and at least 20% of these additional Affordable Apartments shall be affordable to households with incomes below 30% MFI; and that Section 9.11.4 (Other Regulations) will include: NMI will make a good faith effort to select contractors who pay the Bureau of Labor and Industries published Prevailing Wage rates unless paying a prevailing wage puts NMI at a competitive disadvantage as reasonably determined by NMI: Moved by Commissioner Leonard and Sten and seconded by Commissioner Francesconi.</p>	<p>CONTINUED TO JULY 31, 2003 AT 2:00 PM AS AMENDED</p>

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803 TIME CERTAIN: 3:30 PM – Adopt the Northwest District Plan (Previous Agenda 605; introduced by Mayor Katz) Motion to accept amendment to do the map amendment so that Dove Lewis Animal Hospital properties will be in the 4to 1 Floor Area Ratio Zone: Moved by Commissioner Saltzman and seconded by Commissioner Sten.	CONTINUED TO AUGUST 27, 2003 AT 2:00 PM AS AMENDED
804 Adopt the Northwest District Plan Urban Design Concept and Action Charts (Previous Agenda 606; introduced by Mayor Katz)	CONTINUED TO AUGUST 27, 2003 AT 2:00 PM
805 Amend Property Tax Exemption for New Transit Supportive Residential and Mixed Use Development (Previous Agenda 607; introduced by Mayor Katz; amend City Code 3.103)	CONTINUED TO AUGUST 27, 2003 AT 2:00 PM

At 7:30 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.

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Items 773-777.

Katz: 773. Ok, 774.

Katz: 775.

Katz: 776.

Katz: 777. Good morning, why don't you come up.

Andrew Seaton: Good morning. Sorry some of our members have not yet returned from the rainbow gathering. So we're a little short here this morning.

Katz: That's all right. It's not that we haven't heard from them before, and we have a full agenda. Glad you're here, but we're going to move on.

Seaton: All right. Thank you. Good morning, my name is andy seaton, i'm with the Portland peace encampment. Unfortunately the format you've set up for the communications period does not usually allow for discussion. That is unfortunate. For our experience at peace camp has shown any conflict can be resolved through peaceful dialogue. We have attempted to meet with you, mayor, you, commissioner Francesconi, and you, commissioner Sten, but we have been shut off to minor aides whose job it seems to be to listen and say no. At best -- we're not the only organization that -- working with and for the homeless, such as street roots have also been shut out of meetings with you. You were all elected to serve a represent -- to represent and serve all people of Portland, not just the business community that funds your elections. The Portland peace encampment began and continues to demonstrate for peace. And if -- if as the president stated last friday, our nation is still at war, but over the months the Portland police began to enforce the same city ordinances against us that they use to in commissioner Sten's words, roust the homeless. We have also focused on peace - - so we have also had to focus on peace issues at home. We've been declared an illegal campsite under the public camping ordinance that has been found by the courts to be unconstitutional. We've had our signs, literature, art work, chairs, umbrella, blankets, sleeping bags, the list is endless, confiscated under the obstruction of nuisance ordinance in violation of the city's own guidelines for enforcing that ordinance. The police have even threatened to cite us for littering simply for having protest signs. On any given night, many of the people at the Portland peace encampment are homeless. We are proud to provide this -- a safe environment, food, and what unconfiscated shelter we can for these people. Yet as a Portlander, I am ashamed that the city refuses to provide shelters and more importantly low-income housing and jobs to those in these hard economic times who need them most. On July 25, commissioner Sten spoke of the public camping ordinance saying the issue of changing law is a much bigger conversation that is going to continue to rage as it has for 20 years. It certainly need not take a 10-year plan to address these issues. We truly wish to be part of the conversation and reach an understanding with you, our representatives. If we can, we'll take the cause to the courts and as needed, the streets. Human dignity is truly not a bottom line dollar and cents issue, but if need be, we can make it one for both the city and the Portland business community. We as the Portland peace encampment and the many other organizations fighting for the homeless and human rights here and abroad request, no respectfully demand to be heard. Thank you.

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Katz: Thank you. Ok. Consent agenda? Any items to be removed off the consent agenda? Anybody in the audience wanting to discuss a consent agenda item? If not, roll call on consent agenda.

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

Katz: Mayor votes aye. [gavel pounded] all right. 778.

Item 778.

Katz: Commissioner Francesconi.

Francesconi: We have a presentation. Come on up. We've gone through the bureau has, with the citizens, a very -- another I believe very good process to ask citizens what they wanted for an important street that is an important boulevard, gateway to our whole city, but it's part of a neighborhood as well. They've come up with very good goals in terms of streetscape, pedestrian travel, vehicles, transit, and bicycle travel. It will be our job to come up with the resources to implement it. Go ahead.

Bill Hoffman, Office of Transportation: Thank you, mayor, members of city council, i'm bill hoffman with the office of transportation, and i'm here with lynn weigand, also from the office of transportation. We had the pleasure of working with community representatives, business representatives along foster road to come up with a multimodal transportation plan. The plan identifies and prioritizes improvements for pedestrians, bicycles, transit, buses, and vehicles. The presentation today is going to be essentially broken into two parts. Lynn's going to take you through a short power point presentation describing the project, and then a number of people who participated on our citizen's steering committee and other people from the community are going to testify on the project. Both lynn and I will be happy to answer questions certainly following the testimony.

Lynn Weigand, Office of Transportation: Good morning. As bill said, my name is lynn Weigand with the office of transportation. Foster today is really an important street in our city. The business district and the neighborhoods now are rebounding from some years of neglect and are really on the upswing. The foster target area program has been working in the area for the past five years through southeast uplift and the bureau of housing and community development. And through their work, the community identified foster as a priority for improvements. The foster target area, southeast uplift, and b.h.c.d. All supported the city's application for a transportation and growth management grant to develop a plan for foster's streetscape and transportation issues. With the grant, pdot undertook a one-year process to engage the community to identify and articulate the needs and goals for the street, and to develop a plan for the right of way that would make the street safer, make it better for businesses and the neighbors, and support revitalization and other efforts in those neighborhoods. The result is a plan that will revitalize foster for the future and enhance the community at the same time. The project area is covered foster road from 50th to 90th in the right of way, and our planning process was coordinated with other efforts, including the powell foster corridor study, Portland development commission, and the lents revitalization process, and tri-met streamlining project for their line 14 on hawthorne. As I mentioned, foster has a rich history in the city. In its early days it was a link to the Oregon trail, and it connected philip foster's farm to Portland. Foster also had a streetcar line, and storefront commercial areas that can still be seen today in the vestiges of some of those old buildings. Today foster cuts diagonally through our city's grid. It serves southeast Portland and points farther east, connecting city neighborhoods to both lents town center and areas like gresham, damascus, and happy valley. Foster is now a home to a variety of business types. We have everything from mom and pop operations, to regional destinations, large and small. And there have been some efforts to revitalize this business district by various groups. In addition, there's a growing sense of diversity on foster. The businesses serve several of the ethnic communities of our city, including spanish, asian, and russian communities.

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Through the planning process, we learned the neighbors on foster would really like to capitalize and build on this sense of community and connectedness that foster provides. In terms of the right of way within the project area, foster is a wide, auto oriented street. There are two vehicle travel lanes in each direction, and on-street parking on both sides of the street in most areas. Foster carries about 20,000 vehicles a day with an average speed between 35 and 38 miles an hour. Foster is also a major transit line served by tri-met's line 14 bus, with frequent service and high use. Some of the transit stops are in very good condition with shelters, while others are needing of repair and some attention. Our studies found that there are a lot of pedestrians on foster and that pedestrians' safety is really a prime concern. Crossings for pedestrians are difficult and unsafe, even at the marked crossings, and sometimes at the signalized intersection. We also found that the walking environment varies, and in some portions of foster have a fairly good pedestrian environment with adequate sidewalk width, but other parts have substandard and narrow sidewalks, obstacles, blank walls, parking lots, wide driveways and other things that make the walking environment inhospitable and unsafe. We also found some but not a lot of bike activity on foster. The few cyclists we did observe were generally riding on the sidewalk and we did find a few bike racks with limited use. Because of its diagonal nature -- the plan and the process that we used evolved from the community's desire to make foster a better place, both for the businesses and for the community. The planning process was designed to involve the community during each phase, and also included meetings with neighborhood and business groups, urban renewal committees, and individual business and property owners. Community workshops and open houses provided involvement opportunities during three phases of the project. First the goal-setting and inventory and analysis of the existing conditions, consideration of the alternatives for designs, and reviewing the preferred alternative and draft plan. The citizen advisory committee met monthly, since last july, to guide the project team and provide a liaison to the groups and interests that they represent. And i'd just like to take a moment to thank them for all their hard work and dedication over the past year. We also had a technical advisory committee that met several times, and provided the necessary coordination among the city bureaus and outside agencies. At the beginning of the project, the community and c.a.c. Established project goals. These were to make the street a pleasant, attractive and comfortable place to walk, to create a safe walking environment, provide a safe corridor for vehicle travel, improve transit service and access, and ensure appropriate bicycle access. From there, the community and the project team explored a range of alternatives to come up with a framework, or a concept plan for foster. I'd like do briefly take you through that concept plan. It creates three districts along foster. The first is what we call the gateway to foster, that's really where foster road begins as it diverge from powell and 50th. The second district in the mid-60's, is really the heart of the traditional commercial district. And the crossroads district is where 82nd and foster converge. There is a fourth district, although outside our formal project area, and that's lents town center. The districts are linked by three corridors and punctuated by focal points within each. This concept plan provided the framework for the details of the plan. The c.a.c. And the project team explored a range of tools and options to respond to the identified goals and problems for the street and came up with a set of recommendations for each district and corridor. What i'd like to do now is give you an example of how those details are applied in the districts and the corridors. This example shows the heart of foster and the recommended improvements to create a sense of place and support the continued business development of this area. The improvements, which are detailed in the plan document, include a concentration of pedestrian crossings, street trees and ornamental lighting, a furnishing zone treatment with permeable pavers and gateway and entry features. In this example, for the western corridor, the recommendations focus more on the safety and functionality of the street, creating links between the districts on either side. Here the recommendations include improvements to pedestrian crossings, a focal point with streetscape amenities and improved bike

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crossings at 56th, and street trees. With the heart of the principal is really the plan elements that address the project goals. So i'd like to briefly summarize what those are. To create a safer walking environment, the plan recommends a series of curb extension and refuge islands. The curb extensions shorten the pedestrian crossing distance and help make pedestrians more visible. In some cases, they're also coordinated and paired with the transit stops. The refuge islands create more crossing opportunities by allowing pedestrians to cross one direction of vehicle travel at a time, and provide a safe place to wait to cross the other direction of vehicle travel. At the outset of the project, we heard a lot about the problems with the crossing at 78th that was often disregarded by drivers running the red light. To improve the visibility of the crossing, the plan proposes larger signaling heads and back boards, along with the curb extension to shorten the crossing distance and allow drivers to better see the waiting pedestrians and children. To make vehicle travel safer, the plan recommends making changes to signal progression to maintain traffic flow and the appropriate speed for the street, and to realign some of the angled intersections for improved clarity and safety. The improvements in the plan also maintain truck mobility and access through the corridor, important for commerce in southeast Portland. In addition, the plan recommends maintaining on-street parking with its current configuration in almost all cases, with the exception of some transit stops where we need to get the bus right to the curb for boardings and deboardings. To improve transit service and access, the planning process was closely coordinated with tri-met's process to streamline their bus route 14, which runs along foster. And the improvements here include a balance of transit curb extensions and bus zones to allow the bus to access the curb, and some stop relocations and consolidations where appropriate, as well as new shelters and signs and new schedules at all of the stops. To ensure appropriate bicycle access, the plan recommends improvements to the bike route crossings, including new bike buttons and new bike racks along foster. It also recommends a new bike way from 72nd to 87th, using raymond and lebe street and 87th to provide better bike access in the eastern portion of the project area. The plan contains several proposals to create a better place to walk along foster.

Katz: Excuse me. What are bike buttons?

Weigand: They're the little buttons right at the edge of the curb so the bicycles don't have to push the pedestrian signal. So they can stay on the bike and --

Katz: Got you.

Saltzman: I've never seen that.

Weigand: Some of the improvements to create a better place to walk include a furnishing zone treatment, and that will help create district identity and the three -- in the three identified districts, delineate the space available for street furniture and help meet storm water management goals with pavers. Other improvements recommended for foster include street trees to provide shade, identity, visual narrowing of the street and storm water management, ornamental lighting to enhance pedestrian safety, and identify the district areas, and gateway features to mark the district entries. The community also expressed an interest in seeing public art incorporated at a variety of levels on foster, both public and private to reflect the history and culture of the street and the adjacent neighborhoods. The estimated cost to build all of the improvements recommended in the plan is approximately \$3.8 million. While funding has not yet been identified, the plan summarizes some of the potential funding sources along with a phasing plan, should funding become available incrementally. In addition, the planning includes recommendations for actions buys other -- by other city bureaus and outside agencies to maximize the benefits of the improvements. In conclusion, this plan provides a road map for improvements to foster that will enhance the business and community environment and continue the road to revitalization for this area. The community has been supportive of the planning process and recommendations and would like to see the plan

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implemented as part of their efforts to enhance southeast Portland. Thank you, and we would be happy to answer questions now or after the public testimony.

Katz: I have a question. It's a pretty long stretch, 50th to 90th. It's like what we tried to take on m.l.k. What we found is that working at nodes, where there is already the beginning of a critical mass of activity on the street, either -- whether it's housing or businesses with storefronts, neighborhood businesses, primarily, if we start working there, then you begin to have a ripple effect on other blocks. Is that what you're thinking? So if you had the total project, almost \$4 million, if you had the first million, would you know where to start to begin to create that critical mass?

Hoffman: Yeah, and actually to give a lot of credit to the community, when we went through the planning process, the community identified those nodes, and it came fairly easily and quickly. And probably the most prominent is where they identified the heart of foster. And that would -- that's where you have the existing storefront commercial, you have really a bit of the historic infrastructure still in the street, and that's probably the first place where we would invest.

Katz: Foster is a main -- is considered a main street.

Hoffman: Yes.

Katz: Ok.

Hoffman: So the plan is organized with that kind of focus. It has three focus areas, one is probably more dominant than the other two, and links between those focus areas. And actually the investment is appropriate, so in those central core areas, there's more heavier investment, and as it links between, there's less.

Katz: Ok. That's what I was hoping that the answer would be, because otherwise you don't see the impact. And sometimes, as I said, it does have a ripple effect.

Hoffman: I think inherent in the plan was the idea of concentrating the impact just for that reason.

Katz: All right. Ok. Good. Let's open it up for public testimony. Is there a committee?

*****: Yes, there is.

Katz: Why don't we have the members, I don't want to limit their time necessarily.

Katz: Are you all on the committee?

*****: Yes.

Katz: Oh, good. All right. You normally have three minutes, but we're going to give you maybe a little bit more if you need.

*****: I think i'll be brief.

Katz: Ok, since you worked a year on this. Ideal don't you grab the mike and identify yourself.

Steve Witter, 3800 SE 65th Ave., 97206: Good morning, my name is steven witter. I live on 65th avenue. I'm a native citizen of Portland, and a resident of the foster powell neighborhood. I am the foster powell neighborhood association land use and transportation chair for the year 2003, and the foster powell neighborhood association strongly supports city council adoption of this streetscape plan. We also encourage the city and the department of transportation to seek funding for its implementation. I began working in my neighborhood as a volunteer with the foster target area program. From the beginning I got involved just as a member of a focus group. I then worked as a volunteer on many projects, and eventually became the chair of the foster target area program from 2000 to 2003.

Katz: See what happens?

Witter: Yeah. You have to be careful what you start. I think the history of foster is very interesting. In the technical appendix it describes in a little further detail, but it's really Portland's first street. It's the north fork of the Oregon trail. And it was the connection between philip foster's farm and the city of Portland. Philip foster was actually married to francis pettygrove's sister, so there's been a long sort of history of foster road in the city. Foster's always been an important road,

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and will continue to act as one as the future -- in the future as urban growth boundary expands. Foster this day provides a terrific link from inner southeast Portland and the Hawthorne district across what I call central southeast Portland, eventually connecting to the Leif town center and the I-5 light rail project that's being planned for the future. The inner Foster road shares the boundary of three neighborhoods, and at this time is an underdeveloped commercial area, but I feel the streetscape plan will really provide the catalyst for future development. As I see it, transportation planning is land use planning. And the Foster streetscape plan reinforces the land use goals that exist in my neighborhood to strengthen pedestrian safety, and pedestrian oriented commercial district, providing access to transit and balancing the commercial viability of the existing and future businesses. I think Foster has a great role to play in the 2040 regional planning as we look at growth. Foster has the potential to play the role and development into a real mixed use main street.

Prepared to handle future development and residential densities. The plan approaches the notion of place making, looking to reinforce and invigorate existing land use patterns, such as the nodes you just spoke of. It creates special focus points and corridors which act to break down the scale of the long inner Foster road, and bring it into more neighborhood scaled districts. I know my neighbors and I are really excited about the pedestrian and accessibility improvements that will be part of this project. And the plan has some exciting details, improving the pedestrian character and playing an environmental role in the street. We're particularly excited about the sidewalk improvements that address the management of storm water, and the potential sites for public spaces. In addition, we're also excited about street trees, street furnishings and landscape improvements along Foster to make it a more pedestrian-scaled environment. I want to let you know that I felt great about the process, and that I wish -- I did want to bring a couple criticisms to that process. I wish that there was a little bit more room for creativity when it comes to the variety of city standards, such as street lighting, and street furnishings, and I understand standards are standards, but I wish that we could have some flexibility so that we can create an identity of our own. I also have to say I'm a little bit disappointed with the response from the parks department to some of the creative ideas that the citizen advisory group and the project team had developed in terms of public spaces. But I think that we'll be able to work with that during the implementation phase. In closing, I'd really like to thank all the members that helped make this possible. Thanks for starting the project, the office of neighborhood development, Southeast Uplift for their staff and participation, and especially ODOT and the PDOT project staff that helped us throughout this last year. Thank you.

Francesconi: Say a little more about the parks issue, the public spaces.

Katz: And as well with street furniture.

Witter: Well, it seemed that -- the street furnishings, the light --

Katz: Respond to commissioner Francesconi's question first.

Witter: Parks department, we came up with some -- there are a couple of large parks, Laurelwood park that is at the intersection of Holgate and Foster, and that's really become kind of a community gathering space for us. We hold our seasonal events there, we have a harvest festival, and chess during the summer for kids and things like that. And our design team proposed some hard escape improvements, and the response -- through the process we got technical advice from the various bureaus, and it appeared to us that parks did not embrace the notion of creating hard escape in this park, and really their response in terms of a design sketch really just reiterated what was there already. And so I felt as a citizens group, we came up with some notion that's we wanted to take further, and --

Francesconi: How much hard escape are you talking about?

Witter: I'd have to say 25%. We tried to make a plaza in the park. I understand these are sort of gestures in a plan, but felt that it didn't really go very far.

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Francesconi: I had never heard this before. Parks is a little gun shy when it comes to taking green space and translating it -- you should read some of the emails i'm getting on waterfront park, which is 15 years from now, or 10 to 15 years away. Having said that, you know, we're working with some citizens in a different part of southeast to let them build the whole park and maintain it. And so with different standards. Some uniform standards. I guess what i'm trying to say is, there may be some room for flexibility, so we'll talk more about this.

Witter: And again, I know this is not a parks project, and they were just weighing in on our conceptual ideas about this project.

Francesconi: Parks and streets go together really well, especially landscape, pedestrian friendly streets. They should connect, so they should be related.

Witter: In terms of city standards like street lighting, I think as the city has grown and different areas have developed, you do see different street lighting treatments. The terwilliger greenway has a different street lighting treatment. The downtown with the twin ornamentals has its own street lighting treatment. I think there's a notion that a different street lighting treatment could happen along foster to help it reinforce its own identity within the city.

Francesconi: There the issue may be money. That's very expensive. I don't know if that's the issue, but that may be the issue. And that's a big issue.

Witter: I know maintenance --

Francesconi: Unlike the other issue we just talked about.

Witter: Thank you.

Katz: Thank you. Go ahead.

Tracy Hergert, 1530 NE Cleveland Ave., #205, Gresham 97030: My name is tracy hergert, and I am from 1530 northeast cleveland avenue in gresham. I used to live along foster, I represent marysville grade school. I'm a parent, a concerned citizen, and a pedestrian from down there. And my biggest concern was down at 78th and foster. A lot of times I would walk my daughter to school, and people would run the pedestrian light that's located down there. And it was very dangerous, a lot of kids would walk across foster without parents. So it became a concern of mine to try to see some improvements done to that pedestrian walk. Even with the crossing guards there, people would still run red lights, and it just became very dangerous. There's also the cerebral palsy building about a half block away, so there's a lot of handicap usage to the bus stops, and a lot of elderly housing that's located in the neighborhood around foster at that area. So I see a lot of pedestrians, a lot of transit use, and that particular pedestrian walk is not very noticeable. And this project would help make that more visible to traffic and make it a lot safer for children and the handicapped and elderly, and just everybody in general. So that's pretty much what I needed to say.

Katz: Thank you. So why did you move to gresham?

Hergert: It involved a divorce. And my father's located out there.

Stephanie Rococho, 539 SE Foster Rd., 97206: My name is stephanie, i'm a property owner and business owner on foster road. I'm also -- I also was the language facilitator dealing with the russian and ukrainian speaking businesses on foster. And member of the citizen advisory committee. Since 1990, I have lived in finer Portland neighborhoods, east moreland, as a property owner on foster, foster road has become my new neighborhood. And plainly said, it needs improvement. Living and doing business on foster throws me back to chicago in the 1960's, with its unsafe crossings, bargain canal lees, dirty bus stops, lack of greenery, and lack of planning. For the betterment of businesses, the safety of its neighborhoods, and the overall improvement of quality of life, in the southeast, the foster project is a must.

Katz: Thank you. Thank you, everybody.

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April Bertelsen, Willamette Pedestrian Coalition, 3829 NE 7th Ave., 97212: My name is April, I reside at 3829 northeast seventh avenue, and I would like to begin by thanking you for this opportunity to speak before you. I am a member of the citizen advisory committee for the foster road project, representing the willamette pedestrian coalition. Incidentally, this weekend we're celebrating our 12th anniversary with a promenade along the waterfront this sunday. I'm here to testify in support of the recommended transportation and streetscape improvements along foster road. I would particularly like to note a few improvements that i'm pleased with. The safety enhancements. As you've already heard, they're well needed, including the median refuge islands at southeast 60th, 69th, and 80th avenue, and the curb extension that's shorten the crossing distances for pedestrians at southeast 54th, 56th, 72nd, 78th, and harold street. Given the unique nature of foster where it goes at a diagonal, many of the intersections have expansive crossing distances and multiple crossing distances where you have three streets coming together. So this is really all great improvement to the area, I believe. In addition, the improvements at the heart of foster as we mentioned, in that central district around 64th, 68th, that stretch. And in addition, bus stop improvements throughout the corridor, you'll note many of the curb extensions at the bus stops. Modernization of pedestrian signals and improvements to signal phasing. As noted, currently drivers often disregard the pedestrian signals where the -- the crossing for the school and there's another one earlier in the corridor. Modernizing will be an improvement, though I wish that we could go to a full signal where drivers become used to stopping on a normal basis, as opposed to being surprised by a sudden stop of a pedestrian signal. So we all tend to be trained well by -- most of us are trained well by signals. But it's still, the proposed improvements are an improvement on the existing, so hopefully someday we can afford full signals. In addition, the street trees and furnishings along the corridor, creating a more attractive and pleasant strip, walk along the area, the use of pervious pavers to help manage storm water, and just the effort to create place, more than just a corridor. Where people drive through. But a place where they go to. There is one area in which I would urge the council and staff to give more consideration, this is the bicycle facilities, sister mode to the pedestrian. The plan provides a few facilities that serve cyclists and provide alternative routes to foster. However, I feel this falls short of fully accommodating bicycles on foster. There was community support for bike lanes on foster early in the project, well before it was ever on the radar screen of the b.t.a., the bicycle transportation alliance. I recognize that placing bicycle lanes on foster road, while maintaining four travel lanes and parking will come at some expense. I still would urge you to hear the voices from the community and direct staff toward seeking funding for a project that would include bike lanes for at least some portions of the corridor. And see if there are perhaps this could be an additional phase if funding was to become available or could be sought out for a modal project that included bicycle lanes. So I just want to keep that on the radar screen. To conclude, I encourage you to adopt the foster road transportation streetscape plan, recommended by staff, and direct staff to seek and secure funding for the project asap. All this, so we can make foster road more accessible, safe, and attractive in order to better support more sustainable modes of transportation, support small locally owned businesses, and help build stronger communities.

Katz: Thank you.

Bertelsen: I'd also like to add I enjoyed working with staff and the citizenry -- citizen advisory committee and other members at southeast uplift.

Katz: Thank you.

Don Taylor, All American Eye Glass, 4936 SE Foster Rd., 97206-3037: Don Taylor with all american eyeglass repair at 4936 southeast foster. Right at the corner of foster and powell, where foster gateway is, where the beginning of foster is. I'm a member of the citizens advisory committee, and we had a great time going through all these things. We came up with what we think is a very logical plan that works, that's not terribly expensive plan, but yet serves the purpose and

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does what we set out to accomplish very well. By setting up these nodes, as mayor, you suggested, at existing places where the businesses tend to stand out, it does allow some growth between those nodes as you go from block to block and do some development going on. And that's one of the things we looked at. It allows then some places for pedestrians to stop, for transit to stop, and activities to happen on the street, and then spread out from there. And we thought this was worked out very well for foster, and as it being 40 blocks we looked at, which is pretty extensive project. And for \$4 million, it seems like a pretty reasonable amount of money to do this. So we felt very good about that. We did have differences of opinion on the committee as to some of the things we individually thought was important. We had some good representation from pedestrians, from bicyclists, from communities, and from businesses. But all in all, we came up with a plan that we think works very well. To echo what steve was saying about parks, it was sad that we didn't get any direct input from parks. We did have some questions about bicycles early on, bicycle people came from the city and spoke with us and discussed with us. Parks never did show up. They didn't come, they didn't talk to us, they sent back things through staff, we don't know how many players, and we got back not very considered results, we didn't think. Not only for laurelwood park, but also the strip of park at 72nd where we need to do some realignment of the streets there, there was some discussion. But all in all, we think we can work this through the implementation process, probably come out with something that's very workable. We addressed the bicyclists, foster is not a bicycle street. We addressed them by creating some alternative routes and closing off some streets so we could do that. Creating some better situations for them, and some stops for them to do repairs and that type of thing, putting in bicycle buttons for the street crossings. All in all, it seems like it's pretty workable plan, it provides a great gateway, a great arterial through the area with still places for pedestrians to pull off and motorists to stop, and provides an access to 205 and the southern extension of max line, and also to a location where the city baseball park could go at the freeway land right off of 205. [laughter] so we urge recommendation.

Katz: Thank you. Let me just add, bill, staff, when staff gets a sense, especially when you have the commissioner who has both parks and transportation, but doesn't know because nobody tells us that something is happening, so if staff hears there may be those kinds of issues, my recommendation is that you would go to the commissioner in charge so the commissioner can do something. But if he doesn't know it's going to be very difficult. I don't know what the situation was.

Hoffman: We will respond a little bit at the end.

Katz: All right.

Jim Williams, 4816 SE 64th Ave., 97206: My name is jim williams, I am vice chair of mt. scott-arleta neighborhood association. But i'm really here representing myself. I want to thank the people involved, I really felt there was a lot of opportunities for the community to participate and that our voice were actually heard. I think that was a really wonderful thing. I want to say how much I think foster is a wonderful place to live, work, it's the possibilities are -- there's just so many there. I think it's a great connector between lents and powell, and the hawthorne district. My biggest concern and the concern that actually brought me into attending the meetings, I have two small children under 3, and I cross foster all the time, and it is extremely dangerous. I no longer push my buggy across, I pull it. As someone said earlier, cars often times even in the crosswalks do not stop. They'll just blow right through. It's very dangerous. But I also think that it just a really nice street, and it's multicultural, that's a wonderful thing to see. And I hope you will consider adopting the plan.

Katz: Thank you.

Thomas Koestler, 4131 SE 52nd, 97206: My name is thomas, I live at 4141 southeast 52nd avenue, about two blocks south of foster. Within walking distance. I am on the

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citizens advisory committee representing the ken ill worth neighborhood association. I'm also on the neighborhood association board, and the neighborhood association does support this plan, as the liaison between the neighborhood association and the c.a.c., the foster road plan, i've kept everyone informed, everyone is very much in support of this. I've also been a volunteer with the foster target area project for the last few years, and that opportunity has given me quite a sense of what foster road is in the events that we've planned and other improvements that we've tried to perform. And I think foster is very ripe for this kind of improvement. I think at 3.8 million, it's quite a deal for the length of the street that it is, and I think that bill and lynn have done a great job in listening to our feedback and providing a plan that has nodes, that is an efficient use of money. So I think it's a great plan, and I hope we can secure some funding for this plan.

Katz: Thank you.

Shanna Eller, SE Uplift, 3535 SE Morrison, 3534 SE Main, 97214: I'm a staff member who has been with this project for 5 1/2 years. In that capacity, I give my wholehearted support to this plan. Beyond the sort of technical merits both in terms of planning and design of the plan, there are a few things that are of great importance to southeast uplift and the neighborhood and business associations if this plan is achieved that garner additional support. It's consistent with the target area goals. 5 1/2 almost six years ago now, this is a culmination. We've extended the target area project, council took a motion to extend the contract even two months more so we could see the plan all the way through, see it finished, see you guys nod, and say, ok, just five more years, let's go get the money. So it's consistent with the target area project and provides a culmination and embodies a lot of the goals of that project that was started more than five years ago. The plan was created through what we see as a multifaceted inclusive process. Southeast uplift has always been very satisfied with the choices made in the public involvement process and felt there was ample opportunity, a lot of good input, well considered choices made. And three, that it achieves a balance between the needs of the city and the region and the local community. This is a very important road. It's a very tricky road to try and reknit local community along. It is probably the one of the target area projects that has the greatest challenges, i've always had the academic buffer of saying this, is going to be the target area project that fails in some ways, and it's not. And so this is the one that we're going to have some really serious challenges in reknitting local community without these improvements. They've done wonderful things, neighbors and businesses alike, but there's some hard escape things you can't get around when you've got cars average speed 38, take that up to 42, we've got more than 3,000 cars a day exceeding that. And so these improvements are critically important. But all in all, I think the plan takes that into consideration, balances the needs of the city, as well as those of local community, and really is reflective of the growth management and mainstream street goals we've got on the books for the city and the region. So it's a plan that has full support of southeast uplift, it's a plan that warrants the support of the council, both now and in seeking implementation. Thank you.

Carol Herzberg, Portland Development Commission, 1900 SW 4th, 97201: Hi, i'm carol herzberg, a project coordinator at Portland development commission, and I work on the lents town center urban renewal project. We'd like to register p.d.c.'s support for the foster plan. As you may know, we're in the midst of finalizing a revitalization strategy for downtown lents, which is centered around 92nd and foster. And the plan, once its implemented, is going to be giving us a much more attractive and inviting gateway into the downtown. And we hope drawing more people there. It builds on our urban renewal plan goals, providing a safe and pedestrian friendly environment, and it also draws on previous work that we've done in the area and refines some of that. We've done a neighborhood traffic safety plan, and it took that a few steps farther. So we'd like to thank the citizens and staff involved for a good job.

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Katz: Good. Thank you.

Katz: Who wants to start?

*******:** It appears ray wants to go first.

Raymond Hites, 8827 SE Holgate Blvd., 97266: I have a class real quick, so I have to do this. My name is raymond hites, I represent the lents urban renewal citizens advisory committee as well as the lents neighborhood association on the citizen advisory committee. The lents part of this plan was particularly challenging, because the right of way is much narrower within the lents area. Between 82nd and 90th, it's only 60 feet, which gave us enough room for four travel lanes, one parking lane, and five-foot sidewalks, and that's the current configuration. We do have -- the plan does have a good compromise between widening that right of way as redevelopment occurs, we had some concerns if we require too much dedication for right of way, we may make this area very difficult. It's already difficult to redevelop in this area, and so the plan does make a good compromise in that we're asking for 12 foot, but if that's not possible, nine foot is the minimum we can go. This particular area may never get full redevelopment through the urban renewal plan, because we're focusing of course on the town center part and also the industrial areas, freeway, land. So with the limited funding, we're going to have to depend on what you say, hope that redevelopment kind of spreads from the nodes to the other areas. And as carol said, some of the spot improvements we've been looking at at 80th and foster and 84th and ellis, and foster, are included in the plan.

Katz: Thank you.

Francesconi: It's helpful to have a firefighter on the city council. [laughter] more than one multitask.

Hites: And I have to go.

Katz: Bye. Thank you.

David Zagel, Tri-Met Capital Projects, 710 NE Holladay St., 97232: Good morning, mayor Katz and members of the council. My name is david zagel, I work for tri-met capital projects. I was a member of the work team and worked closely with the city staff and the c.a.c. on this project. As you may recall, tri-met and the city started a partnership in 2000 for the streamline program, an effort that has streamlined three routes to date and is currently working on two more routes, line nine and line 14, the hawthorne boulevard and foster road route. And similar to recent efforts where tri-met has coordinated transit improvements with the planning process and streetscape improvements on alberta street and hawthorne boulevard, we followed a fairly similar process, coordinating our streamline improvements with the planning for foster road. The transit improvements that tri-met will be implementing on foster road and hawthorne boulevard include adding new shelters, schedule information at all stops, new bus stop signs, and poles that incorporate our new look, new passenger landing areas that meet a.d.a. Requirements, and installing bus zones, again for a.d.a., the implementation of transit signal priority, which the city has recently completed on foster road. 10 signals on foster road now have transit signal priority. And also worked with some of the streetscape elements, like the locating of transit curb extensions at certain strategic locations. We worked with the c.a.c. and the work team to try to balance where some of these improvements were located so that we would balance the needs of all users of the street. With these elements in place, transit will be improved on foster road by reducing the actual travel time and also increasing the schedule liability for our buses. And the streetscape plan is going to play an important role in helping us to site and facilitate some of our transit improvements. We encourage adoption of the plan today and also strongly encourage its implementation. Thank you.

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Katz: Thank you.

Howard Cutler, Housing and Community Development: Hi, i'm howard cutler with the city's bureau of housing development. I quickly want to echo the compliments to the consulting team and to the pdot staff. In terms of the process of this plan. Bhcd has been funding revitalization efforts on foster since 1997, and 1999 I believe we tried to have a transportation growth management project, but was not funded. Two years later pdot staff wrote an application that was funded among if not the highest in the area, pretty close to that. And the implementation of that -- those funds have been -- fell in such good synchronicity with the target area work we had been doing, the infrastructure that had been developed in the community driven target area was maintained for the c.a.c. Process and added to. So the staff has been very skillful at listening, modifying, changing, and reacting to what they heard. As opposed to some of the other target areas, and i'm thinking of alberta, where there was investment and transportation came later, the investment on foster hasn't really occurred to as significant -- to as significant a degree as we had hoped. And so this may be one area where the transportation improvements are really critical to stimulating continuing -- continuing to stimulate investment on foster. Thanks.

Katz: We don't have much time today, but as all of you were testifying, I was thinking about why it doesn't happen on certain streets, and planning is done in demographic analysis of development and investments, and they're not occurring at our town centers and on some of our main streets, and I guess the question that I have is why. It's occurring on some, it's not occurring on others. So for those of you who think about those things, email me and give me your thoughts about that. And i'll continue to pursue to ask those questions. Staff? Did you want to respond? You didn't want to respond. Fine. Did you want to -- you said you wanted to say something.

Bill Hoffman: I'd be happy to if you want.

Katz: No, it's all right. [laughter] all right. Council, does anybody have any questions of staff? If not, let's have a roll call.

Francesconi: This is -- thank you for doing this good work. It's our job now to implement it. One of the -- you described it as one of the speakers, the land use chair, described it as central southeast Portland. Which I think is really good. Because the truth of the matter is, we haven't been thinking of it as a place in the past. It's been a place to get through as fast as you can, and that's why that street is so wide. It's ugly, and it doesn't help you create a community that you want to create. And because we haven't valued it as much as we valued some other places in our city. So you are helping to turn that around. And you're trying to allow it to connect, because transportation infrastructure is important as connections, but you're trying to use little things like street trees, and pedestrian improvements, and street furniture. These are little things, but they add up to create more of a sense of a pedestrian friendly, multimodal environment with bicycle plains, and mass transit. So the analogy to alberta is good. One of the best things I think we can do for small business districts, and i've looked at this, i've actually walked 23 different districts, but i've not walked foster, is transportation infrastructure improvements. It did happen first in alberta, but many other places. It's the transportation that helped spur it. So these kinds of things are very, very important. I do think parks and boulevards and streets can connect together like they do in minneapolis, to really create a more welcome environment. The whole idea is to connect parks to other places. David was the parks person who worked with you briefly, david is very good, and cares very much about citizen involvement. I personally will look into this to see what went wrong. But I can attest to the citizen comments i've gotten about david in other parts of town, so I will look into see what happened here and what we need to do. But the last thing I want to say is, the issue -- the real question is how are we going to fund this. Not only infrastructure improvements, but the ongoing. So the real issues from transportation are safety, maintenance, and then construction. And safety we share responsibility with the police, and how we have more traffic enforcement. I

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think it's actually going to come up in this next section we're having on police performance indicators. We've been working at the legislature, and this is something the mayor and I are talking about, there's -- using increase in fines that we do think is going to come through the legislature this session, which is going to be a source of revenue both for the police to do more enforcement, as well as for transportation to do more pedestrian friendly improvements, so we can implement the safe routes to school projects. By the way, nobody mentioned marysville. Oh, you mentioned it? It's a terrific school with a terrific principal that's going to be a s.u.n. School and you're going to have after-school programs. Anyway. The park is being fixed up there, so talk to marysville about parks. Anyway, i'm being defensive here. Ok. So we're going to get more resources for safety. That's number 1. On the maintenance side, we are going to get more money from the legislature to increase the maintenance of our streets and fixing potholes, etc., which is among the highest priority. The third is going to be tough. It's the construction costs that it does take to do this. We're trying to get federal dollars to use not only for light rail and streetcar, and those kinds of projects, but also transportation infrastructure improvements throughout the city. We just got some money for cully, we're working in st. Johns. I can't tell you when that's going to happen, but I am going to tell you you're now going to be on the list that we're going to fight for. So this is part of a common effort to improve all of our neighborhoods in all parts of the city, and especially in southeast that deserves the infrastructure to support the wonderful people and neighborhoods. Aye.

Leonard: I could go on and on about this area of the city for a number of reasons. My mom actually went to marysville grade school and franklin high. If my history serves me correctly, the safeway store at 82nd and foster I believe was the original safeway store. And I only know that because my grandfather owned a grocery store on 72nd and holgate one block off, and forever hated safeway because they ran him out of business. And as somebody else alluded to, the end of -- not the end of, but just outside of this area that we're discussing today I think is the best spot to place a baseball stadium. So it's exciting for me to a number of levels to see this project going forward. I drive up foster and I don't see an ugly street, I see a lot of history. When I was president of the firefighters association, we bought the old fire station at 67th and foster, in between holgate and foster. And I spent 12 years in that building. So it's an area of the city that for me I -- although I grew up in northeast, I feel probably as deep at least deep roots in that neighborhood as I do in the neighborhood I grew up in. And so it's really a pleasure to see this plan come forward, and to be in a position to be able to vote aye.

Saltzman: Good work. Aye.

Sten: Very good work. Citizens, thanks for hanging in there and making this work. Aye.

Katz: This is exciting. I always ask myself when we get these target areas of way out in the Multnomah county, old Multnomah county, what were they thinking during the years? Didn't they have a planning department at all? So we now have the responsibility to take the infrastructure and make those improvements. So I have a couple of requests. One is that p.d.c. Really take a look at possible street investments. We don't have much money out in terms of urban renewal and I can't recall how far the -- it stretches down foster. But we at least ought to be able to see if there are opportunities for us to make that investment. Second of all, I am serious about having you think about main streets. Impact is looking at town centers. That also has raised a lot of questions on the part of the region in terms of why the town centers aren't developing. I think I have an answer for town centers that a lot easier -- that are a lot easier to answer than main streets. So think about that and get back to me, please. And the third, I still don't hear much discussion about the sidewalk gardens. I know we like bricks and we like pebbles and we like trees, but there are opportunities on certain parts of a street, maybe foster isn't one of them, but maybe it is, for you to think about sidewalk gardens. It adds a very different flavor to the street, and to the sidewalk. So think about that. That's also a good storm management tool, but at least gives you spring, summer, fall, winter,

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landscape. Full year-round. Ok? Aye. [gavel pounded] thank you. All right. I didn't know why we had all this media attention. I thought it was harley-davidson, but it isn't, huh? All right. 779.

Item 779.

Katz: Let me just very quickly, in the -- this is the fifth benchmark that we have established for us, and I guess part of community police assisting to continually going back to the community and asking them how we're doing, and where and what can we do better. We hear in crisis situations from segments of the community, but what we'd like to hear is from the entire community at large as well as to where we're doing a good job, where can we improve. So we use this opportunity for this campbell survey to make those decisions for the coming year. Chief?

Mark Kroeker, Chief of Police, Portland Police Bureau: Exactly right. Thank you, mayor. I'm mark kroeker, chief of police of Portland. I'm very pleased to present to the members of the city council our community assessment survey. As we look at community policing across the country, and essentially all of us who have been working in the community policing arena for years and years, agree that community policing depends on community mobilization, and organization, it depends on neighborhood focus, it depends on problem-solving through community partnerships with people, but it also depends on listening. Community orientation, paying attention to what the community is telling us about what they believe is important. And the community assessment survey does just that. It affords us an opportunity to listen, in addition to the other listening tools that we use in our community advisories, of which we have many, and the various sensing techniques we use in moving out in the communities, and listening to people, hearing from them through correspondence and phone calls, and so forth, and anecdotally, this gives us something of a broader empirical approach to what the community is sensing, and while we had been doing this every two years, we have moved now to a one-year -- by one-year approach to yet a more sensitized input on where exactly we are as a community service organization, and that's what we have done. It also gives us an opportunity to fold what we have by way of community input into the strategic plan, so we can be more responsive in our very plan, the very core essentials of police operations and we are doing that also very quick example is in the area of the one where people are asked, do you have face-to-face contact with officers. And we made an adaptation now about two years ago where we had been taking mail-in reports on some cases, or telephone reports of car prowls, for example, and as we went to an in-the-field reporting of this and a preliminary investigation based on an officer actually being on the scene and talking with people, this particular one made an -- made a jump forward, and this is positive. We want particularly to have our police officers be known to the public, and to have the public known to the officers on a personal way, so they don't view officers as just some officer in a car driving by, but someone who is human, who is personal, and who is aware and attuned to their neighborhood problems. So we're very happy to present this report to you, mayor, and commissioners. I have with me the person who has been working on this for now several years, john campbell, of campbell delong resources who does an excellent job in a way that is meth logically pure and stands up to any scrutiny as to its methods, are you sure this is exactly what you're sensing, is the sampling adequate and so forth, and they will discuss that, but we have great confidence in his ability and the ability of his firm to put together a product for our city that is really a fine product.

Katz: This the third time i've seen it, you've done it beautiful, but the problem s. You've got about 30, 35 minutes.

John Campbell, Campbell Delong Resources, Inc.: I'm john campbell, i'm going to present to you the results of the 2003 community assessment survey and go through this with some good speed. There's a full report that is available, and I assume it's been provided to the council and copies are over on the desk here for those as well who would like to pick up a copy. Look briefly at the methods, this is the fifth benchmark of the survey. In this survey, we conducted 605 randomly

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selected, we did a sampling of 605 randomly selected Portland households. For those of you who recall the previous surveys, that is down from where we were doing 1200 to 1500 because we were looking at an every two-year type of measurement process, and we were looking at the ability to look with more granularity. But 605 gives us plenty to look at city wide and also gives us some ability to look at the precinct differences. The data were collected in January of 2000, and we have some of the standard reliability figures there. These are figures you'd see in the newspaper when they give one number for a whole sample. We show you with 605 the plus or minus 4%, this varies by the type of answer and the distribution of the data. And the 142 we note there is a significant subsample, those who are -- in our sample who have had contact with the Portland police bureau within the last year. Those are significantly people we want to hear their opinions of, those are the ones -- directly influences the opinions by virtue of the fact they've had direct contact with those folks. It is a resident survey. An adults-only survey. You have to be 18 years of age or older and it's household based. To look at some of the overall findings, on crime and fear of crime, victimization remains low. That's good news. Residents are more willing to report, good news on the victimization picture. Fear of crime remains low, but we see concerns increasing as we look at how the indicators have changed. Our measurements on community involvement, another cornerstone of community policing. The declines we've seen in every survey since 1994 have leveled off. They have not improved, but they haven't continued to decline. And looking at police performance, measurement of people who have had contact with the police and how do they think the Portland police bureau has performed, the overall findings, the ratings of contact point, what was it like when you interacted with this officer or bureau member, have shown consistent across the board improvement. There's good news there. There are concerns however with the community policing performance attributes that have not improved since 1994. We don't really see any change in those, and we see that as a bit of a red flag. We'll look at some of these in more detail. Starting with perceptions of neighborhood safety this. Relates to the strategic planning goals, reducing crime and fear of crime and improving the quality of life. Overall, victimization and fear remain low, but concerns may be rising. To look at those victimization rates, the -- if you relook at the rates you'll see for the first three benchmarks, it's held steady at that -- where I'll report that overall rate of 28% for 1994, 1996, and 1998, that combines when we asked two questions, have you or anyone in your household been a victim of a crime, where the perpetrator confronts the victim or not, and we defined those. If you combine those, it held at about 28% overall for the first three benchmarks, and dropped from 25 to -- from 28 to 25% and has held the same numbers for 2003. So those are comparatively low and that's good news. The number we began to track in 2000 is we followed up by saying, has the most recent crime been reported to the police bureau. What you can see is in 2000, 72% said they reported the confrontational crime, in 2003, that goes to 74%, which is -- suggests a change. It doesn't meet all standards of statistical significance. There is a change between the nonconfrontational crime reporting, 60% saying they reported it in 2000, and 64% in 2003. So that does indicate people have a greater willingness to report, which is one of the reasons in implementing community policing we want to be measuring these things. Measuring victimization as opposed to simply relying on uniform crime reporting statistics, and looking at reporting rates as well. To compare these reporting rates to other cities, where we've done similar types of work, I can simply say these are generally in line with what we see with other big cities. I'm not going to make an adjustment whether that's good or not, but it -- we don't see other large cities seeing much higher reporting rates than what we're seeing here. Then to look at perceptions of crime trends, we asked them as crime -- is crime in your neighborhood stayed the same, increased or decreased. In the last 12 months. And what we see generally is that the numbers look more like they looked in 1998 and 1996, and less like they looked in 2000, where we were reporting

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greater optimism. In general people say crime levels are unchanged, but they do -- if they perceive a change it's --

Katz: Let me clarify. This was done when, what month?

Campbell: January.

Katz: Of 2003.

Campbell: 2003. This past January.

Katz: Remember the impact of the cuts at the county level may have a significant reason for that.

Campbell: We also looked at this same information by precinct. And so we can see how those things vary. To start to tease out why are these numbers different from what we had seen the last time, and essentially finding is that north and northeast residents ratings have returned to what we've called normal, if you will, that is to say in northeast precinct, first of all, we see in northeast that people there tend to have stronger opinions. They're less likely to stay the same and more likely to say increase or decrease. What we saw in 2000 was a tremendous amount of optimism in northeast. That is to say in 2000, the number who say crime had decreased outnumbered who said crime had increased. Now it's about even. It was about double in north precinct, and now you can see slightly more saying increased. We think that's the major way to change that tremendous optimism we saw in 2000. Looking at perception of safety, overall that's remained strong. We asked people, is your neighborhood one of the safer in the city or one of the more dangerous on a scale of 1-5. That's held about the same. We looked at that same information by precinct, and you can see some of the information we saw in 2000 as we reached a certain amount of parity, the red is the 2000 findings by precinct, you can see roughly the same level of the bar across in 2000, you start to see some of the dip that we have historically seen in northeast and north Portland, so people feeling a little bit less safe there compared to the other east side neighborhoods. We wouldn't draw this as a hard conclusion just based on this table alone, but we'll show you another table that further supports that. We also asked what we call freedom from problem activity. We said rate your neighborhood on the basis of nuisance types of crimes and dangerous criminal behavior, which we defined in the survey. Five is it's not a problem at all, one is a very serious problem. So the red is dangerous criminal problems, and the higher the number, the better on this chart. What we see is generally the ratings are about as positive, some of the highest ratings seen since the survey began, and similar to 2000. Again, that east side parity issue we saw in 2000 where the red is the 2000 results, and you see where the red was pretty much even all the way across on the east side, that was big news the last time we reported, where we're seeing a little give-back in the northeast and north areas, as -- which is one of the areas of concerns may be rising. Looking at the issue then of community involvement and partnership, this relates to the strategic planning goals of improving the quality of life in neighborhoods and improving the community and police partnership. Overall the involvement declines we've seen previously have leveled off, but they have not improved. Some of you may be familiar with this chart we've looked at in the past, showing where we asked folks, have you attend add meeting of neighbors to discuss neighborhood crime or nuisance problems, and how about participating in another committee or organization to address crime or nuisance issues, you, see the ratings have held up about the same in the far right hand column, as in 2003. We also asked, have you taken a particular active role. That was from 1994, went from 7, 6, 5, 4, you can sense a disturbing trend. In 2003, it essentially stayed level at 5%. So we don't see these declines continuing, which is good news. And -- but we don't see them increasing at this point. There's been speculation as to why. The survey doesn't tell us specifically why. We would expect in the early 1990's with crime being much higher, the concern would be higher and greater involvement, but there can be the other factors as well. There has been discussion for those of you wondering about expanding this question to ask about online involvement and some of the other ways people are becoming involved today. We also asked about awareness of one's neighborhood

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officer. This one is a little difficult to compare from year-to-year, and I'll give you a brief analysis. In previous years we asked about people's awareness of their neighborhood liaison officer, had they heard of, had contact and can they recall that person's name. In different neighborhoods, we asked the question more generically, have they -- of their neighborhood officer, which is measuring it differently. What we saw, an increase from 18 to 23%, but we don't draw a hard conclusion because the phrasing is different. We do see an 18% increase in those who had contact. Where we draw hard conclusion is the 7% who say they can recall the name, that's significant to us because that's a number where when you -- while we didn't ask name, if you ask someone on the phone, can you recall that person's name, their fear is can you recall that person's name. There is some greater contact going on out there regardless of phrasing on the question. An interesting one is looking at general involvement, was the awareness of neighborhood associations. I should say there are many other questions and these are just some of the highlights from the report. We do see a significant decline in the percent who say they can name their neighborhood association. And with some of the greatest declines happening in the historically most active areas of northeast Portland. Still, showing the most active indicator with the greatest awareness but dropping from 53% to 44% of the people in the area able to name their -- who say they can name their neighborhood association. And some demographics that relate to involvement, similar to previous surveys, I'll let you read about those if you want to review those. A significant finding is that as before, almost half in any given neighborhood have been in their neighborhood for five years or less. So our turnover rates continues to be fairly high. So messages that we've gotten out to people a few years ago, we can often rely on about half of them never even had the opportunity to hear it because they weren't there. And as we've seen before, those with higher turnover rates, they've been in the neighborhood for a shorter length of time, are more likely to be crime victims as well. So additional concerns around that area. Looking at perceptions of police performance relating to our planning goals of improvement community and police partnership and continuously improving work processes, overall our contact ratings have improved while community policing performance indicators have not. Looking at contact with the bureau, the number of residents with the Portland police bureau contact is roughly similar to 2000. About one quarter of Portland's population. You can see this is declined since the 1990's, which may be consistent with declining crime trends or other factors. But what you can see is this is similar to 2000. And that about a quarter of Portland's population has been in touch with the Portland police bureau with a member of the bureau in the past 12 months. If you think about that, that's 125,000 people who have been in touch with the Portland police bureau in the last year. And it is that subgroup that we want to be looking at in the survey to find out how are we doing when we have contact with them, because we can skim off some of the media impact and other kinds of impressions people have about what happened to their cousin in Florida or somewhere else, we can look directly at what's the impression they have when they had contact with the bureau. So that 24% represent 142 people, and we'll see that number come up on the screen shortly. Looking at the types of contacts they've had, more are speaking with officers in person. And -- which is consistent with some of the changes that were made they bureau -- at the bureau. So we simply definitely see that. And all -- of the top five contacts, all are rated higher. If we look at this, and we had a list of contacts and asked them if they had this type of contact, speaking with an officer responding in person moved up as far as the number of people with that, or the percentage with that contact rating, called the police nonemergency number, called 9-1-1, called the police precinct, and spoke with an officer who took a report by phone. When we work with private businesses, we're always looking at what are our contact points, how are we rating from a customer service stand point and the ones that are most frequent we want to be performing particularly well on. What we see is across the board improvement on these, we would interpret this as consistent with -- it was after doing our analysis we heard there was this change to

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increased in-person contact, and historically we've seen in these surveys that in-person contact gets a higher rating than over the phone contacts, for example. So we think that is reflected in some of the findings there. We dug deeper and looked at this because you can look at averages, and averages for example, you can get an average of three by having half the people say five and half say one, or an average of three because everybody said three on a scale of 1-5. So we wanted to look at the modes, if you will, where -- what the shape of the curve was. And we analyzed that last time, and saw that on a scale of 1-5, looking at those contact points, that about 18% had given the police any given contact a one or two rating, which is a poor rating. So what that told us was even though we had generally positive ratings, one in five, roughly, were sent giving the Portland police bureau a poor rating. That number is down now to about 12% on any given contact giving a one or two rating. And when 9-1-1 is excluded, which is technically not part of the Portland police bureau, the bureau of emergency communications, the numbers are below 10%. Looking at the actual contact ratings from a pure customer service standpoint, how do people feel in those contacts, in general the ratings are showing some improvements from those two different types of analysis. When we look at the community policing indicators, those have not shown improvements, and we're showing you here in simply the raw numbers, some indicators, majority of which were established back in 1994 as these are things that we think should change over time if we're working well with our community. We look at issues, life-threatening situations as part of any police department's work, understanding the concerns of community providing advice on preventing crime, helping people time prove community safety, showing citizens how to work together to make neighborhoods safe, and other similar indicators. What you'll see is three improved, three declined, the remainder stayed about the same. In the ratings here. But overall, I believe just one of those is substantial -- is higher at all than the baseline reading in 1994, but generally they're about the same as what they were in 1994. And as we look at that over time, it indicates that -- the suggests from a strategic planning standpoint, looking at what can we do to change these numbers. These are ratings by the people who have had direct contact with the Portland police bureau in the past year. Then we asked all 605 people, rather than just those who we contacted, if you could make one recommendation to the police bureau about how time prove, what would that be? These results we don't show year-to-year because it is a coded open-ended response. To show them year-to-year would introduce tomorrow judgment calls in the process to coding that. So I can give you a general qualitative impression of how these compare. Certainly increasing police presence is consistently the most frequent mention as you see it here. This is something we expect to see in any community. It may well be value in doing it, most folks in the community aren't aware of the Kansas City study that looked at increasing presence alone generally doesn't impact crime, but the question is how do we increase police doing problem-solving, out there working with -- to address some of these crime issues. That's a fairly standard response we'd expect to see from people who are -- have not had as much contact as well as those who have. Improving the police -- citizen partnership is about similar to what we've seen in the past. Adjusting emphasis and priorities and reducing traffic problems is key. Keeping up the good work has declined from 11% was how we code it last time to 7%. And the majority of that decline comes from those who have not had contact with the Portland police bureau rather than those who have. That gives you some of the overall findings with that. And the final screen giving you the same summary information we began with. That is a very fast summary of some of the findings in the report. There's much more detail with that full printout and the remainder of the detail the Portland police bureau has.

Katz: Thank you. Questions by council?

Francesconi: I think I only have one area. Will in the full report you also broke it down racially and ethnically the population. But the attribute ratings and the one recommendation, did you break those down? Racially and ethnically?

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Campbell: We have that information broken down in our printouts by racially, and the numbers that are involved there are sufficiently small. I could get you those numbers, but we have fairly -- with a sample of 605 we'd have to do an oversample to break that out into greater detail. I could get you those numbers or pull them out of my briefcase at this point.

Francesconi: One of the concerns in the full report, it gets into the question of racial profiling. What I was after was, is it higher proportion, who's making those complaints, and is it statistically significant from certain groups? In other words, we need a little more detail to find out -- the issue isn't there's the reality of crime, and the perception of crime. There's the reality of what's happening with community policing, there's the perception of what's happening. And what I'm trying to get at is, if the perceptions are different, depending on different ethnic groups and racial groups.

Campbell: We can give you a couple broad answers to that. And then if I could, I'd have to search through our printouts.

Francesconi: You can do that later.

Campbell: I would say that had there been a significant difference by race on these answers, we would have reported on it, because we generally -- we're looking at that fairly closely. When we looked at these issues in our last survey which we had a much higher sample size, we actually aren't seeing the kind of trend people might expect with that. For example, the optimism about what was happening in northeast Portland was actually greater among african-americans rather than less. Because we had some follow-up questions on that specifically. But my expectation is, I will look at that, and get additional information. My expectation is that we probably have a small enough sample size looking at the numbers involved here that it is likely won't be able to draw a hard conclusion on that.

Francesconi: And then chief, I have one question for you. One area. Again, in looking at the community goals -- the goals here, it's to improve the community and police partnerships, as you've said, and you indicate here, it's to continuously improve work processes, and it's to deal with both the reality as well as the perception. So the question I have for you is, given what we just heard that the community policing numbers have been flat since 19 -- all the way back to 1994 now, and they're not getting better on community policing, the indicators that we've just heard described, can you tell us what you plan to do with the information? What do you plan to do to improve the reality and the perception that community -- community policing side is getting better?

Kroeker: Well, first to take a little bit of issue with the overall statement, because in John's assessment of those indicators of community policing, those were ones that he had selected. One of the absolute key indicators in community policing and I think every theoretician who's ever written a book agrees on this one, the numbers of people who say that they know the name of their police officer. This is one indicator that is going up, and the other one is, do people have face-to-face contact. Are we becoming a faceless organization, or are we becoming more real to people. That is going up. And in fact we have addressed our strategies so we take the police officers from the mail-in or telephone call and put them out where they're encountering people and encountering larger numbers of contacts, and as a result, an opportunity to mobilize that person into community policing activities, so I don't necessarily agree those factors John indicates as community policing factors, which are real, and they are stable, not decreasing, that those are the only indicators of community policing. I think he would agree the others we talk about also shed light on that. I will say this. As we move forward in community policing, move forward on quality, apply technology to the community policing problem, ii, the -- ie, the involvement project in the portsmouth area, we're constantly looking for ways to improve against a rapidly decreasing financial base on which to operate. We do not have the resources we once had, I'm not complaining. It is a reality of Portland life. To say we are maintaining an even keel despite those decreases I think is to me comforting. If we can hold our response time to emergency calls for service, if we can keep those

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numbers that John talks about at a reasonably flat rate, and not decrease, if on some areas like the officers known to the people we can in fact increase and in area where we're moving forward to apply technology to the problem, we can move forward, then we're really moving ahead and not slipping back.

Francesconi: Just a follow-up, your point is right that there's other indicators of community policing. Some have gone up. Helping neighbors stop neighborhood nuisance problems has gone up from 1994 to 2003. And there's some other ones that have gone up. There's some that have gone down, too. And so -- and it is true that you -- what you said about resources being more limited. And you've worked more efficiently, and the officers are doing more with less, and that evidenced the response time in life threatening situations, is actually improved with less resources since 1994. But what I need to hear a little more from is -- and I think it would help get more resources to the police bureau, if we had a clearer understanding of how you're also going to work to improve the neighbors' participation with police in solving crimes, which is down, so we get a better sense of where you're going with community policing.

Kroeker: Right. And we have the mechanism in place to do just that with the stimulation of the neighborhood watches, the partnerships on problem solving to continue in a variety of ways, the senior neighborhood officers who continue as in the example most of us know about in goose hollow to in fact have impact on crime. Those will continue. The recruitment and training and deployment of block captains out there, volunteers who will work with us, that is going to continue, and in fact just as of yesterday, more discussion about the manner in which to recruit more block captains, to train them properly, and to retain them to give them a proper charge, and duties, that's all continuing and in fact, accelerating against this decrease in resources that I don't want to always have to come back to, but because we don't want to stay stable, or retrench just because we have fewer people to do the job. On the other hand, these are realities that we do face, and we turn to the community now for help. I will say also that we often overlook an indicator of community policing in the very crime itself. Now, we talk about fear of crime, and John was talking about the visibility that people want in police being there. And that 23% will say, we want police to be seen. And whether that really affects crime or not, that's according to the study's not conclusive. What it does say is it affects my feeling about how I feel when I see the police in the neighborhood. I feel better, I feel safer, and we want to do that, and that's where we are restricted on the numbers of police officers where we can actually deploy on a shift. But I think the indicator we must all pay attention to with very great detail is crime itself. And crime is going up, and it's going-to-up substantially in this city. So if we say, what is an indicator of community policing, and how are we doing, we're not doing very well, because crime is on the rise. And in double digit numbers in those areas that are vitally important to people like Berg all-star and auto thefts, and breaking into cars, and things -- aggravated assaults are, shootings in the neighborhoods, people getting hurt. All of that is headed up, and this is a very dangerous and bad situation for the bureau to be in. So, you know, I can be proud of a certain thing because we're moving forward, I'm not happy with the community policing results in the area of crime reduction, because after all, if we're moving with community policing and we're moving forward, mobilizing people, getting them to work with us, what we should have is crime reduction. You can't do that without a mutual partnership. People sometimes don't participate when crime goes down, because apathy sets in. You say, well, things are going to be ok now, I don't have to participate, and we've had some successes, and so they don't go to the meetings like they used to because the fear level isn't up. So there's a balancing act there. But we have a lot of work to do, and I don't present these numbers to the council with any degree of gloating, they're real, they give us a great indicator of where we are, they give us a benchmark for the future as to where we should go, and a good sensitive ear to the community's interests.

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Francesconi: That's my last point. First, you need more resources, and -- number 1, the police bureau. Number 2 is, the most important job is reducing crime, and second, is perception of crime. I agree with that. But I -- on this issue of community policing, which again I want to reemphasize, didn't suddenly take a drop in 1997 or 1998, it goes back to 1994, is an issue that we need to hear more from you about how the police bureau needs to address the perceived drop in some key indicators, what other bureaus and others need to do to address community policing, to help you, and what the citizens need to do. Because it's not all your responsibility, but you do have a critical role on both pushing community policing as you have, but also the overall plan for the community.

Kroeker: Agreed.

Katz: We have a long agenda item, so i'm going to cut -- unless somebody really has a question that can't wait, i'm going to cut this off. John is available, you've got the full report. If there are any -- in addition to what commissioner Francesconi wanted you to pull out, if there's any other information you want him to pull out, assuming the sample size is small enough so you get reliable data, let him know. He'll do that for us. Ok. Anybody else want to testify? Come on up. Ok. Anybody else? Ideal don't you sign up, dan. Did you sign up?

*******:** I didn't sign up.

Katz: Come on.

Dan Handelman, Portland Copwatch: Thank you, mayor Katz, council. I have a couple concerns. I'm dan handleman with Portland cop watch. I'm concerned that the survey size was reduced by half. I understand it's going to be going down to an annual report, but by getting only 142 people who have had contact with the police, I don't know this is significant sample. As commissioner Francesconi was asking about, communities of color perception, if you don't have a large enough statistic to find out what that is, I don't think this is necessarily a useful survey. So i'm hoping they'll increase the size of the number of people. It's also -- it also wasn't explain idea this is done every two years, but now it's every year, but it's skipped three years. So i'm curious about why that's happened. And of course from a police accountability group, I am concerned that it wasn't mention add new question was introduced this year about taking appropriate steps to prevent misconduct by police officers, which was actually rated below the average of three. If you look on page 34, the -- mr. Campbell actually wrote a very interesting sentence which says, the compelling question is the rate at which serious instances of misconduct may be under reported, a question that cannot be answered with accuracy from the current data. I think you need a larger sample survey. If you were actually this is a customer survey of, say, a restaurant, you wouldn't want to be asking so people who had never been there what they felt about it. You have three quarters of respondents who aren't even talking to the police responding to this survey. And also to say a statistics not important because it may be less than 1% report misconduct, that's like saying, a billion people came to the restaurant and only 10 died of food poisoning, so it's just a statistic, but it's not. Any case of misconduct, even though statistically unimportant, human beings' interaction with police is very important. So I think it's very important -- I really would like to see a larger sampling, more focus on people who have contact with the police and a larger sampling of communities of color and other communities which have high contact with the police.

Katz: Thank you. All right. I'll take a motion to accept the report.

Leonard: So moved.

Saltzman: Second.

Katz: Roll call.

Francesconi: Just one aspect of community policing is an organization be willing to look at itself. And have others look at itself. One thing to point out here is that the police bureau through their own resources during tough times, is doing this and opened themselves up to the citizens to have an

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in-depth analysis of the organization so it can improve. Our other bureaus don't do that. So you are to be commended for doing this, chief, and you've hired somebody terrific to do it, and so we have some tracking over time. Now it's incumbent upon all of us, and i'm talking about the council, as well as the police and the other bureaus, to make sure we learn from this, continue to improve, because it's the most important function of government. Aye.

Leonard: It's always been interesting to me that in terms of the term community policing, we had an opportunity to talk about this last week, for example, nobody I think would say if you ask them who is responsible for fire prevention in this city would say firefighters. We're all responsible for preventing fires. We all have different roles. In that same context, I have not viewed, nor do I view today, community policing as solely the responsibility of the police. And I think the survey reflects some of that. Quality of life, you talked about in the survey, is a goal we achieve not just by making the police responsible for that. We have as of July 1, transfer of neighborhood inspection teams to do nuisance kinds of things own the office of neighborhood involvement. It's my vision that working with the officer, working with the crime prevention specialist, the mayor suggested someone from planning working out of neighborhood offices around the city, that they affect community policing as a partnership. And I appreciate greatly what the chief has done with the snow program, but I also want to do more than say, it's others' responsibility. I want to put my money where my mouth is and actually have this partnership that we're going to kick off -- kick off October 1, beginning in the kenton neighborhood, working out of the kenton fire station, these city workers who are responsible for livability in neighborhoods. And -- in partnership with the police. So I hope my perspective becomes endemic, but the rest of the bureau's view, their responsibility in community policing as they should. Aye.

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

Katz: This is always interesting as we look at ourselves and ask the question, what do we need to do. I think we know what we need to do. The more difficult question to answer is, how do we do it? And there are a variety of ways of how to do it. And this gives us some indications of where we need to focus in and begin brainstorming on how we do it. I interrupted the presentation that John made because I want you to all realize that this was done in January of 2003, and if you recall the cuts that occurred at the county level, where the courts were closed, where repeat offenders were arrested and rearrested and back on the street three times on the same day, I think, and we'll see if i'm right or wrong, that a lot of this is reflected because of what was going on on the streets. So if i'm right, then we ought to begin to see those numbers start to drop. The 5% increase, especially in property crimes, begin to drop off since those were the offenders that were not sitting in the jail system for even four hours. Some of them were held, maybe for three, and then released. So for us, that would be an indicator that i'm going to be watching very carefully. The thing that does disturb me is that the community is not as involved anymore, and I think a lot of that has to do with two factors, one the crime rate has -- is relatively low, even though it's going up right now. But two, people are working. Single-headed households, a family, husband, wife, children are working, and if you ask them, do you have time to do this, as I have occasionally asked citizens, they say, we have no time. Unless there's a specific issue on their street, or in their neighborhood, they tend not to get involved, especially if the problem is all heightened -- isn't a heightened one. That's unfortunate, because Commissioner Leonard is right, communicated police assisting a two-way street. It's officers and the community hand in hand. And we've had incidents where citizens sit by their window, taking down license numbers, watching who goes in and out of crack houses, and gang houses, provide that information to the deputy district attorney, that that -- then can get a warrant. So we're providing that information for the deputy district attorney to get a warrant so that we can make the arrest or close down crack and drug houses. But a lot of that is done by citizens. And if they're not going to get involved because they don't have the time, that makes it harder on us.

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So my plea always is, at least one member of the household, if you can, participate in your neighborhood association, and participate so we can make community policing even more successful. Thank you. Aye. [gavel pounded] all right. Time certain, 780.

Item 780.

Katz: I'm going to ask people who are standing up to please find seats or go up in the gallery. We have about 25 people signed up to testify, so i'm going to hear the staff report, we'll give the appellant their time, and instead of three minutes, was it advertised for three minutes? No.

Moore: Yes, it was. You only have one sign-up sheet, though.

Katz: What we're going to do, we'll cut it down to two minutes. There are not very many arguments that can be made that need to take three minutes, and from our experience, two minutes is as good as three. If not better. All right. So -- did you read the item?

Moore: Yes.

Katz: Staff report? This is what we're going to do. I can't remember if this is the first one, I think this is the second one we've done. In terms of an appeal. This is the second one. The other one was I think on the -- the amphitheater. Staff report, we'll take about five minutes, maybe a little longer, but I -- Probably not.

Katz: The appellant, i'm going to give -- i'm not going to give you 10 minutes, i'm going to give you seven minutes, since there are two of you. Supporters will then get two minutes, then we'll go to the folks who have filed --

Moore: We have one sign-up sheet.

Katz: We only have one sign-up sheet? Well, we're going to have to then -- that's all right. We'll just go back and forth. And then we'll get the permittee -- I don't know how we do that. We'll take half.

Moore: Take everybody at the end?

Katz: Why don't we do that. We'll do it this way. The staff report, the appellants, then we'll take the permittees for five minutes, then we'll take the testimony, and then we'll give the appellants five minutes -- three minutes on appeal. Ok. Go.

Paul Van Orden, Noise Control Officer: Mayor Katz and commissioners, i'm going to take a few minutes and go over the process that the city's noise review board utilized to make their decision that's before us today with an appeal.

Katz: Ok.

Van Orden: I want to open up a brief discussion on the noise review board process, its focus specifically on noise-related items in terms of discussing any request to operate outside of the city's noise ordinance. And is not specifically a selection process for locations for events, or for other parameters outside of the issue of noise pollution. On march 18, the city's noise control office received an application from global events for an event called the rose city thunder concert, which was a celebration of the 100-year anniversary of harley-davidson. In light of our requirements for scheduling the hearings with adequate time for the community to participate, even though the application was received in march, the actual hearing was set for may 14, and a mailing of approximately 400 individuals were notified of our agenda and of the review of this particular application. The city's noise review board held their hearings on the 14th, and reviewed the request for the concert, and in light of the information they had before them, one of their concerns was that the downtown community association could use some better notification as to the parameters of the event, and to give them an opportunity to participate in the discussion of the request that was before the city's noise review board. And so on the 14th, the noise review board made a decision after reviewing the information from the applicant to hold off the final decision to the following month's noise review board meeting, which was june 11, and give the applicant an opportunity to do some additional notification, both to the downtown community association, and then more specifically the

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noise review board wanted to make sure the performance facilities in the area and the churches had definitely had adequate notification, even though the applicant did, at the hearing on the 14th, give the noise review board some specific information about how the churches had been notified, how some of the times of the event had been changed to work with the churches, and also had notified the noise review board that one of the other concerns was a graduation ceremony at p.s.u. That was happening on saturday, and that they modified their schedule to adapt to and not impact the graduation ceremony at Portland state university. The second hearing on june 11 was held, and once again the city's noise control office did our normal mailing to our interested parties, including the neighborhood associations and business associations of approximately 400 persons to let them know about the hearing. Throughout the process of the two hearings, the city's noise control office received six letters in conjunction with the two meetings. One was from the performing arts center in support of the event, the five others were from citizens that were in opposition or had some concerns about the location of the event and the parameters of the event. Those were all copied to the noise review board and they used those letters in their selection or their decision-making process. The last few items I want to talk about are the particular parameters that the noise review board has to utilize in the decision-making process, title 18 of the city's -- of the city code requires the variance review process to include the following criteria. Review of the application on its merits shall include consideration of at least the following. One, the physical characteristics, times, and durations of the admitted sound. Two, the geography, zone, and population density of the affected area. Three, whether the public health, safety, or welfare is impacted. Four, whether the sound source predates the receiver. And finally, five, whether compliance with the standard or provision from which the variance is sought would produce hardship without equal or greater benefit to the public. So in light of the primary criteria that the board uses to review noise variances, they did in my opinion and staff, take a look at all the issues that we've heard from the appellant in this case, including the location of the event, the nature of the event, which in this case was primarily and most importantly for council to look at a request for a concert. So one of the big discussion topics at the noise review board was that this was a concert variance and not a variance to enable individuals to drive on city streets with motorcycles. Those are individual concerns of each of the individual riders, and not necessarily the promoter who's putting on the event. So finally, after reviewing all of the concerns that the board has to take into account, the board established conditions for the concert that included specific times for the concert to operate, which limited the concert, which actually -- were in conjunction with the requests consistent with requests, I should say, on saturday, august 16, this concert was permitted to operate from 5:00 to 10:00 p.m., on sunday, the concert was permitted to operate from 12:00 noon to 7:00, and i'm shortening the actual decision, i'm not reading it all verbatim. The board also required any sound checks that might impact the neighboring churches be coordinated with the churches so they were modified to times that would not impact any of the services. The board established sound levels that were consistent with previous noise variances for the south park blocks, which required the applicant to meet a 70 decibel level with occasional peaks to 75 dba as measured by any of the neighboring properties, and one of the concerns that had been not raised by any of the citizens present at the hearing but has been a concern in the past is the breakdown of the stage after the event is done, so the board recognized that concern and said that on sunday, any necessity to break down the stage would end by 9:00 p.m., and they would start back up the next morning in order to not keep the neighbors awake trying to disassemble any staging. Then last but not least, probably the more important criteria was in trying to balance out the fact that this is a concert that will be attended by numerous motorcycles, the board realized there would be an impact on the community, and required the applicant to hire six what they termed as courtesy patrol to operate within -- one person within each of the six blocks that the event is transpiring, to have the courtesy patrol person

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actually go up to motorcycle riders who might be revving their motorcycle or starting it without a necessity to do so, and ask them politely to just turn the motorcycle off and be respectful -- respective of -- respectful in the community and understand that it is a residential community. The last issue that I should mention is the applicant mentioned there were two beer gardens that would be a part of the event. And they would have amplified music within the beer garden as more or less ambient music in the background. The applicant recognized this could be a concern for the community and agreed to meet the established decibel standard, which is 55, which would mean the neighbors are probably more likely going to hear the voices of the attendees who are in the beer garden and not the music itself, so that should not be an issue, if that's raised today by any of the concerned parties or the appellants. And last but not least, the board required that the applicant maintain regular noise logs or noise readings throughout the event to make sure they are maintaining the permitted levels of the concert event. And that should cover most of the -- all the issues that are addressed today, I believe, by the citizens present.

Katz: Let me ask the question, how does the applicant view the situation? There will be -- how many harleys in town? Roughly?

Van Orden: The applicant is anticipating about 2,000 motorcycles present, and as many as 15,000 participants over the two days.

Katz: And where will the harleys be parked?

Van Orden: That is a concern of the community, but I think it's been addressed in the sense that many of the areas surrounding the south park blocks will be blocked off and the motorcycles will actually be parked on the streets and not in the park themselves.

Katz: But in that particular area.

Van Orden: Right. And then I would assume with that many motorcycles, that you'll also have people parked throughout the downtown area in order to facilitate such a large number of motorcycles.

Katz: All right. And most of the time at least during the period of the concert, will they be stationery, or not? I know that's a hard question for you to answer.

Van Orden: The goal from the noise review board in trying to set the criteria and work with the applicant was to have them understand that we don't want a lot of people starting their motorcycles and coming and going, but realistically, if these are vehicles that someone wants to leave with and they're operating in a legal fashion, I would imagine you're going to have a fair amount of traffic coming and going throughout the event.

Katz: Ok. Further questions?

Francesconi: I have just one. I think you testified in front of the noise review board something to the effect that this was a concert, as you said, and it wasn't unusual -- this request is not unusual compared to other events that have occurred in the south park blocks. Do you remember what those other events are?

Van Orden: Going back to Art Quake and many of the Portland arts concerts that have been held in conjunction with the Rose Festival, those have had consistent, not necessarily the same number of attendees, but consistent levels permitted for the concert. So in terms of the sound impact on the community, I didn't see this as a greater impact in terms of the concert itself. The motorcycles that will be a separate issue.

Francesconi: Thank you.

Katz: OK. Let's hear from the appellants. You have seven minutes. Come on up.

Katz: I'll give the three of you 10 minutes. Is that all right?

Irwin Mandel: Works for me.

Katz: Go ahead. We'll make sure we hear from all three of you.

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Mandel: Before I begin, mayor, council, one additional request, and perhaps you've already granted it. That is a chance for a three-minute rebuttal.

Katz: Yes.

Mandel: Not for both of us, but totally three minutes.

Katz: You have it.

Mandel: All right, good.

Katz: Identify yourself.

Mandel: Irwin mandell, 1511 southwest park avenue. We welcome harley-davidson to Portland, should be great, but not to the south park blocks. So hang on to your harleys it's going to be a bumpy ride. I'd like to inform you that global events does not have a legally valid permit for the harley event planned for the south park blocks. Global events was not on the agenda of the may meeting of the downtown community association when they first appeared there. Oregon public meetings law states that prior notice to the membership is required before any vote may be taken. The vote to approve was therefore invalid. They appeared on the day of the meeting and requested to speak. The members were informed, however, prior to the meeting, that a vote would be taken at the june meeting. The d.c.a. Voted to oppose the event on the south park blocks and to appeal the permit that was granted without d.c.a. Approval. That's why they're here today. A neighborhood's decision cannot just be summarily dismissed simply because it does not agree with what the park bureau wants. Neighborhood associations are not rubber stamps. Now, let me paint a picture for you of a weekend traffic nightmare with the city's heart tied into a knot due to clogged arteries. Many Portlanders drive into downtown on saturday and sunday to enjoy movies, theaters, churches, concerts, restaurants, weddings, shopping, and the museums. I was going to tell you at this point to please look at the global events map, but apparently you've never seen this map of what they plan. Amazing. Well, let's go without the map. All events will be concentrated in the six blocks, six half blocks, narrowest blocks in Portland, between market and salmon. Look closely at the proposed street closings -- I wish you could look closely -- and the streets that will allow only motorcycle parking. Street barricades and meter hooding will start long before the proposed 5:00 saturday night event and remain in effect until at least monday morning. Elimination of the very large number of onstreet parking spaces will create bedlam, bring traffic to a standstill, and with the addition of august heat will probably produce some road rage. Whoopi, what a wonderful harley celebration this will be if you permit it to be held in the south park blocks. Now, just to end, briefly, the first christian church at their 9:00 and 11:00 a.m. Services will have a sermon entitled "did gabriel ride a harley?" the little town of assisi in italy became world famous when st. Francis blessed the animals. I wonder will Portland become famous for blessing the bikes. I hope doonesbury doesn't get wind of this. Any questions?

Katz: Thank you.

Lili Mandel: Lili mandel, 1511 southwest park avenue. Hi. Rose city thunder should not be permitted to storm down these heavily residential south park blocks and wreak havoc. The event itself is a major uncontrollable noise problem. The noise of amplified rock-n-roll music blasting out of a sound stage at salmon street directly into apartments in the roosevelt and the park tower, then roaring south, up the park blocks, into the apartments, into the residential core, i'm mad: The additional noise of the music from two open beer gardens, we're told we won't even hear that, everyone knows -- look, everyone knows bikes and beer are an explosive brew. The noise of the harley vroom symphony, the noise from 2,000 harley bikers, the noise from 15,000 visitors, the noise from frustrated saturday night and sunday afternoon drivers trying to drive and park downtown, even closing our windows in august, can't shut out this noise assault. I couldn't -- oh, this is really rich. I couldn't believe my eyes. Aarp's july and august magazine features an article

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about the over 50-year-old harley riders. I couldn't believe i. I have to hold it up. Here's a picture, too.

Leonard: I have it at home.

Francesconi: Next to his harley.

*******:** I didn't think you were old enough.

Katz: You'll be shocked when you see me in a photograph sitting on a harley that's parked. It's an antique in somebody's garage. [laughter]

Mandel: That's fine, mayor Katz. Not on the south park blocks. Don't count my time. They interrupted me.

Katz: Go ahead.

Mandel: It quotes a 56-year-old, in quotes, devoted harley rider, proudly describing the annual sturgess south dakota harley rally. He says, and this is quote, these are not my words, so don't kill me -- "it's overwhelming, the roads are clogged for miles and the place is full of topless women, wild bikes, and wild people. It's mardi gras for bikers:" in the south park blocks, can you --

Leonard: What was the date again of the event?

Mandel: You're interrupting my time.

Leonard: I'm sorry.

Irwin Mandel: I think he's planning on buying a harley and join. [laughter]

Katz: Ok. Go ahead.

L. Mandel: You're stepping on my lines.

Leonard: I'm sorry.

L. Mindel: And that's the biggest insult. Ok. You're not counting.

Moore: I stopped it.

L. Mandel: You stopped it, ok. Can you imagine this headline in "the new york times"? "the south parks biker bash brings big busts and big bucks." think about "saturday night live" using this story. Holding this event on these six narrow, heavily residential blocks, and not informing the residents until virtually the last minute, mid may, shows an arrogant contempt and disregard for us. If you permit this rape of the south park blocks, we will produce a bad, capital bad videotape, before, after, and during the rape. We don't appreciate being sold out for the promise of \$1.5 million. The residents of this city are your riches and should never, never, ever, ever be sold. Thank you.

Katz: Thank you. Three minutes.

BJ Seymour, Downtown Community Association: B.j. Seymour, 1405 southwest park, board member of the downtown community association. And I was invited by d.c.a.'s president to represent d.c.a. This morning. This is a residential area surrounded by apartments. These are people's homes. The home is a place you go to escape the noise and hustle and bustle of the daily grind. There are four churches between market and salmon. 2,000 cycles revving over a total of 12 hours, even if it's only 30 seconds each as they're going and coming, and probably more than that, these things are audible for at least three blocks, especially in these small blocks, and therefore this is the equivalent of virtually constant motorcycle noise during the entire 12-hour time. Hour after hour, coming and going, plus the beer gardens with music. I assume these are not lovely symphonic sounds, but probably loud rock-n-roll. Yes, we could go someplace else for the duration, but there are other parks that aren't surrounded by residences. Should this event take place precedence over people's right to relax and be comfortable in their own homes, especially on weekends? And for those who might seek tranquility in their churches, four different religious groups will be even less tranquil than the private apartments. We enjoy the farmers market. We don't object to things going on in the park blocks, we love them, but note that many of us currently can't converse in normal tones during the week in our own apartments because of construction going on. We accept that as inevitable and temporary, but this event, while temporary, is not inevitable. There are only certain -

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- a certain number of pleasant weekends in the summer, and we like to open our windows in august and the sound becomes overwhelming. We should be free to enjoy these few tranquil weekends without this kind of interference.

Katz: Thank you. Questions? All right. Thank you. Let's take the pernitee. Five minutes.

Aaron Cole, Global Events: Hi. My name is aaron cole. I'm with global events group. My address is 9865 northwest st. Helens road. I would like to first restate that our noise variance application as it stands is specifically for the main stage activities. Motorcycles are not a part of our requested noise variance for this event as they are already covered with an existing noise variances for city and state. All motorcycles at the event that are in violation of these already existing noise variances should be cited. There will be members of Portland police and the noise variance office that will be present at the event to monitor these emissions. The noise review board has asked us to notify harley-davidson and the riders about the existing noise variance regulations within the city of Portland. We've labored very hard to do that. To this extent our information is currently on our website and has been circulated in emails and other forms of communication to hog owners and riders. I would also like to point out that the Portland, Oregon, visitors association also is very much involved and in support of this event, and it is through their work with harley-davidson that we have worked on the permitting process for this event. When pova was first contacted by harley-davidson, they set several criteria as determining factors helping to determine a site and city selection for this event. Some of those criteria included the proposed site should be close to attractions and businesses that help define the cultural awareness of the city. The event was free and open to the public in a setting that promotes safe, oriented-family atmosphere and close to major hotels that could serve as host hotels and should have the needed infrastructure and parking to accommodate motorcycles and the visiting public. By addressing these criteria, we looked at four locations within the downtown Portland area that could serve as festival sites. Those included waterfront park, south park blocks, pioneer square and northwest 23rd. After touring each site individually, and looking at each site individually, harley-davidson formally requested that pova and global events submit a proposal for Portland with the requested south park blocks as being the festival site. Simply put, the south park blocks fit the requested criteria better than any other park that we looked at. The south park blocks has an established history of events. The south park blocks is in the core of the downtown area that would benefit financially from this event. And is a cultural centerpiece of the Portland public parks system. In working with Portland police, tri-met, and the transportation department, we were able to devise a plan of hooded meters, selective, single and full lane street closures that would accommodate the expected number of motorcycles in attendance to this event while still preserving the needed movements of traffic in the downtown area. After submitting our proposal, pova was notified that Portland was chosen as one of four cities in the nation to receive this honor of hosting a ride home celebration. The other three cities are Washington, d.c., which coincidentally is being held at the national mall, baton rouge, louisiana, held at the river walk levy, and las vegas, nevada, held in fremont street, in historic downtown las vegas. After receiving approval from harley-davidson, we began to move forward in the permitting process, which included meeting with police, fire, transportation, Portland state university, tri-met, the downtown neighborhood association, a.d.a., the health department, to name a few, and to this date we've received every signoff and provided every letter of support required for us for this event in this location. As mr. Van orden indicated in his speech, when we first met with the noise variance meeting in may, they directed us to further provide letters of document in support, as well as more outreach into that community. With that goal we contacted, met with, and mailed over 1700 letters of information to 16 apartment complexes in the south park blocks area. Included in that mailing was letters, maps, information, street closures, as well as an invitation to the second noise review hearing, or to contact us with various concerns or suggestions. From those 1700

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letters that we distributed to the south park blocks residents, we received three letters of complaint, one email, and four phone calls voicing concern over the event. We met with the downtown community association. I myself, and we are not members of the downtown community association, and are not familiar with the bylaws and customs of the community association. We're not aware of their meeting schedule. We simply called and requested to have an audience to discuss the event. The downtown community association invited us to speak. We spoke approximately for 30 minutes, answered questions, as well as, again, reiterated our concern and invited individuals to contact us if they had further questions about the event. The downtown community association then voted to approve the event at its location. Throughout the permitting process we've repeatedly made changes to the size and scope of the event to accommodate area businesses, church and resident concerns. After meeting with Portland state university and learning of their commencement --

Katz: Your time is up. Why don't you finish up.

Cole: Oh, ok. If I could just briefly say one quick thing, that we've worked to make sure that no stone is left unturned in this application process. The city of Portland, its residents and businesses, have an opportunity to distribute -- to demonstrate the beauty and uniqueness of our town to a national audience as harley-davidson celebrates its 100th year anniversary in our backyard. With your support, we'll continue to plan. We want to work with the neighborhood residents as much as possible to include them in this, and turn this event into a once in a lifetime opportunity that it deserves to be.

Katz: Thank you.

Katz: Thanks. Ok, let's take testimony. Two minutes each.

*******:** Good morning. Thank you for this opportunity to address the council.

Katz: You need to identify yourself.

Katz: A lot of you have never been before. Identify yourself. You don't need to give us your address. Just your name.

Patrick Corrie: My name is patrick corrie. I live in Portland. I'm a residence of Portland all my life. I'm 55 years old and been riding motorcycles for nearly 30. When I heard that Portland was chosen as one of the sites for the ride home, I was thrilled. When I heard that it was going to be in the south park blocks, I couldn't have imagined any place else that would be as appropriate. It's really a beautiful site. It has old-growth trees, pedestrian paths, and also sprinkled with monuments. And like the appellants, i'm concerned about protecting the beauty of the city, the quiet, and I know that the bikers attending will be equally aware and concerned. However, protecting our parks by exclusion is not what we as citizens in the city are about. The bikers who will be attending will be from all over the world, sharing the passion of riding their harleys, enjoying new places, making new friends, and creating fond memories. On a sponsored trip in the midwest, a a number of bikers stopped in a small community at a local historic site. They were concerned that the bikers motorcycle boots would damage the floors asked if we could remove our boots. In the spirit of being good guests, everyone removed their boots and presented them with a harley t-shirt as a gift of appreciation, leaving the donation box stuffed and overflowing. Every harley sponsored event I have been part of has involved bikers that are warm, genuine, engaged in finding new adventures, taking pictures, and leaving their money. I invite everyone here to attend the celebration and be a part of an event that celebrates the history of an american icon in this country's history. Thank you.

Katz: Thank you.

Greg Peden, Portland Business Alliance: Mayor, members of the council, greg peden with the Portland business alliance. This is an opportunity for us to show the country that Portland is open for business. Harley is a great american company. I think this is a great event that represents sort

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of the heartland of america. As you know, as I think you probably know, harley, the demographics of harley riders have really changed. And today the average harley rider is a person with an upper-middle class and someone in their late 40's or 50's. I think the image of a wild out of control party that perhaps is an outdated version of what harley represents in this country these days. I think that we have adequate controls in place here to address that. I think that the audience and the reception that we can give them is a great opportunity for us. The alliance supports this effort and hopes you do, too. Thank you very much.

Katz: Thank you, greg.

Thatcher Schwartz: Mayor Katz, members of the council, my name is thatcher schwartz. I just heard about this last week. I live in the center of the park blocks. I just heard about this last week. I came to Portland right out of the center of chicago, the heartland of harley and i'm a lover of the hog, but let me read this. This is called gentrification of the hog. "i am a harley hog in heat. Looking for a lover, the hog so sweet, he'll lay down self for a piece of meat. But i'm a hog. And not a high-end kawasaki or a screaming yellow triumph to calibrate my magnitude. I lust only for the lover of the hog. My pimp says I will meet physicians and attorneys and other money dudes along the edges of the city's finest park, but i'm a harley hog. Now I don't mind if fancy dudes with filth dig my harley emissions, but i'm not cut out for fancy city parks or pretense of civility, my doctors and lawyers come to see me on the city streets where horny harley lovers come in thousands, just imagine thousands coming. Who can't afford to pick me up. It's just a turn-on to my doctor and my lawyers being able to seduce me with their filthy luker from the arms of lovers of the hog. I'm totally in favor. Only question I have -- is harley saying they would not come to Portland if we gave them the waterfront? I'm going to be a captive in my house for days.

Katz: Thank you. Go ahead.

Ruth Katon: Mayor Katz, members of the council, my name is ruth kateen, and i'm here to appeal to your hearts and generosity. Many of you are parents, and maybe some of you have had excitement and happiness and joy of anticipating your child's wedding to someone who is perfectly suited to that -- your child, and i'm in that situation right now. My daughter, lisa, whom I love dearly, is getting married on august 17, and we've chosen what we thought was the most beautiful representative place in all of Portland. We've chosen the performing arts center. We have 200 people coming from all over the world, from israel, costa rica, new york, california, many of them have never been to Portland. This will be their introduction to Portland. I can imagine a photograph of my daughter on a harley in her white dress, but I need more than that. I need assurance that she can have the affair that we've been working months and months to plan. The money, the aggravation, the time, the energy. All the people who have worked together to make this the most beautiful memorable day of the kids' lives. And we're at risk now. We're at risk of losing everything because of the convention being placed on the park blocks. And I appeal to your generosity, to your good hearts, to consider relocating the convention somewhere else in Portland is fine, but as far as i'm concerned the park blocks is not a suitable location.

Katz: Thank you.

Greg Stamm: My name is greg stamm. My address is 1010-b southwest 11th in Portland. I'm the president of think plan deliver incorporated. We're an ad agency working primarily in the food industry on a national basis. I'm also a harley owner, a biker, if you will. We are in support of this event, downtown, as well as many of the other businesses in that area, specifically south park restaurant, the general manager there authorized me to speak on their behalf as well. We're really looking forward to this event. As far as the appellant goes, you know, I was down at my office during the starlight parade, and I think the congestion from that was exceedingly more than what will occur for this event, and would really hate to see Portland trashed in the national media again for refusing the event, because it affects my business on a national level. Thanks.

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Katz: Thank you.

Tony De Micoli: My name is tony demicoli, here to speak in favor of the event. For the last five years, i've been in the entertainment business, working with festivals for the last 15 years, where I call and need a talent, the production, and onsite stage management. Most recently this year I worked with the Portland rose festival and arts festival which takes place in the south park blocks. I'm present on site to make sure we're adhering to the decibel variance, that everything goes according to the way it's planned and under control. I also like to point out briefly that back in 1997 when there was an event similar to this -- excuse me -- I was currently the owner and manager of key largo restaurant, and that event was very large, all those motorcycles were parked on the burnside bridge, which was closed off for the event. Everything went as far as my knowledge without a hitch, very coordinated and under control. I'd like to express my for this event. Thank you.

Ed Wallace, Destination Harley-Davidson: My name is ed wallace. I own destination harley-davidson in tigar, Oregon. I won't review information about our demographic that you've already heard and the type of people that we have, but I will mention that all of us do have a concern about building relationships, and it's building relationships with each other and other people. Some example are the toy runs that you see every year in the news where we're giving our support for m.d.a. As a business destination harley-davidson gives a lot of money to local charities and christian charities our customer base, and we do these things as a fun to build the kinds of relationships they want to see us build. We want to have a positive relationship with Portland, with the south park blocks, with the folks in the south park blocks, and show due respect. The one final thing i'll say -- well, and in addition to that, just other examples of our building relationships, one of our stores, I own three stores with my father, has been number one in customer satisfaction for five years running, and we're proud of that, and that's a part of our commitment to building relationships. We were the better business bureau business of the year for 2002 for western Washington and all of Oregon. That's a large business. And just to give you an idea of the business and put a face on it, destination harley-davidson in tigar did \$13 million in revenues last year, all three of our stores combined are pushing \$35 million. I know that there are five stores that compete for business in the Portland area, and they are all similar sized stores. And so the folks that ride these motorcycles, I guess, what that is, that information about the revenues of the dealership is just information supporting the fact that these folks are who they're hearing they are, they're demographic and respectable business leaders and folks that, you know, want to do good and contribute and spend money. Thank you.

Katz: Thank you.

Bill Herrold: My name is bill harold. I'm a business owner here in Portland. I guess i'm here just to expound more on the demographics and to show my support for this. I am a 56-year-old harley rider. Probably should have been my picture in the paper, or in the magazine. I've been doing it now for about 10 years, and i've met the finest people i've ever met in my life. This is just not chatter. The finest people i've met, i've met on a harley. I don't know if everybody's aware of the demographics in this town or the area of harley riders, but I know that one of my friends here is a vice president of probably the largest sit-down restaurant chain in the state of Oregon and he's a very avid harley rider. Puts on many miles a year. There are heart surgeons, lawyers, and a lot of the people that -- they just don't look like it when they're riding a bike. These bikes aren't cheap pieces of machinery. They aren't something that somebody stole parts and put together and rode like they used to think years ago when they had the movies about biker gangs. These bikes are from \$20,000 to \$40,000. I myself, I don't even drink beer, so I can't be included in that comment. The first ride I ever went on with the harley-davidson group, we went all the way up to mount st. Helens and toured there, and my wife and I really busted up laughing when we went into a

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restaurant for lunch and this big harley-looking dude in and walked in and he walked away with a little teapot and a teacup. We're not all what we're pointed out to be. So I give my support. I know that everybody i've talked to gives their support on this harley thing. And I know that the demographics of the people who enjoy it, who don't even ride harleys is the same. I ride my bike down the street. I used to live in Tigard. And parts of that is a very older community for the king city and everything, and I got thumbs up from some people who could barely raise their thumb. They love harleys. Absolutely love them. Thank you.

Katz: Thank you.

Francesconi: Commissioner Leonard only drinks tea as well. [laughter]

Katz: Go ahead.

Cynthia McBurney, Kathleen's of Dublin: Cynthia McBurney, a small business owner in downtown Portland, Kathleen's of Dublin. I want to throw my full support in to the folks of Harley coming in downtown Portland. It won't be like Sturgess. This is Portland, Oregon. These are great people. Downtown has suffered from things like congestion, yes, but that means a lot of people are in the core area. We welcome that. Will we have to worry about parking? Always do. But they'll find places to park that are legal. Will they bring prosperity to downtown Portland? You bet. I had a customer walk into the shop the other day, big burly guy, black chaps on, black leather vest on, had something tucked into his leather vest. We went "oh, my gosh, what is going on?" he pulls out a little tiny puppy and tells us that he wants a blanket for him. So he buys a \$120 blanket. After he shows the Tiffany -- the Tiffany dog collar that he had just purchased. He was giving it as a present to his wife. Yes, they will bring in money. The park blocks needs to be open to all members of the community. Not just to those groups that fit what we think should be there. One man's music is another man's noise. Thank you.

George Rogers: Good afternoon. George Rogers, 310 Southwest Lincoln. Thank you so much for the opportunity to talk today. You'll hear a lot of figures thrown at you that I think are pretty obvious. The \$1.5 million impact, one of only four cities in the United States to be selected for this event, which I think is tremendous, but I just wanted to relay some practical experience. I recently relocated up to Portland from the Eugene/Springfield area where I was the general manager of the Double Tree hotel down there. I had frankly the great opportunity to host the Oregon State Hog Rally two years ago at our hotel and we went through some of the same questions through that process. We had approximately 1,000 bikes and many residents in the direct area. We received zero complaints about the noise. We had bike games going on so the bikes were literally going on in our parking lot all day long. We had concerts at night. I had no complaints before or after the event. That includes the city of Springfield, which was involved in the process as well. I would rebook them in a second if I had the -- the ability to up here. My parking lot's a little bit small up here, so I couldn't do it, but just a tremendous experience with those folks. Like I said, I'd rebook them again. Thank you.

Brian McCartin, Portland Oregon Visitors Association: Good morning. I'm Brian McCartin with the Portland Oregon Visitors Association. Being one who works diligently to attract visitors to Portland, let me just say that the amount of positive media attention and public relations this event will bring to Portland is invaluable. Not only will we see a definite impact from this event but the ripple impact will be immense. For those that return again, it will be impressive. Many return as tourists. This is a convention at which they'll be coming to to participate in, but like we hear from many visitors that come to Portland with conventions or groups, they say "I had no idea, I'm returning with my family." so the return of tourists and their families will be a result of this event. Just as important is the fact we'll continue to enjoy a solid relationship with Harley-Davidson Corporation. Portland has a history of working with Harley-Davidson. In fact, in August of 1997 they had a rally in Portland that was very successful and one reason why that they have really

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looked to Portland again, because of that positive experience, as one of those four destinations to look at for being awarded this opportunity. That event in August 1997 represented \$1.7 million worth of economic impact. We all certainly understand the need for economic impact today in Portland. The positive -- when this -- with this -- when this effect is successful, there could be other event in the future. And not only with Harley-Davidson, but the ripple effect in the meeting -- in the meeting community. However, if we cancel or alter this event at this late date, we would bring negative publicity to Portland as a meeting venue. With the recently expanded Oregon convention center, with the number of hotel rooms and restaurants and retailers in our community, all members of Pova looking for us to create tourism and fill these facilities, we can't afford to allow this opportunity to go by or to allow a black eye to come on Portland, not just with Harley-Davidson as a corporation and lose opportunities for future business with them, but other meetings and conventions. Thank you and I look forward to you supporting this event.

Katz: Thank you.

Carl Cadonau: Honorable mayor and honorable commissioners, my name is Carl Cadonau. I'm in support of the convention here in town. I've been riding for almost 40 years. Not had Harleys all that time, but the last 12, 15 years I have. As a taxpayer for the city of Portland, also a businessman here in Portland, that pays taxes, I look at it as a play -- that this is a public place, the park blocks, and we need to, as a group -- a group of riders need to obey the rules. I'm sure our police force will be around and do their job and keep things in order, both by noise and the beer gardens, if that's a problem with a lot of the people. One quick thing, and that is the relationships that Ed Wallace talked about is a real I think powerful thing in this group of people, both when he takes trips to other places, but as families. There's a lot of husbands and wives. A lot of them that will be at this thing. This is not single, drunk, 20-year-old, 30-year-old guys without jobs. This is -- this is husbands and wives of all ages. My son and I are going to be going on a trip in September to Reno, and it's a real time to bond. It is a good thing. And the other issue is that this is a once in a lifetime deal for Harley-Davidson. They won't be back a year from now or two years from now and asking for this again. I ask your support. Thank you very much for your time.

Philip Austin: I'm Phillip Austin and I live on the park blocks. My main concern has nothing to do with the beer gardens or that. It's the noise. The noise can't be mitigated. When you have that magnitude of people and the art show and stuff, there are not 15,000 people down there at one time. Or even over a period of time. It's going to be condensed. It's going to be noisy. We do once in a while hear noise from the waterfront when they have concerts down there. We can hear it drifting up to the park blocks. Years ago, the S.T.P., Seattle to Portland, used to end at the park blocks. That was just a short period of time. But where I lived, in my building, the buses waited for the people outside and had their motors running constantly. They eventually moved out of downtown. And the one reason was the congestion and stuff for them. They now land in St. Johns. I was thinking, like Kelley Point Park or someplace else, it's more open, doesn't have the density and the number of people living in the area close to it. You'd still have the ambience of the trees. The other thing I worry about is the fragile ecology of the park blocks. The grass there isn't as strong as even waterfront. You know what happens to waterfront's grass. It disappears. Well, the grass there will disappear, but take longer to redo it because of the canopy there. You don't get sunlight. If you walk up there right now you'll see parts that have very little grass on it to begin with. And just the number of people walking on that I think will be a problem. Thank you.

Katz: Thank you.

Jeri Riggs: Good afternoon. I'm Jeri Riggs, hotel manager of the Hotel Vintage Plaza. Much of what I was going to say has already been said, so I won't repeat my initial thoughts. We have almost 200 employees at Pazzo Restaurant and Hotel Vintage Plaza. I think it's important to remember where Oregon ought not to be particularly proud that it's boasting the number one in

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unemployment in the nation, the impact of jobs when your hotels are full is significant. So I think it's important to remember that. Also, it's short of a miracle that Portland is even on the map here with harley-davidson. I think we should be jumping up and down for joy. We want business brought here to Portland, which affects all of Oregon. We should respect that. We do deploy companies like global events to make those events successful. I rely on their judgment. And last, lastly, we have the big c, which is the customer, harley-davidson. They've been here, chose us, and selected the location. And for Portland now to go back against its word in contract arrangements in my opinion would not leave a lasting favorable impression anywhere. Thank you.

Katz: Thank you.

Brad Hutton: Good morning. Brad hutton, area vice president for hilton. First let me say that I do appreciate the comments of the neighborhood association. We fight a different enemy on an occasional basis with the cruising that happens downtown, so I do appreciate their comments and do respect that. However, as geri had mentioned, things in the downtown area, particularly from retail and hotel have not been that great. And this gives us an opportunity to inject some fairly serious dollars into our economy. Our hotel employs about 600 employees, who are counting on working during that three to four day, maybe five-day window, depending on people who plan on staying over. To pull the plug on that today would be a very, very serious blow to those employees, to their paychecks, to the room tax, payroll tax dollars. Also mentioned, I want to make clear, we are getting national attention for this, and it's very positive attention, but the reverse will happen from a professional meeting planning meeting viewpoint if we renege on a contract that's already good in their meetings. It's something we can't afford to be accused of. We have a new convention center we're trying to lure national attention, and this sort of thing will be very detrimental to the success of our industry, our retail, and perhaps the convention center as well. Thank you.

Katz: Thank you.

Joanne Lenz: Hi. I'm joanne lenz. I own two restaurants. One of them on clay and park avenue. And when my husband and I found out that the harley-davidson convention was coming here, we were very excited. We knew that it would -- it was going to be a huge impact on our business. As you know, the economy is pretty bad, and we've felt the effects of it pretty heavily. And not only is it going to bring business to us for those two short days, it will bring attention to us -- you know, the park blocks is very difficult to find and see the businesses as -- you know, trees cover everything and signs are small. You know, you have people walking up and down those streets, will bring attention to not only our business, but the others around there. The art museum, those locations. And I also wanted to express my understanding and concern for the residents as well. I know that there are tons of residents down on the park blocks. And I do understand their concern, but it is going to be only two short days for this event, and if they can just have a little bit of patience awe do every year for the rose festival, with the parades that go on downtown, the blues festival down on the waterfront park creates a lot of noise, and the residents down on the waterfront also have to deal with that noise as well. So I appreciate you guys listening, and hopefully that you will allow this to happen on the park blocks. Thank you.

Katz: Somebody start. Grab the mic. Don't wait.

Rosemary Devaney: I'm rosemary devaney and live in southwest Portland. I live in an apartment building, a h.u.d. Building for elderly and disabled people just below 23rd and west burnside. I'm here to tell you that i've been harassed by local bikers for the last six years and the Portland police bureau has done nothing about it. I'm not a nimby. I'm not just concerned about what happens outside my front door. I'm here to support the mandels and the downtown community association in their appeal. It's not only going to impact the residents of the park blocks dramatically in a very negative way, but there's going to be a spillover into goose hollow where I live, the pearl district, northwest Portland, and our neighbors on the east side are going to be very much affected. So it's

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going to negatively impact the whole city, in my opinion. So often these conversations, when we're talk being motorcycles, turn to who people are and the dollar sign. People love to mention the doctor and lawyer factor. It gives it respect and credibility. I could go on forever about the other -- the other guys, but I won't. We don't have time for that today. But who they are and the money it brings in is not the issue we should be most concerned about, but rather how it's going to impact citizens of the city and it's a livability question. The noise is how i've been harassed with excessive noise. People overrevving outside the apartment building where I live because I have complained about local bikers. It's a health issue. It's made me physically and emotionally ill at times. I can't enjoy myself in the nice weather or even inside my apartment relax because of these folks. So I do not feel like any of the other locations that have been noted. I think the rose garden is inappropriate, because you have calaroga terrace over there, which is condominiums for elderly people. You have a psychiatric facility in that area. I feel very sorry for the people down on the waterfront, but going through the -- the motorcycles are what are going to bring the noise that is different from other events, that is not typical in that way.

Katz: Thank you.

Jim Larpenteur: Jim larpenteur, a downtown Portland lawyer and legal council to the Portland visitors association and as such a member of its board of directors. Ex officio. I want to speak to process. City rules are set for the use of motorcycles. City rules are set for the use of the south park blocks. The applicants agreed to abide by these rules. Some of them specifically adapted to this event. I believe that the integrity of process is at stake. The event should be continued as a matter of fairness, credibility, reliability, and even speaking to the character of the city. The event deserves your support to preserve the integrity of the process. You have prescribed for events such as this in the city's treasurer, the south park blocks. Thanks.

Bill Oliver: My name is bill oliver. I'm a schoolteacher up in northeast Portland. And I thought it was my picture on aarp there when it came out, but i've lived in Portland all my life. Just this last year, being the 100th anniversary of harley, I got myself a motorcycle. And went to pcc, learned all the safety things, and enrolled in the local hog chapter. My experience is that safety and, you know, concern about obeying the laws and treating people decently is what harley is all about. They have -- i've met wonderful people. I drive to school for my fourth graders and they love it. It's a family event. My last two rides consisted of my wife and I going up to crown point last night, back, watch the sunset, back along marine drive. Today I took my daughter to summer school over at benson. So I was really excited to see an american company celebrating such a landmark event choose Portland, my hometown, as a place to celebrate it. And i'm totally in favor of this.

Katz: Thank you. How many more do we have, karla?

Moore: Four more.

Katz: Ok.

Katz: Ok. Come to the mic.

*******:** The south park blocks --

Katz: Identify yourself for the record, please.

Phyllis Dolinger: Oh. My name, phyllis dollinger. The south park blocks neighborhood has been my home for over 20 years. This harley-davidson event is not an appropriate place in the south park blocks. Art, dance, graduation, weddings, farmers market, are appropriate. It is important that this event in august will find another place in Portland. I know it will be successful wherever it -- wherever it's held. Our city could use the money, and this event could earn plenty of money elsewhere. It's not just about money. It's about beauty, art, nature, love, and peace.

Mark Vanderford: Good afternoon. Mime name is mark vanderford. I'm for motorcycles, pro harley-davidson. I'm for this event. But not in this location. I'd like to make three points. One is about global events' statement about the locations in the other cities. I don't know much about new

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orleans, but south -- the south park blocks are nothing like the mall in Washington, d.c. Or fremont street in las vegas. I hope you'll note that, where they chose in other cities, the locations. I'd also like to make the statement that approval by this commission of this type of event and hearing the testimony here will perpetuate the council's image of being pro business while at the same time ignoring the residents' concerns and desires in this city. My last point is regarding accountability. Does anyone on this council willing to take personal accountability for the decision to support this event by attending this event, seeing what the area looks like sunday evening or monday morning, to see how well preserved or how thrashed the landscaping of this special place is? And follow up with the residents to either accept the appreciation or the reprisals from your constituents for this decision? Again, I support this event. I support motorcycles. I support harley-davidson. The point here is not demographics. I'm glad for the attention that Portland's going to get. I'm glad for the money. However, we wouldn't be wasting time with this hearing if this event had been sited at a more suitable location.

Katz: To answer your question -- two of us will be there.

*****: Thank you.

*****: On a hog?

Leonard: Yes.

Katz: Go ahead.

Colleen Smith: I'm colleen smith. I live at 1525 southwest park avenue, 97201. I've lived in that area since 1951. So i'm speaking for over half a century: It's not that I should have any more say in this than anyone else that just a moved a week ago, but I do have some history behind me. And they were talking about the events that have been held in the park in previous years, and they have been wonderful. Not once did I ever think "why did they ever put this here?" we've had everything from the Oregon symphony to the Oregon ballet. We've had ice cream socials with the art museum and the Oregon history center. We had indian tribes having a salmon bake during one rose festival. I could go on and on and on. They were great. One of the greatest things is every saturday and wednesday we have the Portland farmers market, which is terrific. I think, you know, this gentleman has said everything I was going to say about I think this event is going to be great, but I think the location is going to be terrible because of the density. There are 13 apartment buildings bordering the park blocks. There are four of them on park and eighth. There are nine on park and ninth. A total of over 1200 rental units. I'm not saying that they're all filled, but even if they aren't, and even if there were only one person in each unit, which there aren't, there would still be, you know, 1125 people. We shop here. We pay taxes here. We vote here for taxes to tax us for our parks. We've always supported our parks. We always support our schools. We voted for that. We have a real good voting record. Again, we welcome this event, but someone, please tell me, why could it not be at the waterfront park, which I assumed it was going to be at the beginning, or as someone said, even the question, pier park, or also the kelley point park. And if I may have just a half a minute more. The lady that was here, the mother and the future mother-in-law, I do not know her, but i've heard that this wedding was scheduled for that time. And people that I have talked to and have heard about it, too, they said "do you mean that this thing -- this wedding that's been planned for a long, long time, a once in a lifetime event for them --" we hope a once in a lifetime event " -- and to have all these people come, as around the world," I thought what must the mother of the bride and mother-in-law think. They're going to have what? They're going to have where? And where on earth are their family and visitors going to park.

Katz: It's a wedding they'll never forget. [laughter]

Smith: Believe me. But they should be able to remember it with love and kindness.

Katz: Thank you. Thank you. Is there an arlene dudley possibly? A larry winkleplek or joe ross?

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Arlyne Dudley: My name is arlene dudley. I'm a resident of downtown Portland and the park blocks. It's interesting to note that the people who are speaking for the harley-davidson rally in downtown on the park blocks are business people and the people who are speaking against it are the residents. It's a highly densely populated part of the city. A lot of it is fragile population. There are a lot of supported housing units and people who need help. There are a lot of elderly people who live in the area. This will affect, of course, just for two days, but i'm not quite sure why they should be the ones who should have to be affected by this kind of a rally. I know that the harley-davidson people are wonderful people. And I know there's a lot of money involved, but I would certainly ask the people who make these kinds of decisions to consider the location a little bit more seriously the next time. I agree that it's a rather late point in time to try to make a change, but how it's ever going to be policed or controlled when there are 2,000 motorcycles is just totally beyond my understanding. Thank you.

Katz: Thank you.

Joe D'Alessandro, Portland Visitors Association: Mayor, members of the city council, my name is joe delaendro, president of the Portland visitors association. I'm here in support of the rose city thunder and keep the process already in stake and keep the location in the south park location. We've heard about the economic impact of the event, which is substantial. We've heard about the value of the event to this community. I want to point out a couple of things. Of the 15,000 attendees, most will be Portland residents, not people on bikes, but go down there to look at the bikes and be a part of the activities, be a part of the free family event that's going to be there. When I told my 12-year-old son that will be a harley event down at the south parks block, of course I don't have one, he was excited, said "dad, let's go see that." it's a great event for Portland residents too. I know I sympathize with the residents and the noise and the impact of that factor. I chose a year ago to move to the central city of Portland with my two kids, give up the park, give up the yard, deal with the traffic, deal with the noise, because of the livability of downtown, because there are events, you can walk to places, hop on the trolley. It's an active, lively downtown and something to celebrate. I think global events went through the proper process. I think it's a great event for Portland and encourage you to keep it there.

Moore: That's all.

Katz: Ok. Come on up, three minutes.

Irwin Mandel: Let me reiterate again. We welcome harley to Portland. We welcome a million and a half bucks going into the Portland economy, no question about it, and I have no doubt that the harley people are probably the salt of the earth. They seem to be very nice people. That is not the issue. The issue is here of old principles of real estate -- location, location, location. The gentleman who testified about geography before, he'd never been to river front walk. I have. That would be a great idea to have the harley, and they did have it there. Why not at river front park here president it makes no sense. Money, money, money. Again, bring your money, but have your event someplace else, that it's hard to conceive of a more inappropriate place, or perhaps the west hills might have been, but certainly in the south park blocks is probably the most inappropriate place, other than the west hills, that could have been chosen for this event. I really am sorry that harley or the parks bureau or the rose city thunder handlers did not give you a copy of the map of street closures that are going to occur. Do you have a copy yet? Oh, good. Well, follow me just on market street. Market is u.s. 26 coming in from the west, from all -- beaverton and every place else. If you have ever been downtown, on a saturday night, or starting saturday afternoon, with the volume of traffic that comes in on 26/market street, right my next door, you'd understand the problem, because market street will be closed, as I understand it, to traffic except, of course, for the streetcar line, which runs down market. So on saturday night -- oh, yes, the number six bus, coming in from m.l.k., comes down market, makes its turn at market and parks. 6 saturday night and

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sunday, we'll have one lane of plastic for the streetcar, the bus, cars coming down on 26, all funneling into that one lane on a saturday night. We will have backups perhaps out to the sylvan hills on 26 from this. This is absolutely incredible and inappropriate. Go.

Lili Mandel: Yes. I think they didn't even mention it. There is one apartment house on the six blocks that they're going to be using that has a garage that they have to be able to go in an out of -- in an out of. Nobody has even thought of this. And there's something else my husband had pointed out. You may -- this nobody -- the neighborhood did not sign off on this. They don't want it there. And this is not a -- they did not get their legal permission from them. And this is not a legal permit.

Katz: Thank you.

L. Mandel: And I don't think that we can be driven bonkers in a few hours. And we've been told something else, just one thing, we've been told something else, "let them just come for this one time. After all, just one time." well, I don't want to be raped once, and i'm not going to go and enjoy it either.

Katz: Lili, thank you. Council, do you have a questions of staff? I need a motion.

Leonard: I move to affirm the hearings officer's decision.

Harry Auerbach, Sr. Deputy Attorney: Do you mean the Noise Board?

Katz: Ok. Deny the appeals.

Leonard: Yes.

Katz: And affirm the noise board hearing decision.

Francesconi: Second.

Katz: Do I hear a second? Roll call.

Moore: Francesconi?

Francesconi: The irony is we all know the businesses and residents, we all need each other. The businesses really need a healthy, vital residences living downtown. Businesses need them downtown. And we want to create an environment that supports our residential community. Very, very important for the businesses, many of whom who testified here. The residents, on the other hand, want some of these restaurant owners and the business owners to make it, too. So the question is kind of how do we move forward together? Because cities have residents, they have businesses, and the vitality of the city, which is increasingly threatened is really important. We need to approve this because they followed all the rules. And --

*******:** No, they didn't.

Francesconi: From my viewpoint they have. And also because the noise review board and the bureaus put added protections on this to make sure that the residents were best protected as possible. So we've limited these kind of events to the south park blocks, parks has, to four major event in the south park blocks is the policy of parks. We've heard a lot of testimony about why not everything on waterfront park. We have a lot on waterfront park in terms of activities, and we're increasing housing on waterfront park along there. I hear from the residents who live along waterfront park. And we're moving events to the north park blocks. The truth of the matter is parks are for everybody, and they belong to all the citizens, and there are some advantages to living near the parks, like the farmers market that lents and other communities don't have, but there's also disadvantages. So what we have to do is minimize the disadvantages as we remember the parks are for everybody. So the way to do is limit it to four and put these kind of restrictions on here that have been done, that amplified music has to stop at 10:00 on saturday night, 7:00 on sunday night. It has to coincide with the churches' schedules on both saturday and sunday. The stage level noises can't exceed 70 d.b.a. And occasional 75. There's going to be these patrols of six people. 55 decibel limits on the beer gardens. These are all added things. Sound readings are going to be taken every hour. The noise review people are going to be present. Central precinct and park

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security teams are going to be present, paid for by the events. In addition, there's additional Portland police and parks people and transportation people present. And so what we're trying to do is to accommodate both as best we can. And bring in an event that we really need in this tough economic times. But the last thing I want to say is -- and it was great that towards the end we came together in terms of descriptions of harley drivers -- but let's assume that the -- that the stereotype harley driver, which is not true, was true. With all these restrictions, and the policy that we don't discriminate, we'd still grant the permit as long as the behavior is regulated, because we don't discriminate against groups, period. That's the rules. And that's what we play by. Here it's especially easy, because that stereotype's not true. I personally know, understand i'm sorting out the facts from my own personal experience, because my dad bought a harley for the first time at age 79 after -- after my mom died at age 78. But really that's -- but none of that is relevant. What's relevant is that the rules were followed. We have the enforcement in place. And we kind of need to move forward as a community. Aye.

Leonard: You trumped me. I was going to disclose I too am a harley rider. Had no idea your dad was. You know, as we've heard here, some would describe the music that's going to occur as loud rock-n-roll noise. Others of us think of john kay and steppenwolf singing "born to be wild" and "magic carpet ride" as the most beautiful music that could exist, and are just -- no accounting for differences. I respect that. I'm trying to figure out how to marry off one of my three kids that weekend to have steppenwolf in the background as music. That's another perspective. There also is something about harley-davidson I was thinking about, knowing that this was coming up, what it is about harley-davidson. The people that buy motorcycles, people that buy harley-davidson motorcycles aren't necessarily just lovers of motorcycles, because if you're a lover of a motorcycle you can get a lot of cheaper motorcycle, trust me. But there's something about harley-davidson that represents america. And the people that ride harley-davidsons are amongst the most intensely patriotic and loyal people in the united states. And law-abiding. They bring, I think, to this event, not just the dollars, but a symbolism of what it is that this country is about. And you know, again, from my perspective some of the most beautiful pieces of technology are some of these motorcycles that you see. And the people that ride them are intensely proud of them. I am -- I am, you know, very sympathetic to the issue that the neighbors raise, but I think that in -- in some ways the way this has been characterized, i'm hoping, is in fact not is what is going to occur. I will be joining the mayor down there for the festival. I'm very excited about it, and plan to be there as a participant, but also keep my eyes open and do what needs to be done to make sure it's a peaceful as i'm sure it will be. Aye.

Saltzman: Aye.

Sten: Well, I mean, there's been a lot of testimony, some to the point and some way off on both sides. I was personally offended that people over 50 are going to be ok and people under 50 are going to have a bad time. I mean, give me a break. It's you folks who are terrorizing people who create this, not people my age, when you were younger. [laughter] i'm tempted to vote against it just on the basis of age discrimination here. But I actually think, you know, for me it's actually pretty simple case. This is a really good event for Portland. It is a major inconvenience for the neighbors. I think anybody who tries to rationalize those two points, you just can't. I mean, this is an enormous inconvenience. If there was a lot of these kinds of things, it would be a huge detriment to live in downtown. We ask the neighbors to put up with an incredible amount, and this is asking them to put up with a lot, because there's no way on earth thousands of motorcycles amassing in front of your home is going to be a good way to spend your summer day. That said, I think the benefit for the community outweighs that. I think it's part of the downside to what's a really good thing of living downtown. I do think that it could -- it could have gone other places, but this was the place it went. I think this is a really good place for the festival, not just a good thing to

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happen to the neighbors. I'm making the judgment call, that I think it's the right thing to do and vote aye.

Katz: As somebody that lives in the heart of of the core of the city, I too sympathize with the neighbors. And I love b.j. And the mandels and colin and usually support their positions on most of the issues that they bring to because of their love of downtown and their clear understanding about what it means to live in the downtown. I need to be very honest with you. I do get angry with the motorcycle on my block revs up. It's not a harley. I don't know what it is. But the noise goes on for -- for probably close to six to 10 minutes before it gets started. I get upset when I see the garbage on the street. But I walk out of the house and I say this is urban living and i've chosen urban living. I'll take those inconveniences as somebody who lives in the heart of the city. But I -- truly, I understand it, because I am personally inconvenienced as well, but that is the part -- those are the choices that we make where we live. As far as the event, i'm fascinated by it and i'm not -- it's not about the music. It's not about the bikes. It's not about the hogs. I don't know if the hog is the person or the hog is the bike. [laughter] it's not about the poetry. It's really about an event for the city. And the fact that it will bring some economic vitality to the downtown area. But we can't, as somebody here said, we can't discriminate on the events. So I understand it's going to be difficult. I live that life all the time in the core of the city, but those are the choices that we make. It's a short-lived. Aye. [gavel pounding] all right. Everybody, we are now at regular agenda. Let's try to move through it quickly. 794.

Item 794.

Katz: We have somebody here. Are there any questions with regard to this grant? All right. Roll call.

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

Katz: Aye. I forgot to ask, did anybody want to testify on this? All right. 795. Roll Call.

Item 795.

Katz: Scott, thank you for waiting. Anybody want to testify on this item?

Leonard: I do have questions about this.

Katz: You do?

Leonard: Yes. I need to have them answered.

Katz: Who's here from -- oh, ok, betty.

Leonard: Good morning.

*******:** Hi.

Leonard: Are we going to read the ordinance?

Katz: You read the ordinance.

Moore: I did.

Leonard: I have concerns about the process used to select the consultant. I have concerns about the amount of the contract that's been entered into before authorization from council. Could you explain both of those to me?

Betty Solaja, Benefit Manager, Human Resources Bureau: Betty solaja, retiring benefit manager for the city of Portland. I went through the normal prescribed process that the purchasing department requires, posted it on the internet for anyone who -- and they wanted to access the r.f.p. The process through purchasing assured me that any and everybody that might want to participate in this contract would be able to access the document and would know it was there. After sending it out -- actually, before sending it out, sent a copy of the r.f.p. To each member of the Imbc for review. They had it a couple of days. And then posted it on the web for anyone to see. After the request came in, went through the interview process, and made a determination of which of the participants was the best for the projects that were indicated, and brought that recommendation to

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yvonne Deckard , head of the -- director of the bureau of human resources, reviewed the issues and questions with her, and she agreed with the recommendation to hire aon.

Leonard: Did you involve the -- anybody from the labor management benefits committee in the selection process?

Solaja: No.

Leonard: And why didn't you do that?

Solaja: The LMBC's charge is to provide plan design recommendations and to annually make a recommendation on the use of the reserve. It's the city's responsibility to hire, manage and pay contracts. So the city's responsibility was vested in the person hired to perform the management services for the city for the benefit programs, and then through yvonne, the director of bureau of human resources, make the final determination on how to -- who to select and how to pay them.

Leonard: And has this contract been entered into?

Solaja: Yes.

Leonard: So you're actually bringing us a contract that you've already entered into for -- is it \$1.1 million?

Solaja: It's over a five-year period. That's approximately 1/30 of the total cost of the current benefit program.

Leonard: Do you think we might have had a role before the contract was entered into?

Solaja: Pardon?

Leonard: Do you think there might have been some role for us to play before you entered into the contract?

Solaja: Council?

Leonard: Yes.

Solaja: Actually the contract hasn't been signed. We've been trying to negotiate lower fees, which we've been successful in doing, and we had to get a couple of projects started, because if we hadn't other contracts would have expired. And also, we had to get the point of service study done, which was an outcome of the fire contract.

Leonard: Thank you.

*****: If I may --

Katz: Identify yourself for the record.

Peggy Anet, Incoming Benefits Manager: Mayor Katz, members of the council, i'm the incoming benefits manager. I've been here for one week and one day. What I will say is that in addition to looking forward to working with you, I think there are two issues here. I've looked -- had enough time to take a look at the contracts in the benefits area. There are presently about 21 -- no. There are 21 contracts. And they all come due just about the time of the open enrollment period. It's a very complex and frankly burdensome process and one of my priorities just looking at how to manage this, is it makes it clear to me that we have to take a serious look at the process we use in contracting. How to make that more streamlined and efficient. One of the questions that you're raising is what is the role, not only of the council, but also what is the role of the lmbc. One of my other top priorities is to work with lmbc, members of the council, to consider what's the appropriate role, what's the process, to be sure we have clarity on these kinds of issues, because the health care benefits area is very expensive and it's always an emotional issue. So the commitments that -- that i'm very strongly supportive of are actually working with all of the interested parties, both in terms of taking a look at the contracting process, which for me I think, as I said, is unwieldy just because of the sheer number of them, and then the second element is to work with lmbc on these kinds of issues.

Leonard: If I could just finish on that, peggy, I greatly appreciate what you're saying, I will not be supporting this today because of the lack of process you've committed to. I'm hoping we not even

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vote on it, that we give peggy a chance to go back and do this-what I feel to be the professional, appropriate way, to involve the members of the labor management benefits committee in developing who it is that actually is doing the work for the members that are covered by the health benefits in this city. And, you know, it frustrates me to no end that we talk about having better labor relations and then consistently engage in these kinds of behaviors. So your comments are very welcome by me and I for one think we ought to not just talk about better relationships, but do the hard work that requires building trust to create better relationships. So I appreciate what you said.

Katz: All right.

Solaja: Council may also want to know that in the period from february until now working on a contract renewal with o.d.s. For dental, aon was able to negotiate down from a 7% increase to a 0% increase, and also to negotiate a reduction in the bid that standard insurance put forth in the contract negotiations for life and disability. The total savings on both contracts were \$716,558. The total cost for that was \$162,936. So we more than paid for the cost of the two projects -- of those two projects in the savings.

Leonard: That's not the point.

Solaja: I understand that.

Leonard: The point is we have a process that I think we need to engage in, and a process that we need to create trust in, that lacks trust, and this is the kind of thing that destroys trust.

Francesconi: Excuse me, commissioner leonard. I didn't know anything about this issue until about two minutes ago, but so I have to say that in light of the testimony we just heard, in light of commissioner leonard's concern, I guess I have a major concern about a five-year contract. You know, if you're looking at reviewing it, and you have some issues to look through, there's some process questions about how it was selected, why are we doing a five-year contract for that kind of money? As opposed to a short extension to give time to look at it, and then to figure out where to go.

Arnet: Mayor Katz and commissioner Francesconi, I can't comment as to the specific length of it, but I can clarify, when I talked about taking a look at the contract itself, or the contract with aon, I actually am familiar with the bid specs and also the quality of the work and don't have an issue with that. What I was talking about was taking a look at the overall process that we use for developing contracts in the -- in the benefits area, because it's that component that I think is unwieldy.

Katz: Want to respond to the five year?

Solaja: Yeah. The five-year contract was simply a means to get consistency for a period of time in the consulting process. We have five-year projections that we do every other year, and there's a clause in the contract that says should we ever want to terminate the contract, that we can. We just have to give notice. So it's very expensive to do the whole process. It's very expensive for consultants. There are a number of consultants that don't even consider public work. So five years seemed to be a logical period of time.

Katz: Ok.

Francesconi: My last question. Did we have a lot to pick from? How many people responded?

Solaja: Two.

Francesconi: I missed that, i'm sorry. Deloitte and Touche and aon proposed.

Francesconi: Were they close in the amount of money?

Solaja: They were close in the amount of money. Actually I was leaning, and another member of the selection committee, was leaning toward the other -- the other proposer until we clarified who on that proposal team was actually going to provide the service. And the primary person on the other team had only seven years experience and the person that was the most impressive of the presentation team for the other organization was the regional director. And when we asked how

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much of her time we would be able to access throughout any given year, it was minimal. So it did not seem that we would be getting the top-level, very experienced kind of service at that point in time that we wanted.

Katz: Ok. Further questions by the council? I'm going to remove the emergency clause on here and we'll have to pass at a second reading, but want to know if there's anybody else that wants to testify. All right, thank you. Come on up. Please make it quick.

Leo Payton, Portland Police Association: Hi. Leo panton with the secretary/treasurer with the Portland police association. I will make it quick. This is an issue I was going to give it historical perspective. I was a voting member of the Imbc, and previously it was involved in picking the consultants, the former consultant was an outfit called siegel, and we -- the Imbc committee members helped pick that group of people as consultants. They did a very good job. It wasn't until the now former health benefits administrator came on board that siegel kind of got out of the process. I've had conversations with them where they felt that the information they were providing to the Imbc was being cut off before it was presented to the entire committee by the health benefits administrator. It was shortly after that that siegel decided they were not going to renew and come back and then we were cut out of the process as far as the lnbc went in picking the new consultants and have not been involved in that process since, and I think it's been very disappointing system the way it's worked, and as far as i'm concerned, the p.p.a. Is concerned, the members are concerned, this is a huge financial issue of health benefits. The long term effect of having a contract for five years that we weren't involved in the process of picking.

Katz: Ok. I'm going to hear the rest of you, but I'm not sure I know exactly what the council wants to do. Do you want to return it back to my office, go through the entire process again? So I need somebody to think through that before we put a closure to this.

Sten: Mayor, i'd like to hear from them, but my sense would be to ask the new benefits manager to meet with the union leadership, talk through the options, because the options are fairly obvious, and then ask the sides back, set it over until that can happen. I don't want to presume we have to go through the process. We can shorten the contract and -- my sense of having conversations recently with leadership is that, you know, people are willing to work together if we give them a chance. I'd like to do problem-solving.

Katz: We'll do that. We'll keep it and bring it back for a second reading. So you've got a week to - - unless you can't do it within a week, but it would be nice if you could bring it back and let's get moving on it. So you have a week to sit down with the leadership of the unions.

Leonard: Mayor Katz, my understanding of -- correct me if i'm wrong, commissioner Sten -- is to actually pull it and allow them to -- i'm uncomfortable in a process where we have a decision that's already been made that didn't include the most important elements of who that process should be, the people that actually are covered by the plan. I think it needs to be pulled and then just start -- and i'm sure they're going to work to get it done as quickly as possible.

Saltzman: I would differ with that. I think it should be dealt with in one week. After all, it's a -- either it's aon or the other. You were involved in the proposal crafting. You weren't involved in deciding between aon and deloitte touche. If you have strong compelling reasons why you don't want aon, bring it back to council, and we'll make the decision. I don't think we should start the r.f.p. Process over again. Do you have concerns about the quality of aon?

Katz: Tom, go ahead.

Tom Chamberlain, Portland Firefighters: Tom chamberlain, Portland firefighters. Our role in the r.f.p. Was review and comment. That's not a labor management process. It puts the unions at a distinct disadvantage. We're not involved in building the r.f.p. It's not a good process. So to say that the union was involved with the development of the r.f.p. Is not true, because we weren't. And if I can make this brief --

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Saltzman: I have a different interpretation.

Chamberlain: Ok. This is symptomatic of the problems we're having with Imbc. We aren't having regular meetings. We don't know what's going on. It's going to be very difficult for us to go to our members and change benefits. Because we've been kept in the dark. We once had a functioning Imbc that was involved with every component of health benefits. We knew what was going on. That's not true today. And how this is handled is exactly what the problem is with Imbc today.

Katz: Go ahead.

Jerry Moss, Plumbers and Steamfitters DCTU: Jerry moss, business rep for the plumbers and steamfitters ductu. I heard about it from one of the benefit managers that I work with on another trust and was told that numerous of the benefit managers were not going to bid this r.f.p. A, because it wasn't set out correctly. There was stuff in there that they thought slighted it toward a couple of different benefit managers. They said they didn't have time to put the r.f.p. Together. We need to look at a one-year contract. We need to look at thing, because when you only get two people bidding and there's a half a dozen --

Katz: We're not going to look at one year. We're going to figure out what we're going to do. One year is much too short. Thank you. I'm sorry, I don't have your name, the new benefits manager. Peggy. Peggy, come on in. You've heard the issues on this. What would you like for us to recommend? This is a great way for you to start.

Arnet: Mayor Katz, believe it or not, I didn't even know I was coming to the meeting today. My feeling is I understand the concerns and of course I was aware of a number of the concerns surrounding the Imbc and making it a functioning group before I took the job, and I actually have known commissioner Leonard for quite a period of time and more than willing to sit down and review some of these issues with him. I think that the quality of the work from Aon is actually a good product. I don't think that's what the issue is. The real issue is the role of the Imbc and how they're involved in it. I'm more than willing and have actually known Mr. Chamberlain for a number of years as well, and more than willing to sit down with all of the represented groups to sit down and figure out how to work this out in an expeditious fashion as possible.

Katz: We either give you a week to work what out, or I take it back and we start all over again or you have a longer conversation.

Arnet: Mayor Katz, I would be comfortable with a week. And if it turns out we have no resolution, I think we will deliver that message to you and you can taking action accordingly.

Katz: Fair enough.

Sten: Mayor, this may be an unwelcome statement. Please give them two weeks. We always give a week, and it's not done.

Katz: All right. Council's pleasure, we'll give Peggy and representatives from the labor management committee two weeks and bring it back in two weeks. Thank you. Any objections? Hearing none, so ordered. [gavel pounding] all right, 796

Item 796.

Katz: All right. Go ahead.

Matthew Lampe, Chief Technology: My names Matthew Lampe, the chief technology officer for the city of Portland.

Ben Walters, City Attorney's Office: Understand I'm Ben Walters with the city attorney's office. The commissioners' offices have been briefed on the settlement agreement. We're here to answer questions. We know you're under a time crunch, so we won't do a presentation unless asked.

Katz: I think the council's been briefed on this. What's the council's pleasure? You want to summarize it like this much, just in case there are people who are watching us.

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

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Katz: And not eating lunch.

Lampe: This settlement, which was arrived at through mediation with the offices of senior ninth circuit judge edward levy resolves a dispute that arose out of a dispute of a contract between the IRNE and Qwest. The core of the dispute had to do with the ability of IRNE as a competitive local exchange carrier to obtain network elements available only to carriers, and whether we could use those in doing service internally to the city. The results of the dispute was essentially we haven't been able to do anything using these wholesale elements at all, whether us for or others, until the dispute was resolved. So for us resolving this dispute allows us to move forward with a couple pieces of the irne program that we haven't been able to do, and those are to deploy an additional remote site solutions for city offices and to begin providing telephony services to our outside customers, interested in those services.

Katz: Questions? Anyone else want to testify?

Saltzman: There's a payment by qwest to the city.

Katz: Yeah.

Saltzman: How much is that?

Walters: \$500,000 half a million. Roll call.

Francesconi: This is a good settlement. I appreciate your work and i'm glad we resolved it, separate from the legal proceeding, which it might be good at some point to start seeing if we can define the outer boundaries of irne, where we're going, and i'm not saying we'll agree with qwest where those boundaries, or other telecom providers, but it's something we should do to give clarity to what the plan is and where we're going to others. And maybe it might even help regarding future issues. But this is a good settlement. Aye.

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

Katz: Mayor votes aye. [gavel pounding] 797.

Item 797.

Francesconi: There's a small complication that vicki has to explain.

Vicki Diede: Vicki diede with the office of transportation. I do need to ask council to amend the ordinance. I think it's findings number six and seven. There's a date reference to july 9th. And you need to change it to july 23rd. The reason is, is that we had planned to have the exemption ordinance in front of council, for the streetcar contractors selection process, where by we would ask your permission to not use a typical low bid process, but put place in a different alternative, but competitive process. A filing date was missed for that ordinance. And therefore to meet the retirements of ors 279, I believe, we readvertised in the d.j.c. today and will be here at council on the 23rd.

Katz: Ok. I need a motion to amend.

Leonard: So moved.

Katz: Second. Any objections? Hearing none, so ordered. [gavel pounding] all right.

Diede: Just very, very briefly we've been working on federalizing the riverplace extension project, where we will be able to use the local monies we spend as local match requirements for any future federal expenditure, appropriation or grant. and we will be seeking federal transportation funds for the extension of the streetcar service to southwest gibbs. And the match potential will run someplace between \$10 million and \$11 million. We've gonethrough the process with the federal transportation administration, the nepa process, we're seeking a documented categorical exclusion, one of the things they need to do before they can, quote, unquote, federalize it. That submittal has gone to fta. We expect results by the end of the month. We're also required to put the project on the state transportation improvement program, called the stip and that amendment was approved by fta on june 9. So what's left for us to do is develop the r.f.p. For the construction so we're meeting all the f.t.a. And other federal requirements. So as we said, we'd planned to have the two

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ordinances here, but still appropriate for us to go forward with the amendment to the p.s.i. Contract, in what we'll do during these two weeks is use the time to finalize the r.f.p.. We're working with the city attorney's office and bureau of purchases and we have concurrence. And put together the process and the advertising procedures that we will use. Additionally, we just have ongoing project management issues we need to address. That is what's before you.

Katz: Questions? Anyone else want to testify on this item? On this item?

*****: Yes.

Katz: Ok, come on up.

Mike Dee, Liberation Collective: You've heard that the streetcar is a development tool, I heard that at a commissioner meeting for the Multnomah county commissioners. I'm concerned about whether it will be used as a gentrification tool. I'm also concerned about where the funds are coming from, if these are funds that are for bricks or mortar, upkeep services, or where these funds are coming from, not eligible for schools and services such as that. And then it's also difficult to understand exactly what people are talking about when you -- i'm sorry -- when you use a lot of acronyms, you know, r.f.p., request for proposal, but if you don't know that, what are you talking about. So I just think if -- in these meetings, that if people actually say it out, it helps.

Katz: You're right about that. Not about a lot of other things that you just talked about, but about that. All right. So anyone want to answer the question?

Francesconi: The revenue can't be used for schools, or even for potholes for streets. It's specially designated -- for us to extend, it's got to be federal transportation dollars, and that's what we're trying to do.

Katz: By the way, we're not in the business of funding schools. We've gotten into the business of making sure that the school district -- well, actually, we have gotten in the business of that for a little while, but my hope is that the legislature will bail us out of that business. All right. Ok, anybody else? Roll call.

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

Katz: Mayor votes aye. [gavel pounding] 798.

Item 798.

Katz: We have a substitute in front of us. Let me bring that to us. Any objections for bringing in the substitute ordinance? You don't get to object. Sorry about that. Hearing no objections, the substitute ordinance is before us. [gavel pounding] and let's then address -- why don't you describe the substitute ordinance and we'll address it.

Gary Blackmer, City Auditor: Ok. This ordinance is a modification to the selection process for members for the next year's citizen review committee. I would have preferred to bring this forward to you, along with all the other changes that we are seeing as we've worked our way through the code with the development of the independent police review, but because of the timing of this we're already in the recruitment period for selecting those members that will be appointed by council in early october. So we needed to bring this forward. And members that are appointed to this committee have a very critical duty. That's to provide fair and objective hearings about allegations of misconduct against police officers. We appoint c.r.c. Members -- that's the acronym for citizen review committee --

Katz: Thank you.

Blackmer: -- to two-year staggered terms so we have continue jute from year to year. Prior to last year's selection process, I discussed with the c.r.c. The problems with the city code as written. Having crc members ranking and interviewing fellow c.r.c. Members as called for in the code seriously challenged notions of objectivity and fairness. I told them I took responsibility for drafting that language and I would work with the members to develop a better alternative. We worked with them on a variety of ideas and settled on a revised selection process that did not violate

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code and then we used that process last year and selected five members. In that process we asked candidates to fill out an application form regarding their background, civic participation and any information the might create a conflict of interest. Those are scored by the ipr director and non-applying crc members. Those that were not continuing. And then the top candidates were interviewed. I asked a county judge, county commissioner and a departing crc member to participate with me on an interview panel of the top 12 candidates. We also make an extra effort every year in our recruitment. Since it began in may, and we wanted to assume that we had a good process, but about two weeks ago c.r.c. Members voted to discard our agreed-upon protocol and adopt a new one that gives members of the crc the authority to choose what applicants will be sent to council for nomination. When I asked crc members, they were unanimous in stating that the appointments last year were excellent. When asked what the problems were with last year's protocol, they said they should make the final selection because that's what the code directed. I voiced my concerns as I did last year, and they said the alternative is to ask council to change the code, which is why we are here today. In my research several years ago, toward the development of ipr, I learned there is no agreement on a good selection process. Critics are quick to discredit every alternative. In the past, piac members were appointed by neighborhood coalitions, but recruitment and selection was haphazard. Further some do not trust councilmembers to select objective, thoughtful and committed applicants. I've accepted that someone will always challenge whatever is proposed and whoever is appointed, but these decisions must be made. On this issue and others, i've reached an impasse with some members of the citizen review committee. This disagreement with roles and responsibilities is interfering with my staff's ability to perform its objective, which is improving police services. So I ask you today to approve the code change we've proposed. This change preserves our extensive recruitment effort and ensures a fair and objective method of ranking applicants for selection. It provides the c.r.c. An advisory role, which is the spirit in the rest of the chapter of the code regarding independent police review. And I will return later this fall with a full set of changes and clarifications as we've learned from putting that code into practice on independent police review.

Katz: Questions of gary? Ok, let's open it up to public testimony.

Katz: Go ahead.

Diane Lane, Portland Copwatch: Ok. Diane lane, pdx cop watch. As an activist who regularly monitors the i.p.r., I urge you to vote against blackmer's proposed change. The biggest problem is the proposed selection group would recommend c.r.c. Nominees to the auditor. This selection group will include some c.r.c. Members, the director, and then two community members who are not defined by the language. The last selection group included himself, a judge, and a county commissioner, members of the elite that may not understand all community concerns. The proposed control over selecting c.r.c. Members is troubling. The auditor makes i.p.r. Decisions that dismiss the importance of transparency in the complaint system. He fails to recognize how essential it is to involve the volunteer citizen review committee in the process as much as possible in order for the community to perceive the i.p.r. As fair. For instance, it's strongly urged the c.r.c. To not provide public hearings for two cases over which the public expressed a strong concern. After the committee voted to hear one of those cases, the i.p.r., which Blackmer controls, refused to provide staff support for the c.r.c.'s review of this case. The committee currently faces threats of further withdrawal of i.p.r. Resources as it tries to improve the fairness of the process by changing c.r.c. Protocols. Black mayor opposed the c.r.c. When they asked council for the ability to assist the los angeles-based police assessment resource center in its review of deadly force cases. Such review leaves out the citizens trained to review investigations, who would bring forward the concerns of the local community. Blackmer boasts about the i.p.r.'s partnership with the police, but dismisses the importance of statistics indicating that 59% of complainants responding to an i.p.r.

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Survey are dissatisfied with the process. Measured separately from the outcome of their cases. More troubling auditor blackmer recently covered up the problem of missing data from police deadly force investigations from 1997 to 2000, the same time period being covered in parks review. Such actions by the auditor could easily support a theory that he only wants a citizen review committee that will rubber stamp his decisions made behind closed doors. The i.p.r. Was created to help restore trust in government services, not to allow the auditor to widen the gap between the community and police. I urge you to vote no on his proposal. Thank you.

Dan Handelman, Portland Copwatch: Mayor Katz, city council, thank you for having this hearing today. I'm dan handleman again with Portland cop watch. I would add to what you just heard, that last year the auditor created the nominating committee without -- he just said without having to change the ordinance, even though it didn't involve the ordinance. As such, I don't think even think you need to be voting on this today. Whatever needs to be negotiated between the c.r.c. And the auditor can be done administratively under the existing ordinance. Secondly, I would stress that proposal puts way too much power in the hands of the auditor, who will have the sole power to choose these two community members. We recommend reaching out and having more involvement by ministerial alliance, the latino network, other groups at that forum the other day that really have a vested interest in this and not other elected officials. And the auditor will have the ultimate authority to decide who to forward to council, even if the c.r.c. Does have input. It he will forward them to council. I also am concerned about the fact that it's a six-member committee. There's no way -- it's not described how to vote, so there's no way to break a tie if there is one. I also am very concerned that this -- that we haven't had a chance as a community to review this whole ordinance as an integrated entity, to take one piece of it and change it because there's a dispute between the c.r.c. And i.p.r. Staff seems an inappropriate way to conduct public policy issues. The director, now written into the new ordinance again, expressed his concern that he has a conflict of interest himself in participating in this. I don't know how that changed since the language is now still including him in there. There's also a protocol, again, administrative protocol, for selecting committee members in between, if people resign or there's another vacancy in between years. And finally, the auditor did not apparently follow his own guidelines for researching best practices before proposing this amendment. In fact, he proposed a different one last week, withdrew that, changed it, and brought it back again. I don't think he's spent enough time going through the options and coming up with your best possible thing. I would suggest that you do not vote for this, allow the auditor and the committee to work together, and work this out administratively.

TJ Browning: t.j. Browning, a member of the c.r.c. Find kind of ironic, i'm sitting with two people who didn't want me to be on the c.r.c. It's amazing. First of all, I got to take this moment and say thank you, thank you each and every one of you, for allowing the c.r.c. To come and talk to you about this matter. You all have incredibly impressive staffs. Thank you. Very, very helpful to us in dialoguing with us. We all appreciate the time. Thank you very much. Accessibility is important to democracy. There's a couple of different issues regarding this proposed ordinance change. The first one is process. The c.r.c. Right now is actively going through the ordinance and protocols, and we were doing this with the understanding that we were going to come to you, because you did not want to review the entire ordinance. We appreciate that. But that what in particular about the ordinance you wanted us to -- wanted you to look at. And we're doing that right now. And so this kind of just jumped out. We thought this was going to be an orderly process. So that's a bothersome to us. And the other thing is we have reached a majority of the c.r.c. Have reached an impasse with the i.p.r. Director and auditor. Very troubling to the process. We've got to work together if this is going to be a system that works for all of us. Here's an opportunity, when i'm looking at this new language, it is so close to what the protocol was we passed, that I see very

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easily on our July 22 meeting, which is a business meeting to discuss this matter, a way for us to come together, to work together, reestablish a relationship and come to a compromise because they're so close. So it troubles me that instead of working with us, that they're going to a higher authority. You know, when my 11-year-old has problems with his colleagues and comes to the highest authority in the house, mom, can you solve these problems for me, mom? I always say, which I think is correct parental wisdom, go out and fix it yourself. That's how you build relationships. And so it bothers me that -- that you all have frankly been placed in this uncomfortable position of getting in the middle of this relationship, and that is a concern to me. And with that I accomplished two goals. I told you in a gist of what's going on with the c.r.c. And i.p.r. And publicly got to embarrass my son when I used him as an example. Joy of parenting. Two things in this ordinance I want to point out in the language, assuming you're going to pass it, two things I want you to look at. The first one is the second, number two, where the city auditor will appoint the committee. If the c.r.c. is to have three representatives on the selection committee, which at face value seems reasonable to me, it really does, why is it that the c.r.c. cannot appoint our own representatives to this committee? Obviously we can't appoint somebody who's seeking reappointment. That's a conflict of interest. But can we not self-determine enough that we can appoint our own people? And the last thing is, number four, the auditor shall recommend nominees to the council for appointment. Shouldn't the language actually say "the auditor shall forward the nominees to the council"? If we're going to have three c.r.c. members, two public members and the i.p.r. Director do this work to select the nominees, shouldn't it be their work coming forward?

Katz: Thank you.

*******:** Thank you.

Katz: Let's keep going.

Doug Montgomery: Good afternoon. I'm Doug Montgomery. Again, I'd like to thank you for allowing T.J. and me to meet with either you individually or members of your staff. I have to compliment your staff who are well versed in our topic and it was a pleasure working with them. I wish to carry out my important duty as a member of the c.r.c., and apparently in expressing my opinion I just was told by Gary that I'm obstructing and hampering staff. And that bothers me. I think that kind of language is not necessary. On this particular revised bill under number three is a selection criteria, shall include an established record of community service. "Established" is an age discrimination type term that's suggesting that young folks, people under age 30, haven't really established anything, so they probably won't be selected. I want us to have a very diverse group. So I would encourage you, eliminate the word established and just say "a record of community involvement" I think that's a very easy change to make. We are very close to making suggestions for changes in the ordinance. And we're also very close to making some policy recommendations. And we look forward to coming back to you on an individual basis, or to give you a briefing, if you will, on these policy changes, because we have to work arm in arm with you as well. Thank you.

Mike Dee: Howdy. Mike Dee. It says here that the council finds there's a need to ensure the applicants appointed as members of the citizen review committee are objective, fair and impartial. Number two, the process leading up to appointments of members begins each May and must be completed before the expiration of the terms of current members. Number three, there is a need to improve the process to appoint members to the committee this year and in future years. Is that something that you found? And then it says that you direct that Portland city code sections 321.080 and sections 321.090 are amended as provided by exhibit one. Also says, section 2, declares that an emergency exists because the recruitment, selection and appointment of applicants needs to be completed before expiration of current member terms, therefore this ordinance shall be in force and effect from an after and its passage by council and says it was passed by you on July 3, 2003. I wanted to know if that was true. I don't think as an emergency ordinance thing. I did appreciate

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earlier when commissioner Leonard felt that wasn't necessary for an agenda item earlier and took that off. I'd ask that you do that for this agenda item also.

Katz: Go ahead.

Dee: I'm also concerned, in a time where it seems like there's some fraud going on, or potential fraud with different agencies, whether it be police department, the auditing committees, or what, I'm concerned that on amendment -- I'm sorry -- ordinance -- I'm sorry, Portland city code 321.080, that section b has been left out, and it's not written in the exhibit as being crossed out. And that seems like a form of fraud. It doesn't give the community an opportunity to say "oh, wow, that was a good thing," or "I'm glad they took that out." That's a concern to me. So I think that the emergency ordinance part of this should be taken out.

Katz: Ok.

Dee: And that this should be drafted up again, including section b, with proposed changes. Maybe if you did put b back -- or after you put b back, you might take out the part that talks about July 2001 in section four.

Katz: Ok. Thank you. Gary, come on up. You've heard a lot of accusations and theories and anger and frustration. You want to respond to that? Then we'll move.

Blackmer: Well, I guess, let me start with we saw the proposal that the c.r.c., the protocol that the c.r.c. adopted and it didn't look close to this at all.

Katz: What was it?

Blackmer: They -- well, go ahead.

Katz: Identify yourself.

Richard Rosenthal, Director, Independent Police Review: Richard Rosenthal. Director of the i.p.r. The committee voted 5-3 with one person absent that the selection committee would consist of the director and no more than four members of the c.r.c. Not seeking appointment. The committee would rank the nominees and automatically be appointed to council. When we suggested this was a conflict of interest, that it could create a self-perpetuating committee, not good public policy, what we were told was "this is what the ordinance says we can do, we're going to do it, and if you don't like it, go to council."

Katz: Ok, go ahead.

Blackmer: A second point was that why can't the c.r.c. appoint its committee members? One of the things I would like to change with the terms is to change the starting date, because we have an early October starting date, that means we end up trying to schedule these interviews during the summer months when people are off and on times -- and usually August, when it's very difficult to schedule people because they're on vacation, when we're trying to get a committee and 10 or 12, 14 applicants all scheduled for interviews, that can be very difficult. So that's one of the things that I need to do, is have a little flexibility, that if one of the c.r.c. members can't attend, that I can pick someone else to do it. So that is one of the elements that just logistically it's very difficult for us to let them do it. And frankly there's -- you know, from my standpoint, again, I look at the results of what happened last year, that there were no problems with the group that was selected in terms of their service on the -- on the c.r.c., and I thought I was being fair and appropriate and -- in selecting a c.r.c. member to serve on that, and the other community members as well. So, you know, I can't argue, except to say that I would in good conscience do a good job in selecting a committee who can listen to interviews and make judgments on people.

Rosenthal: Let me just add, and of course council has the ultimate decision-making authority in the end, because council can either accept or decline those nominees.

Katz: Right, but traditionally, if you recall on Purb we asked either the councilmembers or the community at large to nominate themselves within slots, it comes in this particular case to me, and I

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make the decision, because i'm held accountable, just as gary has to be held accountability, or bring it to the council.

Blackmer: The third note was on the -- the committee recommending nominees to me and me recommending to city council. There's actually three things that happen after that interview. One is that the council endorses or may endorse candidates as -- to be on that committee. So that -- the way the wording is, is that your candidate, being endorsed is given preference over someone else with equal or less capabilities. So we have to take that into account after the scoring happens. Secondly, we look at representation in the community beyond the raw scores to make sure that we try to be as representative of the diversity in our community as possible. And then finally, we do need background checks done on our applicants. So all those need to be done between the time the ranking happens and the recommendation comes to council for appointment. And we can't do backgrounds on everyone before it happens. We can't do all those other things. So that's why we need to have that recommendation in there, because it may be that someone drops out between, you know, scoring high enough on the application and then finally getting appointed by council. I guess, I don't know, I would like to, like our c.r.c. Members, work toward assessing where we are with our police review process and kind of thoughtfully looking at everything we're doing, what's working and what's not working, and come to council and talk about that. At this point I feel it's a little premature. We -- we've tried to keep communications open, but from my perspective it's two different philosophies, and i've tried to be a representative of all the citizens of Portland and to apply everything i've learned to change the quality of services in the Portland police bureau. I have citizens who question some of the actions that -- and decisions i've made, and some of the issues around hearings that we advised them against were not on the basis of what we felt. It was on the basis of what the city code empowered us and c.r.c. To do. So there were clear limitations that we explained to them on a number of occasions, and while I understand their heart in wanting to do that, our credibility and our focus needs to be on those areas where we can -- we can make a big difference. And from my perspective, officer-involved shootings is a key issue we're working on, and that was the element of the one case that -- that got a lot of attention. And the reason why they wanted to have a hearing on that. So to my sense, we tried to satisfy and answer all their questions, and we tried to be a good partner in this. I extended their responsibility beyond what the code had defined, which is an advisory body, and asked them to participate on policy committees. And to be more involved in protocols and so forth. But, you know, at a certain point, I found that we were spending time rethinking and redoing things that to a certain degree we have -- my office has limited resources. Every office in government has to do the most it can with the resources it has, and those are decisions I need to make, and to apply what i'm -- what I have to the greatest effect, and that's a -- that's a tough decision sometimes. We have to walk away from some issues, if the time isn't right, or the work is just too much at the moment. And those are sometimes hard to communicate.

Katz: Go ahead. Questions?

Saltzman: I was ready to make a motion.

Sten: One question. Gary, just very briefly, because it's late, I think you're doing a very admiral and ethical job, so I want to support getting you there. You did bring it to us as a third-party. The idea of letting the committee pick their two members appeals to me, as just trying to get the balance right. I just want to throw that in. There may be not be other support on the council. Give you a chance to say just absolutely not, or there may not be other votes. That was the one thing I heard, just trying to feel the balance of -- ultimately, you'll be picking the other members in charge, and I think giving the committee that. I think it's a responsibility they have to wrestle with as well, to pick those folks, an vests them into that little step of it. I would support that.

Katz: Gary, how do you feel about that? Give us your best thinking on that.

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Blackmer: Well, these selections are personnel matters. That's ultimately what I discovered after we went through the first selection process. And I have a real difficulty with the conversations that can go on about strengths and weaknesses of relevant and other -- and the candidates involved, and I guess i'm uncomfortable about that information staying in the room, and i'm uncomfortable about people who have worked with people who are reapplying making those kinds of decisions about them. So my concern is even if they're not going to be working with the people they're evaluating in the coming year, there still are relationships built, and I have a problem with just the objectivity of those kinds of decisions.

Leonard: If I could just clarify for myself, so the issue is the committee as it currently is comprised wants to appoint for vacancies on the committee?

Blackmer: Every year we --

Sten: No, i'm talking about that there's two people on the committee that are going to go on a nominating committee, much bigger than those two people, and the committee would like to --

Katz: There's three.

Sten: -- select those people themselves to go on the nominating committee rather than have the auditor select them.

Katz: And then the response that you just heard --

Sten: I'm not talking about them picking on the committee, i'm talking about --

Leonard: Did you than the question that way, gary?

Blackmer: Yeah.

Leonard: Ok.

Blackmer: You know, I -- without -- I mean, at a certain point this becomes a personnel discussion also in terms of the kinds of criteria I would think about in terms of selecting people to be on that committee. So, you know, I think i've kind of explained my concerns about objectivity and candor and so to that degree that --

Leonard: And I want to ask, if there is some precedent -- and i'm trying to think of one for instance in the legislature, president the speaker and senate appoint all the committees --

Katz: We appointed them all.

Leonard: Right. What precedent is there, i'm trying to think of an example, where a committee is actually involved in selecting people that sit on the committee. I'm grasping for the basis for that.

Katz: I mentioned purb, because it's one of the -- well, it is a committee. It is an important one. They don't make the selection. Names are placed in nomination, and then given to me. And I may do what exactly what gary does -- make sure that we have representation, which by code we have to in some cases from neighborhoods, from interest groups, and then check the background of folks as well. But I don't --

Leonard: I guess i'm trying --

Sten: To my knowledge, there aren't any city boards that actually have a formal nominating process.

Leonard: I'm not limiting it to the city itself. I'm just trying to think of an example where a committee would be involved in selecting its own members. I guess I do have -- you know, i'm struggling to think of the rationale, why we would allow that to happen, and I guess i'm struggling with impartiality, how is it that you get a diverse group of people if they are involved in selecting. Obviously if you're selecting to serve with you, I want somebody to think like I think, right? And so I guess i'm struggling with that concept.

Sten: You know, I think, and again I just move along, if there's not three votes, because this is not a huge point to me, not a matter of principle. The quick answer from my point of view is that the entire tension around the creation of this board was how independent to make it from the city. It's an independent review police advisory board. How much do you give the group strength that stays

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put, if it's in a dispute with the auditor, me, the chief of police. These are slight pieces that you have to get the balance right. We'll never get it right. We'll be back every couple years. It struck me this was one little piece to give them -- you know, all they would get it to pick -- only those members that aren't reapplying. Might be two in a given year, which means Gary would pick those two. That's all. I think that this would be the rationale, this is a body we're trying to give independence, without actually giving them the actual authority, to make decisions about police authority. They don't have that authority. It's that balance.

Katz: Is everybody ready to vote?

Saltzman: I wanted to make a motion.

Katz: Go ahead.

Saltzman: I wanted to follow up on the suggestion Mr. Montgomery made and delete the word "established" from exhibit one, paragraph three. So it's a selection criteria shall include a record of community involvement, rather than established.

Katz: Ok. Any objections? Hearing none, so ordered. [gavel pounding] all right, roll call.

Francesconi: On commissioner Sten's point, it's a close call, but I'm going to go with the auditor on this, because we've put him in a position -- he's put himself and we put him in a difficult position, so on a close call I'm going to go with his judgment on it. I have two concerns. One is obvious. The other one is I'm more concerned about. The first is if we're fighting over this, this isn't a good sign, because I just think you're starting to do better, and providing more accountability for police, and at a time when we really need this to happen. Fighting over this is a very bad sign for the future of where we're heading here. That's one concern. But my second concern is as great. And that is that -- and I had it when we created this new process. Just as I believe it's the police chief's job that can't be delegated to supervise and control and discipline cases of police misconduct, I also believe it's the council's job to ultimately set standards and be involved. The more we delegate who sits on committees and the further we get away from this, the easier it is for the council to abdicate its responsibility to setting standards for police conduct. And so I got -- I want to be clear, that when you nominate -- I don't care what the process is for the names getting here, but when the names get here, we have to have the ability and we have to exercise our proper responsibility to make sure that these are the appropriate folks to represent all the citizens of Portland when it comes to this. And I'm concerned that it's too easy for us to distance ourselves from that responsibility. So whatever process, this process that we're supporting, has to include the ability of the council to understand who it is and make sure that we're on board, or to reject them. As a matter of course. Because we have to be invested in this process. Aye.

Leonard: I second commissioner Francesconi's remarks to a T, except for this being a close call. I am too deeply concerned, what would appear to be some dysfunction occurring, and that people on this very important committee understand that their role is to act as a watchdog, not to be involved in filling the committee. And it seems to me a horrible waste of energy to be focused on this issue as opposed to doing the important work. And so again, that isn't to say that it isn't appropriate to come here when you bring a nominee and tell us, you know, as a council what individuals might think of that nominee. That's entirely appropriate. But I think this is not a close call for me, as I understand the issue, and I vote aye.

Saltzman: Well, I'm going to support this. I have no problem supporting this. I guess I just want to take this opportunity to make an observation, and that is what we do seem to be -- experiencing on the CRC's attempt, mission creep. I think we're seeing battles that were fought and lost when we created the I.P.R. and C.R.C. Two years ago now. We made decisions then, made commitments to revisit these issues, but I don't appreciate the constant skirmishing that occurs. C.R.C. is not totally to blame. You've gotten too emotionally invested in this too, and it's almost an adolescent C.R.C. At that stage where it wants to exert its independence, and the parent is flummoxed by all of it. Some

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sort of intervention is probably necessary. I don't know who or what, but I think that needs to occur. But, you know, we need to get away from skirmishes over issues that were debated at length two years ago and settled on and let this process work, and members of c.r.c. who are not happy with their boundaries, then they should probably find something else to do. But otherwise we'll look at issues, legislative and statutory issues, this fall, I believe, and will make changes if necessary. Aye.

Sten: You know, I expected some tension on this. And i'm not in a position right now to say whether there's too much or too little. I think richard and gary are doing a very good job on managing this. It's difficult. You know, i'm waiting very -- I was not in much -- much to your disagreement -- had great conversations about this. I'd like to see the i.p.r. review shootings. I think the event the last couple weeks have not changed my mind on that. I'm looking forward to seeing this report on what other cities do and what we've done and to look it through. You know, I don't know what the right mix is, but I want advocates on there that will rock the boat, because I think it needs to be done on these kinds of cases. On issues this emotional and important, at times life and death, I don't think anybody will rest easy with a sense that people are pushing too hard. They may be pushing too hard on administrative things right now, I don't know, and I made a decision that I was going to support your recommendation, because we've put a lot of faith in you, and we're thanking you so it's not completely thankless, but a very tough job and I want to back you on doing that, but to some extent it's a good thing that in the first year or two it's been rocky, because, again, there really is not any community who's really solved this very difficult problem of citizen police oversight, and I think if it was going smoothly it probably wouldn't be asking the right questions in my opinion. So I support what you're doing and vote aye.

Katz: Actually it was going smoothly at the very beginning, because I was keeping a close and distant eye on what was happening. And the dysfunction, if that's the right word to use, has occurred just relatively recently. And I don't know why that's bubbling up. But I am so happy, gary, that you're doing this work right now. And I trust you implicitly. I've worked with you in the past, you know. If we need to make some changes or recommendations are difficult for us to accept, I trust that you've done the research needed to give us the sound recommendations. You are the auditor. And the auditor's job is to make sure organizations perform efficiently and effectively and are held accountable, and ultimately you're responsible as well as us. So i'm willing to accept this as a matter of fact. It was my office that asked gary to think through about the appointment, because we wanted to make sure we paralleled it with other appointments to other committees, and so gary was kind enough to think about it and come back with a substitute. And I appreciate that. Aye. [gavel pounding] ok, everybody, it is -- we're going to -- i'm going to give you -- no, i'm going to give you more than 10 minutes. We'll start, if you're willing to stay late tonight, because we're going to have a long afternoon, we'll start at 2:30. [gavel pounding] Is that all right?

At 1:53 p.m., Council recessed.

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

Katz: I want to thank everybody for being patient. We worked until 1:52, and we have a long afternoon, and some of us, if we're going to get out by 5:00, have an impact meeting, so we need add bite to eat. Before we start, there are visitors from korea here, hello. They are studying automotive and mechanical engineering, and they're working at Portland state university on that, and I think they're going to be here for a month, and I told them don't get into trouble. I also want to let you know that I have been there, and I christened a ship, hanjin Portland ship that comes here, and then goes back to korea, and your mayor was here for rose festival, and even though we couldn't communicate directly, we communicated without communicating. And it was very nice. We had an interpreter, and you've got a good mayor. Welcome. All right, everybody. We have a long afternoon. Let's start with 799.

Item 799.

Katz: All right. Come on up. This is where some of our current members came in. Commissioner Sten, and commissioner Saltzman, just about this time when we dealt with the same issue.

Julia Gisler, Planning Bureau: You'll remember back in august of 1998 -- i'd like to also point out that the complete record for the project is to your left.

Katz: Get closer to the mike so people can hear you.

Gisler: Ok. Back in august of 1998, the city began working with fema to update the floodplains -- floodplain maps in the johnson creek area. And if --

Katz: Fema, for our guests --

Gisler: Federal emergency management agency.

Katz: Thank you.

Gisler: And if you look -- the slide you see up there is the hundred-year floodplain for the city of Portland, and the johnson creek basin is right in outer southeast here. This area fema adopted the floodplain, the floodplain maps in december of 2000, and then revised them again in 2001 of december. Johnson creek dips into clackamas county, and then comes back up to the crystal springs area. Those maps have not been officially adopted by fema, and they're anticipating they might not be adopted until sometime in 2004. So what happened, the proposals that you have before you will solve the problem that in the johnson -- in the zoning code in the johnson creek basin plan district, the floodplain regulations are implemented by using a subdistrict -- the boundaries are delineated from the old fema maps. And so what happens, you'll look at this map here, the hatched area is the new floodplain, and the shaded area is the old floodplain. The green parcels up here are parcels that were once -- that were in the old floodplain that are now no longer in the floodplain, and shouldn't be subject to the regulations of the subdistrict. So you can see lots of green, there's approximately 928 parcels of -- in the green. There's 39 parcels of red, which are the parcels that weren't in the sub -- weren't in the floodplain that are now in the floodplain and should be subject to the floodplain regulations.

Katz: Are -- those will not be subject until 2004, is that what you're saying?

Gisler: Well, that's only for crystal springs. So when we started this project we knew several things. One, when we talked about the scope, we knew we wanted to do it fast, because this has been a problem for some time. We also wanted to reformat the chapter so we could use the most current fema floodplain maps automatically without having to go through this legislative process.

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And we also knew that we wanted to limit the scope, because the floodplain regulations are complex, they're broad, once you start tweaking around with them, it became clear that it would be a larger project than we wanted to do, and it would take a lot more time. And so it became a code maintenance project, and we are not changing any of the floodplain regulations or the way that they are applied. So if we look at the -- this is the johnson creek basin plan district. These are the boundaries. The area up here in the lighter color is -- there's three subdistricts in the johnson creek basin plan district. The lighter area is the kelly butte subdistrict, this darker area is the south subdistrict, and the hatched area is the old hundred-year floodplain, and the floodplain subdistrict is the blue area. And you can see that the floodplain subdistrict is a little bit bigger than the hundred-year flood lane, and that's because the line was drawn, if any portion of the side was in the hundred-year flood plane, it was included in the subdistrict. And just quickly some of the regulations that -- the regulations of the johnson creek basin plan district, basically there's two regulations for the -- that are just the general development standards. They have to deal with no building in the floodplain, and there's some erosion control measures. And for the subdistrict regulations, in the kelly butte subdistrict, this part to the north, there are no additional regulations. You just have to meet the general development standards of the plan district. The south subdistrict, which is this area down here, which is kind of a slopey area, it includes powell butte, there's lots of soil and slope considerations in that area, the regulations for that subdistrict are -- there's a tree removal standard for trees over six inches in diameter, there's an impervious surface of 50% and lacks memorandum density for land divisions based on the three classifications that have to do with the slope and the soils. And then the flood plane subdivision, which is this blue area up here, there -- basically they are the same regulations that you have in the south subdistrict, the tree removal and the impervious surface, but instead of the maximum density, there's a prohibition on detached houses in the r-3, r-2 and r-1 zone. So the proposals that you have before you that will allow the city to use the most current fema maps, we want to remove the johnson creek plan subdistrict from the map in the zoning code. Remove the map from the zoning code and rely on the fema hundred-year floodplain. And sites with any portion of their site within most current hundred-year floodplain will continue to have to follow the development standards from the johnson creek floodplain subdistrict. So the subdistrict goes away, but the standards are renamed floodplain standards, and there's no content changes to those regulations. And that does several good things for us. It avoids this lengthy process every time something changes, and so like the crystal springs will be adopted in 2004, it will just automatically be adopted. We won't have to go through this process. It also provides for letters of map amendments. If an individual property owner questions whether they're in the floodplain, they can have a survey. If the survey shows the lowest point in their property is above the floodplain elevation, fema will issue them a letter of map amendment. And currently we don't recognize those letters of map amendments, and people can have the letter and be officially out of the floodplain, but still in the zoning code have to meet the standards. So that will correct that. And it will be consistent with title 24 of the building code, they use the most current fema maps. We're also going to amend the south subdistrict boundaries, and we're going to remove the kelly butte subdistrict from the map. So let's look at -- this is -- shows you what the map will look like. It's not the official zoning map, but it gives you an idea, this area up here, which is kelly butte, will just be part of -- will not be a special subdistrict. The only subdistrict you'll see is the south subdistrict, which will follow this line here. It's been changed to include this area of -- which is now the floodplain subdistrict, but if you are in the floodplain or any portion of your site is in the floodplain, then you are exempt from the south subdistrict regulations and you meet the floodplain regulations, but in the future, if you -- if there's changes and the property

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becomes removed from the hundred-year floodplain, they will be subject to the south subdistrict. We also did clean-up. We included purpose statements for the south subdistrict and the floodplain standards. We had staff from b.d.s. To help the bureau of developmental services to help us with that. They're the ones that implement the adjustments to the standard. We also amended map 631-1, potential flood hazard area. It's part of the land division maps. We revised the area in the Johnson Creek watershed. The only criteria for that map was that you were in the hundred-year floodplain. So this was just a technical clean-up. There's a section to regulate the site if any portion is in the floodplain and freeway lands. There was some concern about beginning about regulating the entire site if any portion is in the floodplain, and you can see we're going back to this map where you can see the subdistrict was actually larger than the floodplain. Again, we -- the planning commission handled this by referring it to the healthy Portland streams, the healthy Portland streams project, that's a more reasonable place to be looking at these larger issues of floodplain standards. And the second issue was freeway lands, which is this area large site right here, and if you look at it the -- the old -- the old floodplain ran almost all the way on the site, and the new floodplain is just a portion of it up to the north. But it is -- it -- because it's out of the floodplain now, it's a very critical site for best in -- b.e.s. In terms of managing the nuisance flooding, and currently b.e.s. Is working with the property owners and p.d.c. With the flood management program that they're doing there, and the planning commission was happy with the -- was happy that the fact that this is just a status quo project. I'd like to talk about the planning commission's recommendations to adopt the ordinance that approves the report and appendices, and amends title 33 planning and zoning, as shown in the planning commission's report to allow the city to use the most current FEMA maps in Johnson Creek. We also prepared the ordinance with an emergency clause, because there was 967 tax lots that are now subject to the incorrect floodplain regulations for such a long time, and it probably wouldn't have been such a big deal if it was in the winter, but a lot of people were talking about this being the building season and they needed those extra days to be able to do their projects.

Katz: Questions of staff? Do we have anybody signed up? No. That means you did your work well.

Gisler: I also wanted to acknowledge the technical advisory committee that helped me work on this. We had folks from b.e.s., b.d.s., and p.d.c. Specifically Maggie from the -- from b.e.s., and Daniella Broad, and Chris Garzello who work on healthy Portland streams, they're the technical advisory group. We also worked with b.d.s., bureau of development services, the permit center who was concerned this would be more difficult to administer, and they're completely satisfied that it's very -- it will be much easier. And we also facilitated some discussions between b.e.s. and b.d.s. About some redundancies in the zoning code and the storm water manual. So this project is -- was able to drop some of the regulations that were redundant.

Katz: Thank you. Does council have any questions? Nobody to testify? Roll call.

Francesconi: This is a miracle: Absolute miracle: I was present on the council as well during the prior --

Gisler: I think we just wore them down.

Francesconi: No, I think you did some precise and very good work. Because there was a big issue about where this should be exactly. The fact you were able to shrink it is really good for the residents. So you all did a terrific amount of work, because it is important for the safety of the area, but also the development of the area. And to be able to have that balance as well as the waterfront all at once, it's very good work. So now you're moving on to solving parking in northwest Portland. [laughter] thanks for all your work. Aye.

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Leonard: Aye.

Saltzman: Good work, both planning and b.e.s. And b.d.s. Aye.

Sten: The mayor did mention, this brings back a lot of memories. I was running for office during the floods of 1996, and the start of 1997 when the mayor gave me b.e.s., we realized we've got to do something at Johnson Creek. I think two of the most memorable meetings, one as a church basement pretty close to the creek and we had people screaming. Marshall from my office brought cookies, which at least got me a moment to get a word in. I came back and went to the mayor and said, I've got an idea. Let's hold a hearing at Marshall High School about this and go out there and do it again, only this time on t.v. And we worked very hard, and I think there was a sense, just for people watching, that actually the floodplain regulations and being a little stronger and the key thing for the neighbors was -- and the homeowners was getting the boundaries right. Because there was some people that should be in it that weren't, and vice versa, and over time people actually came to believe that their property values went up if you didn't have more floods as opposed to we were just -- regulations in place that were going to hurt their property values. So I'm very proud of the work you've done. This is a true story, Ethan Seltzer wrote his doctoral thesis on failed attempts to get decent regulations in place on Johnson Creek. So I think he should update it if he wants to keep his ph.d.. Aye.

Katz: Commissioner Sten is right, it was an ugly, ugly meeting. I was not at the basement meeting, but we were at Marshall High School, but there was also a sense that we could begin solving some of these problems. There was a slight hint of hope. And you've done a great job, and what is it that you're going to do after this? I'll let you answer in a minute. So thank you, everybody. Aye. [gavel pounded] What's your project after this?

Gisler: I'm actually working on the historic assessment for the midtown blocks.

Katz: Oh, ok. All right. 800. I know, it's not 3:00 yet. We probably should wait five minutes.

So we'll take a five-minute recess and wait until everybody's here. All right. Let's read 800.

Frank, what do we need to do on this in terms of the procedure? Do we need to do the legal mumbo jumbo?

Item 800.

Frank Hudson, Deputy City Attorney: No, we don't.

Katz: Then go ahead, Duncan, and tell us what we need to do.

Duncan Brown, Planning Bureau: Thank you. You have before you on remand the conditional use master plan for Powell Butte Park and the water facilities up there. It's a land use review that came in about three years ago. It involves water system improvements, park improvements and mitigation improvements and a couple of adjustments. Before you are a list of the more specific projects. I'd like to point out that there were -- are two planned elements that have been listed in here. They're shown in red on the screen before you that were listed and requested by the water bureau and park bureau. However, they were denied by both the hearings officer and the city council. So they are not part of the plan that was approved by city council about a year ago. Here are the approval criteria before you today. Again, there are four approval criteria with asterisks dealing with the rf transmission facility, and an adjustment request that were -- both of which were denied by the city council. The history briefly, application was made in July of 2000. It was complete about a year and a half later. The water bureau voluntarily put the application on hold, and went through a fairly extensive citizen participation process in order to resolve a few issues. The hearing before the land use hearings officer occurred in May of last year, a decision in July. It was appealed to city council, who -- and you heard it last October. It was appealed to Luba and remanded back to the city in March of 2003. And we have the remand hearing before us today.

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The reasons for the remand. These refer to the handout. Anyway, it required the city to -- even in my printout is beyond the edge. Excuse me. I'm going to --

Katz: You lost it on our printout too. But I think we understand it.

Brown: There we are. There. Ok. The remand by luba required the city to address the petitioners' argument and adopt necessary findings to interpret a particular code section, 33.430.240 b. It required the city to explain why these application requirements should or should not be approval criteria. The city -- we are proposing some specific findings, and they are found -- some specific changes to the findings. One is the elimination of reference to the application requirements as being approval criteria. We had inadvertently included those as approval criteria rather than just application submittal requirements. So we eliminated reference to 33.430.240b on page 5 of the revised findings. On page 45 and 47, in the middle of the page, we removed references to this particular section and a finding that the criterion was met, and instead replaced it with a statement that the application was found to be complete by the city of Portland. And then on pages 55-63, starting at the middle of page 55 and through the end of page 63 of the revised findings, we again state that the application was found to be complete by b.d.s. Rather than stating that the criterion was met because it is not in fact an approval criterion. And then we discuss how, within the findings contained in the rest of the council decision findings, how those findings show that the impacts that environmental impacts that would result from the elements proposed in the conditional use master plan cumulatively do not result in the significant detrimental impact. So in conclusion, revised findings for powell butte conditional use master plan do address a question posed by luba in its remand. Findings related to that particular section 33.430.240b are revised as I just described to clarify that the requirement set forth in this section are in fact only applications submittal requirements and not approval criteria. As such, there's no zoning code requirement for the applicant to complete an impact analysis necessarily, including an evaluation of the cumulative impacts on the proposed development. It's standard practice for the city to review and accept land use application that do include wide range of documentation details, especially in regard to environmental zone regulations. And we do review the submitted application documentation and determine if there's adequate environmental documentation to satisfy the approval criteria. In this case, we reviewed the submitted application, determined that there was adequate environmental documentation, and then determined that the application was in fact complete. Our recommendation is to adopt the revised findings that are before you and approve the master plan as originally approved by the city council on october 2002.

Katz: Ok. Do we have anybody that wants to testify? Linda? No. Do you want to testify?

*******:** I have a book for you.

Katz: Bless your heart.

Linda Bauer, Pleasant Valley Neighborhood Association: Linda bauer, myself and pleasant valley neighborhood association, the pleasant valley neighborhood association's respond to changes to the city council's regarding the powell butte conditional use master plan. I am here to respond to changes made to the city council findings concerning the powell butte conditional use. In response to the remand from the land use board of appeals. The legal description and other pertinent information is contained in the notice of public hearing from duncan brown dated june 17, 2000. In reference to the potential cumulative impacts, the pleasant valley neighborhood association has pointed out discrepancies between the proposed substantial increases in impervious surface, including measures designed to avoid contributing to the acknowledged instability of the site, and the water bureau's statement that there is -- will be no increase in storm water run-off. We had also pointed out that mitigation proposed and required because of the site violations and tree removal

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have not been implemented. Rather than addressing these concerns, the water bureau has chosen to eliminate 33.430.240b environmental review supplemental application requirements and the supplemental narrative as approval criteria. They also have chosen to have the statement under 33.430.010 environmental zones, purpose and 33.430.240a 7 supplemental application requirements, supplemental site plan requirements, that the criteria was met, replaced with statement that's the application was found to be complete. And to have included statements that the proposed development do not result in significant detrimental impacts to the site. In doing so, they have subverted the purpose of the conditional use master plan and eliminated safeguards designed to prevent cumulative impacts on and off site. From reducing environmental resources and damaging adjacent neighborhoods or -- and the watershed system, according to the water bureau's application, there is no increase in storm water run-off, even though the impermeable surface area has been increased to 12 acres and seven new permanent storm water retention ponds will be lined to avoid further destabilization of the slopes. The substantial increase in impervious surface will increase storm water return-off into the new lined storm water retention ponds which will all discharge at the same time, at the same point. As the original storm water retention system. And yet according to the water bureau, there will be no impact at that outfall or downstream areas. If there are such obvious errors in their presentation, what other kinds of potential problems exist that could eventually lead to a catastrophic failure? And/or damage from downstream flooding. Water bureau refuses to take our concerns seriously, leaving little room in the competency of adequacy of their research and thoroughness of planning that went into the development of their proposal. There is no way that any residents can feel safe living near the water bureau facility. If the bureau's permit applications are rubber stamped while the protections afforded by the environmental regulations are avoided by changing the wording of the findings rather than abiding by the approval criteria. What kind of leadership is being demonstrated when ignoring the built-in safeguards of the regulations becomes the mechanism from which approval of an application? We ask that the changes to the findings and the decision of the city council regarding the master plan not be made and that the water bureau implements the modifications and research necessary to ensure that the cumulative impacts of the proposed development do not adversely impact the surrounding area or our environmental resources. As far as the 10 storm water ponds, the water bureau, in their -- in the findings that you have adopted, says, the water bureau will discharge some water to johnson creek as it has in the past. Some water. They're creating 10 new storm water ponds, they all outfall at the same time, and they all outfall at the same place. 10 storm water ponds full of water, discharging at the current outfall. I'm real concerned about that. Also, I handed out to you the water bureau violated five different environmental sites without an environmental review. And that's documented in the application. They came up with a mitigation plan, and it was accepted. And they said as part of their application that it had already been done. Here is an official b.d.s. Inspection that shows they didn't do the mitigation that they said they had. So we're concerned that they're -- their not -- they're not living up to their requirements.

Katz: Does anybody hear from the water bureau? We'll have them come up later on. Does anybody else want to testify? All right, water bureau, come on up.

Bob Willis, Water Bureau: I tripped. Not very romantic. But I broke a foot. But it keeping me out of a suit on warm days, so that's ok.

Katz: You've heard the two issues that linda bauer raised. Do you want to respond to them?

Willis: I'm bob willis, from the water bureau.

Katz: It's just to respond to the issues you raised.

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Willis: The water bureau's position and the evidence I think that is already in the record shows that the developments that we and the park bureau have done on the butte both in to the current time and as proposed in this plan add not only enhance but significantly enhance the environment of the butte and the area, the neighborhoods that surround it. We've expanded the butte out from 5 --

Katz: Let me -- let's be a little narrow. The mitigation I assume required these plantings.

Willis: Yes. The issue there is the bureau didn't follow the appropriate planning process, and actually we were advised incorrectly by the city, and that's why we didn't do it. The impacts -- the mitigation that -- the improvements we did to those properties vastly exceeded anything that was required at the mitigation plan. And the bureau is following those things and to the best of my knowledge, they're all complete and if they aren't complete, we've continued to monitor them and maintain them.

Katz: So let me -- you've planted 17 douglas firs or whatever the number is.

Willis: Hundreds of trees.

Katz: On this -- on the sites that were identified in this document.

Willis: Yeah. Those trees were planted, some of them died and we replaced them. We have an ongoing maintenance process to do that. We had a contractor out there just a few weeks ago maintaining those sites at their current status.

Bauer: That's new evidence:

Katz: I'm here to help you, linda: I want to find out if they've actually done what they're supposed to do.

Bauer: Well, they haven't:

Katz: I know, but I wanted to ask the bureau.

Willis: The only thing I can say, i've -- I personally have done it, and we've had a consultant go out and review the thing, and they were planted as though -- to the specifications we said, which met that plan.

Katz: Thank you. All right. Any questions?

Francesconi: This question is -- do we have any -- are we able to track whether any better than last time this came, whether people are doing what they said they're supposed to be doing on these conditional -- when we put -- this isn't for the water bureau. Linda, others have said -- we put conditions on things, but we don't have any way of knowing if it actually happens. Are we making any progress in that regard?

Katz: There are cites here, and if this is information from b.d.s. -- you --

Francesconi: Mine is a general question.

Brown: I think we are, first of all, we are requiring -- we are writing more specific conditions and we're providing a hook within those conditions, such as linking conditions to occupancy permits or final approvals, or the ability to do another phase.

Katz: All right. Duncan, i'm not going to spend any more time. There are issues here about the water bureau not doing what they're supposed to be doing in terms of the mitigation that we -- that was --

Brown: I would like to quickly point out too that that is not at issue with the remand. It's not a subject of the remand.

Katz: Ok. Linda raised it, and linda, you were right, but you raised it, and so I just -- just for information, I want to make sure that when we ask the bureaus to do something they actually do it.

Brown: Yes.

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Katz: Ok. All right. No further testimony? I'll take a motion.

Saltzman: I'll move to adopt the revised findings and approve the master plan as originally approved by the city council in october of 2002.

Katz: Ok. So it's the adopt the revised findings and approve the master plan as we approved it october 2003. And the revised findings were listed on the document before you. Do I hear a second?

Sten: Second.

Katz: Roll call.

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

Katz: Mayor votes aye. [gavel pounded] ok. 330. -- 3:30. Let's wait five minutes. Members of the community might want to be here when we start.

Item 801.

Katz: We have two issues before us. One is the a overlay, the council wasn't quite sure the issue, and we need to do that. And then there is the lot segregation, and I have an amendment to offer, and I want to kind of just share with the people who are here that for some of us, it was the comp plan and the zoning. For others it was the need for first-time small homes and the ability to have them in bigger parts of the city than just in the few neighborhoods that we've been identifying during the hearing. And so that was the conversation. I know some of you get a little paranoid about what are we talking about before things start, but that was the conversation, and gil will address some of the things that we could look at, I don't know if they're good or not, but in some zones you could only do attached, and you might want to think about doing unattached housing. So that's not before us today, but it's one that may try to address the other issue that came up with regard, what we need to do, something to build smaller homes in -- and first-time home buying opportunities at less cost. So we're going to spend a little bit of time on that, we may not be able to resolve that today, and I may not have the votes on my amendment or we may decide to delay it, I really don't know at this point. But we still have two issues. We also have -- I and others asked for the planning commission members when they felt strongly about an issue to come tell us that, and we don't have one, we have three planning commission members, and I think that's very appropriate if they feel strongly about it to come and talk to us. Then if you want to hear my amendment, which is very simple, i'll be more than happy to do that as to basically on lot segregation, adopt the planning commission's language, but allow the construction only on vacant lots that have been vacant for five years or more. And then do the infill design. So that's -- and cary shows a power point presentation on how my proposal might work. Let's hold off on that for now. So, gil.

Gil Kelley, Director, Bureau of Planning: I think you've listed the issues. What I was going to say, exactly the issues you listed. We did in the last 24 hours try to put together some illustrations that would visualize, if you will, your amendment. So we can do that. I would recommend that you hear from the planning commission first, and we'll do that, and then we can make a brief presentation both on the a overlay question, which was the one issue hanging from last time.

Katz: And then you can show the power point on how -- then we can have a very brief conversation on the issue of how do we increase homeownership by increasing single-family homes.

Kelley: Right.

Katz: On smaller lots so that they're affordable.

Kelley: Correct.

Katz: Yes.

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Cary Pinard, Bureau of Planning: Can I just make a technical announcement for the record? We e-mailed on July 7 some staff proposed amendments to make corrections to some technical errors for the information we filed for this. We've got a few copies over here, just wanted to get that on the record. You guys already have them before you. I can explain what they are if you want.

Katz: Remind me about that. All right.

Kelley: Perhaps we'll hear from the planning commission.

Katz: Let's hear from Mr. Schlessinger, Mr. Michaelson, Ms. Fritz, Paul, Rick, and Amanda. We'll start with the younger one -- we'll start with the younger one first. No, Paul? [laughter]

Francesconi: Amanda, I'd be upset.

Katz: You know it the junior member, that's what I meant.

Francesconi: Oh, I'm sorry. [laughter]

Katz: Go ahead, Paul.

Paul Schlessinger, Planning Commission: I just had a birthday, so I might not be the younger one up here.

Katz: Junior member of the commission.

Schlessinger: Paul Schlessinger, 610 Southwest Alder, Portland, 97205. Just a few brief comments. We as the commission and also the bureau have deliberated on the lot segregation issue a fair amount. Took a lot of public testimony on it, and you received from us our recommendation.

We've since reviewed and continued our deliberation as of late -- as of last night at our July 8 meeting. From that, and previous deliberations, there is a letter in front of you signed by Ethan and unanimous on support by the commission of stating what we've put forward in our previous recommendation, and also I think puts forward also our thoughts, the whys and wherefors of what happened at planning commission with the bureau, and the public testimony. I think the key point for me as the junior commissioner up here is that it was supported strongly and unanimously by the commission, with a lot of public testimony. It is mainly dealing with the comprehensive plan, and through Portland's commitment to citizen participation that we feel strongly about what we as the planning commission has set forward to you.

Katz: Thank you, Paul. Amanda?

Amanda Fritz, Planning Commission: I'm Amanda Fritz, and we have a diverse opinions and diverse interests on the planning commission, so there aren't very many decisions anymore that are unanimous. It was nice to see the Johnson Creek plan going through with a unanimous recommendation. This one and also the a overlay were unanimous recommendations and we're here because we do feel very strongly about them. I would like to read a little bit of the letter for the audience and the people at home. For over 30 years, the city has been committed to involving citizens and the -- in the decision that's affect their neighborhoods. The comprehensive plan was developed through a public process, and the legacy of Portland's commitment to citizen participation through neighborhood associations was built on the engagement of citizens and neighborhoods in key planning decisions that affect them. Allowing for a doubling of the density with no public process cannot be construed as being in the spirit of our historic commitment to citizen involvement. We realize there are many reasons and many rationales for many interests involved for the council, but we also question to what degree do you regard the comprehensive plan as an accurate description of what we're planning for our city if we can't rely on the comprehensive plan and the comprehensive plan map, what can we rely on? Has the city taken a step toward setting a new policy to promote density in all situations without regard for past policy decisions or for looking at impacts on neighborhoods? And third, how can we assure citizens and neighborhoods that their involvement in decisions that matter will be sought and protected? I also

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want to just address the a overlay. That's an example to me of something that we've tried and we need to correct quickly, because it hasn't been working, and it's a problem. And I feel that the planning commission's recommendation to take it off in the r-7 through 20 zones is a compromise that would be workable until we can look at it in greater detail, which we're planning to do in the next process.

Katz: Thank you. Rick?

Rick Michaelson, Planning Commission: Thank you, i'm rick michaelson, one of the vice-presidents of the planning commission, and the -- I guess the elder statesman of the group.

Katz: And the chair for -- former chair forever.

Michaelson: Forever. And I come today as somebody who's been working on affordable housing and infill housing issues in Portland for almost 30 years. Since 1989, been on the planning commission working on these issues. I pushed very strongly to recognize the need for humble, smaller housing in the newly revised housing policy. And I worked in the southwest community plan to try to make it possible to build infill houses on smaller lots than normal. I was a consistent vote during the land division code update on the planning commission to push for smaller and smaller lots. However, on that case, I was outvoted by the commission, and by the council, all of whom recommended a 3,000-square-foot minimum lot size as the appropriate starting point for our lot developments. Even though I voted against -- for smaller lots at that time, during this process as part of code rewrite, I was part of the unanimous group that said this is not the time to do this. This is the time to fix the lot -- loophole to make sure we have a 3,000-square-foot minimum lot size in all of our zones. Not having anomalies in the code. Allowing lot segregation on the 2500-square foot lots creates and continues code confusion and a series of anomalies. Would it allow small -- single family houses on smaller lots in the r-5 zone than in the r-25 zone. It would allow smaller lots in areas that don't want them than in the areas that wanted them, and we couldn't give them to them. It would allow smaller lots in areas that are farther away from transit than other sites closer to transit. None of the things are consistent with our policy. And they would be allowed only because historic reasons 70 years ago they happened to be platted as 25-foot wide lots instead of the more normal 50 or 100-foot lots. If we want to turn the clock back and recognize there was a time when 25-foot lots were appropriate, we need to turn the clock back in terms of design and other issues as well. Probably allowing no vehicle access in the front, to once again get the bungalow houses that we're talking about in terms of infill. But just -- but that piece of work needs to be done at once and just allowing the lot selling segregations to continue will not increase the amount of affordable housing we have, will create anomalies in the neighborhoods and will delay our getting on to the real work, which is to find ways to make affordable housing as easy to build and as appropriate as possible. Thank you.

Katz: Rick, talk about the a overlay, and then we'll -- You were on the commission when we adopted that in 1993, or 1994.

Michaelson: The real history of the a overlay is it was really designed and developed as part of the albina community plan, with a set of rules and regulation that's were designed for neighborhoods that were close in, platted at 5,000 square foot or smaller lots, and that allowed row houses, one step up in density from the r-5. It made sense there. However when you go out to r-7 and r-10 zones with the same regulations, the change from going from an r-10 lot to row houses is a bigger change and much more drastic than in the r-5 zone, and therefore the planning commission felt that kind of additional density was too much in those zones. We had two choices. To revise it, and really rework it and say, are you just decreasing the density by one zone, or 50% increase in density, or what is it? But given the workload and the kind of anomalies that were taking place and

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the problems it was causing, the planning commission unanimously felt that rather than taking a year to fix it, we should just stop it for now and come back to it later.

Katz: R-10's and r-20's.

Michaelson: And r-7's.

Katz: Questions?

Sten: Rick, do you have any more developed thought on -- i'm trying to think how to frame this -- you said at the end there that you've had a long-standing belief that there's a role for smaller lots. I'm not trying to put words in your mouth, and that there's -- you'd support a more direct policy process to look at that. Is there any -- i'm interested in thoughts on how to do that, because I think that there's at least -- the majority of the council, open to smaller lots and interested in that, and from my perspective, i'm not speaking for the majority that voted, I do have concerns about the process although I wouldn't really to be blunt, go to the language that you use, I think the idea when something has been on the books for 12 years, that suddenly it was snuck in, therefore the whole land use system is that-- I think you're escalating the charges that are being made in that memo. I'm hearing it loud and clear and I'm very concerned about the Planning commission's point of view. I want to take that seriously. I think the sense this has been on the books for 12 years and now the whole land use process is at risk is a pretty strong statement. Is there a way to go back from your point of view and look at the policy issue, and i'm not saying go back and look at it and say, ok, we're just going to not do it, but to look at this issue citywide, in a way that would be constructive from your point of view?

Sten: That's what would most interest me as an alternative step.

Michaelson: I don't want to -- we always have this debate about complicating the code or simplifying the code and how to do it, but I think the model of the a overlay almost does it. Where you're allowing increased density, allow through design controls, you're mapping it, you're applying it where it's appropriate to put it. The change I would make is to allow or require that those higher density units be single family detached instead of row houses and attached. So you could quickly take a tool that you've got today, look at the areas where you think it's appropriate that are platted in 2500-square-foot lots where it's right, and apply that tool to it. We do allow certain other development types in the r-5 zones on corner lots in particular. We allow row houses on corner lots, duplexes on corner lots. On corner lots it would be easy to also allow two single family houses, because then you have in effect created two 50 by 50 lots, with 50' of frontage where you can design it appropriately rather than the 25 by 100 lots which seem to be more of a design problem. So I think there are some tools that could allow affordable infill more easily than we do and would be more consistent with the neighborhoods.

Sten: Perhaps you could look at those as a citywide change as opposed to a neighborhood --

Michaelson: Right. It's what's right for the neighborhood. It's not what area happened to be platted in 25-foot lots 70 years ago.

Katz: Does anybody want to comment on the a overlay? The other issue set aside, i'm only bringing back an amendment, and I don't want to bring it back and have a whole other public testimony if there's no interest on the part of the council. So i'll need to test you all out in a little while. Anybody want to say anything on a overlay?

Michaelson: Amanda summed it up quite correctly where the planning commission is and we feel as strongly as that one probably as we do on this one.

Katz: On 7, 10, and 20. Leave it on everything else.

Michaelson: Yes.

Katz: Ok. Gil? Let's do the a overlay and then let's have a hearing on the a -- on that alone.

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Kelley : I think Commissioners Fritz and Michaelson introduced it quite adequately. Again, to somewhat narrow the discussion, the proposal is to eliminate one portion of the a overlay provisions, that that -- allowing increased density in the r-7, r-10 and r-20 districts. These are our lowest density districts that through the a provision could actually reflect an r-2.5 density. So it's a fair jump, and these districts also are by definition further away from the transit and other services that support higher density development. I would also remark that in the last few years as far as we can tell, this provision hasn't been used.

Katz: That's what I wanted to ask.

Kelley: There is, however, I think an acknowledged fear or concern that they could be used. They've been primarily used in the r-5 zones.

Katz: Ok. But they have been used in the r-5. Have they been used in r-7's, 10's and 20's?

Kelley: No. As far as we can tell, they have not been used in those districts.

Katz: But there is a concern now that that would happen.

Kelley: And I think the concern that the commission perhaps didn't articulate sort of in response to commissioner Sten a moment ago, sort of the analogy is that the market has changed. Or is in the process of changing. So that concern is that this will now become a phenomenon in those other districts, much as the demolition phenomenon in the r-5 districts has become a new phenomenon that wasn't anticipated 12 years ago when the code was changed. But cary can provide any more detail on the a overlay that you want. I think that's the issue pretty straightforwardly stated.

Katz: Ok. Let me just add a little bit of historic call perspective from this side of the table.

Gretchen kafoury was here at the council, very concerned about making sure that we met our density goals as part of metro 2040, and we as a council were counting numbers. And there -- that was the day we were counting numbers. We're not counting numbers anymore, but at that time I remember the discussion on the a overlay. And there was an uproar in the community at large. And one of the reasons we're spending so much energy at the pearl and the river and the north macadam, granted, it's for different type of housing with -- so that we didn't push a lot of maybe inappropriate housing types in neighborhoods that have been established. And that was the goal, and if you recall, there were conversations here at the council, one -- we are going to meet our housing goals we aren't going to expand the urban growth boundary if we don't have to and we'll do that by expanding the central city and not impacting people who have lived here for many, many years. That's one -- that's kind of a 30,000 flyover conversation. What we're doing now is reexamining, did we make the right decisions, and the discussion now is the afford -- the need for single family affordable housing units and how do we get to there as opposed to necessarily the density argument. Is that -- I think that's kind of --

Kelley: Yes. In fact, to augment what you were saying, we have had formal exchange with metro on compliance with the regional functional management plan on the issue of density, and we have not consistently not relied on either of the a nor parenthetically the lot segregation phenomenon to count toward our projected density. So we've left those out of our equation when we've calculated our response to metro for our obligation. Also in the land division rewrite process, which we engaged in, or finished up a year or so ago, we went back through and sort of did that math with that discussion group, which involved a number of community representatives and builders, and again did the math and didn't rely on densities outside the places we've already zoned for higher densities to meet those growth goals.

Katz: Ok. The shift in conversation now is very legitimate, and is an issue that the council has always struggled with, but maybe now we need to review it and see, are we doing the right things

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in terms of zoning, or in terms of design to enhance that -- those opportunities. And I think that's what both commissioner Sten and commissioner Leonard really were getting at.

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

Katz: Ok. And is anybody interested in further explanation on a overlay? We'll open it up to hearing on a overlay, then. All right? How many people do we have signed up for a overlay?

Moore: We have one sign-up sheet, 16 people.

Katz: On -- all on a overlay?

Moore: All on amendments.

Katz: There are no amendments yet. Does anybody here want to testify on the a overlay? Is the council ready to adopt the planning commission's recommendations on a overlay?

Leonard: We voted on this.

Katz: Not on the a overlay.

Leonard: We didn't vote on -- I recall making a specifically an amendment on that issue.

Katz: On a overlay?

Leonard: M-hmm.

Katz: My --

Pinard: My memory is you did make the motion and the group decided that you would come back this time and actually vote on it.

Leonard: That is not my memory.

Katz: I don't remember voting on it. I remember asking Carrie to go and talk to individual commissioners on this. You may have made a motion but did we actually --

Leonard: My recollection is we adopted the motion.

Francesconi: What was your motion?

Leonard: Do not accept the planning commission's recommendation.

Katz: On a overlay?

Sten: I recall saying I wanted some time.

Katz: I remember I sent Carrie over to talk to folks, because the rest of the council may not have been sure. So let's --

Kelley: We're looking at the last meeting transcript. If we've already done it, that's great.

Katz: I know I didn't vote on it. Where's our city attorney?

Betsy Ames, Planning: Some of this only has stars and -- instead of names.

Katz: Names aren't important.

Ames: Commissioner Leonard, I'm reading this to say the discussion is being recommended unless I'm reading an earlier draft, dated June 4 -- the a overlay includes a number of other provisions. I think this was me, such as accessory dwelling units, it includes density bonuses, etc., those other factors -- provisions will be considered as part of policy package two. Commissioner Leonard -- so you are recommending a overlay stay R-5 but removed from R-7, 10, and 20? I believe this was me. We're actually recommending that the provision that grants the increased density for vacant lots that goes through design review, that that provision only be applied to R-5 rather than 5, 7, 10, and 20. And commissioner Leonard said, isn't -- I said commissioner Francesconi I think it was --

Francesconi: Get to the punch line, would you? [laughter]

Ames: Commissioner Leonard -- Mayor Katz, I do not recommend removing the provision that would currently allow infill development on lots vacant for five years on R-7, 10, and R-20. Mayor Katz, you would not, Commissioner Leonard, would not support that recommendation. That's correct. Ok. Let me see where the rest of the council is on this. Commissioner Sten, I hadn't to be honest hadn't honed in on this one, given a couple of the other ones. I tend to lean against it as well

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but probably need to do a little more homework. Mayor Katz, all right, commissioner Francesconi, i'm leaning against it too, but I don't know if I know what the problem is. This hasn't been laid out very well, commissioner -- mayor Katz, ok, stay the problem and i'm going to recommend that commissioner Sten shall we take another look at this one, mayor Katz, yeah, that's what i'm going to recommend.

Katz: Yes.

Ames: I want to go one step further.

Francesconi: She's going by the transcript. You can't recreate history.

Ames: Then we responded after a little bit, we'll get information on any information you'd like us to bring back. Mayor Katz, I think we're not all there, so we'll come back with the a overlay. Commissioner Francesconi, is there a description, etc. Is that enough?

Katz: Yeah.

Leonard: Thank you.

Katz: Ok. So let me ask, so the a overlay was one that was going to come back, and I don't think we heard much testimony. So let's hear a little bit of testimony on the a overlay.

Francesconi: Just outline the pros and cons of the planning commission's position.

Katz: We've got people --

Francesconi: I didn't think anybody wanted to testify. Nobody wants to testify on this.

Katz: Anybody want to testify on the a -- they're on lot segregation.

Francesconi: So if you could just briefly summarize, as you can see, I did exhaustive research on this in the intervening weeks.

Pinard: The provision that we're talking about is only one of five in the a overlay, so i'm going to not be talking about those other four, and i'm not going to clarify that each time or i'll talk too long. The provision we're talking about currently applies where the a has been mapped in r-20, 10, 7, and r-5, and under certain circumstances allows the r-2.5 density to be vacant, you have to go through design review and they have to be attached houses. The planning commission recommended that that provision be removed from all but the r-5 zone. So they say, take it off, r-s7, 10, 20, leave it in r-5. That's the question.

Francesconi: So what do you recommend? Gil?

Kelley: Well, we have a similar recommendation to the planning commission. So I think they concurred with the staff recommendation on this. As I said before, we haven't seen this provision used in those other zones, but there is clearly an anxiety on the part of a number of neighborhoods we've heard from that it might be in the future. And again, they're fairly removed from services, so we're not --

Francesconi: Ok.

Katz: All right. So we've got really this one issue that we need to act on.

Kelley: Yes.

Katz: Ok. Council, randy, do you want to make a motion now?

Leonard: This goes to the nature of the discussion we're having. This is that same issue.

Katz: It related in terms of the goals that you were identifying.

Leonard: Correct. So I would move not to accept the planning commission's recommendation.

Katz: Ok. Do I hear a second? All right. There is no second. I haven't -- I assume there's a motion to accept the planning commission's recommendation. Do I hear a motion?

*****: [inaudible]

Francesconi: Second.

Katz: Roll call.

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Francesconi: Aye. **Leonard:** No. **Saltzman:** Aye. **Sten:** Aye.

Katz: Mayor votes aye. [gavel pounded] ok. It is not -- it was not my intent to open up the lot segregation to testimony. We've heard a lot of testimony. So before -- I need to get a sense from the council, are they at all interested in the amendment that I would bring if you're interested?

Francesconi: I have one question. I'm interested in it, mayor. It's just a question, it came up in an email I received. I'm trying to understand it. Maybe I should see it in writing. Do you have it?

Katz: I think you all have it.

Francesconi: Tell me about this five-year vacancy requirement. Does it begin -- when does it start? Is it a rolling five years? What the concern is that it could actually cause more demolition as people hold -- demolish and hold for five years, and then it could actually up the cost of that housing and cause more demolitions. I mean, i'm not -- so that's what the concern that was raised.

Pinard: The idea behind the five-year vacancy rule that's in the code elsewhere now, was specifically to put in to prevent that phenomenon that you're just talking about, that it would be too expensive for someone to demolish and hang on to vacant land for five years, just to be able to build higher density. Again, if the market changes, that five years may not be enough, and perhaps should be 10 years. The idea behind it was a vacant side yard, lot that had historically been vacant for quite a while, should be able to be built on and perhaps could get higher density. The policy that was discussed very clearly at the time that original provision was put in elsewhere in the code was that the five-year was one of the guarantees for it to be an antitear-down provision. Higher density and already vacant lots, but not providing enough incentive to go to a tear-down, having more character of the neighborhood change with the tear-down phenomenon. The five years may not be the magic number, that may change as the market changes.

Francesconi: Well, do we -- I appreciate the answer. Do we understand the economics enough to be sure that right now it's -- it won't happen?

Pinard: It hasn't been happening in the will parts of town where this five-year rule has been in place. That's all I could tell you right now.

Francesconi: That's pretty good evidence, I would think. Ok. Thanks.

Katz: Ok. Commissioner Francesconi, I know where you are. I need another vote to continue this.

Sten: One more question. Do you have any sense how many of those lots that meet that description are out there?

Kelley: The vacant lots, the ones that have been vacant more than five years? Do we know that, cary?

Pinard: No, and if you're talking about these as they would apply to the mayor's proposed amendment, we haven't counted those. We do have an -- in our presentation some examples of where given the same pictures we showed you last time, where infill would still be allowed. But we don't have the --

Sten: I'm trying to see if I can make a meaningful judgment whether this essentially shuts down the type of product we're talking about, or -- there's no way to know without --

Pinard: Well, the product you're talking about regardless of the amendment that we've been told, and again, this is an educated guess on the part of b.d.s., that there are about 400 lots already in the pipeline that would even allow the tear-downs. The mayor's amendment would then allow additional building on more lots than that.

Sten: I understand that. I was asking how many of those lots exist.

Kelley: I'm afraid we don't have that number for you today.

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Pinard: I don't think we can get it.

Katz: Go ahead on -- what is it that the city can do if that's the goal that the council wants to reach?

Kelley: You asked are there additional opportunities beyond what exists here today for achieving single family detached affordable housing. Obviously there are zones that are zoned for affordable -- for single family housing, the question is really the smaller lot designs. And currently in the r-2.5, which matches this density zone, and the r-2 and the r-1, there is that possibility for homeownership, but the present zoning requirement is for attached housing. And one of the questions that we have entertained in the infill design process, and this came up earlier in the land division rewrite, was to look at those -- that provision and those -- in those three zones, which cover a fairly broad territory in a number of neighborhoods, as to whether we shouldn't be more flexible and allow detached housing of the kind you're talking about here. Not in the r-5 zones, except in the limited ways that Cary can describe. But in the r-2.5, r-2 and r-1 zones.

Katz: I don't know when it happened, why did we put the requirement of only attached?

Kelley: Well, I wasn't here for that background. Perhaps Cary, you were. I think it had to do with design considerations, particularly when you have a narrow, 15-foot wide homes.

Pinard: I think there's that reason, two at a time attached has more of the typical bulk of a regular, and I think also another reason at the time that we want to reevaluate with the infill design project is attaches more energy efficient, well, at the time we first required attached, that was probably more true. Today with improved building standards that may not be as an important of a reason as it once was, so there's at least two reasons why we were looking at the attached --

Katz: And we didn't have any infill design standards at that time.

Kelley: I think that's the point I was trying to make, the infill design program that's in our work program, to look at in this coming year, is going to grapple with this kind of issue. How do we get more density, more variety of choices for homeowners and renters in the in between moderate density districts, the r-2.5 and r-2, and r-1. Which are approximate to transit commercial services, still have neighborhood qualities, but are zoned for somewhat higher densities already.

Katz: If we go that route, certainly the work -- the booklet that commissioner Leonard -- would be absolutely critical.

Kelley: That's a great idea, and it's very much in the thinking in our white paper as well on the infill design project, to use the preapproved plan notion, or at least the plan book notion.

Francesconi: My comment on this is that I didn't think this was the right way to go about creating the smaller lots when I voted against this last time. And I still believe that. That's why I'm going to support the mayor's amendment if there's three votes. But I also said we need more opportunities for smaller lots, and -- but I just felt this wasn't the way to do it. So if we could -- I still feel that. But if we could do it by unattaching some of the attached houses, especially now that we have the design guidelines in the proper zones, r-2.5 and r-2, this makes a lot of sense to me. And if we could also look, if there's other areas that should be upzoned through an appropriate process because we need more smaller lots, I'd like to do that too. And so I'd like you to take this on, because I do think we do need more smaller lots in the city of Portland right now.

Katz: Well, we will, as part of the next phase of the infill design.

Leonard: And just to be clear, this has all been exhausted, but just to be clear, my point is precisely what commissioner Sten's was, we didn't change anything. We left a tool available that was existing. And so I'm -- I don't agree that we've done something, violating a public process when this has existed for 12 years.

Katz: Ok. We're not going to torture this anymore, because --

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Pinard: Request don't you quickly show it and i'm going to see if there's a third vote. We're not going to have testimony if I don't have the votes. Because we voted on this already. Technically I would have to ask somebody to reconsider their vote even though it's a week later, and I don't want to go through robert rules of order, so we'll do it -- if there's a third vote, we'll have testimony, if not, then --

Pinard: We just provided six slides total to try to illustrate what we understand your proposal is. Looking at some sites that we looked at before, these on south and -- on southeast 89th, as you can see, the existing house in the areas where there are red lot lines, there was a house in the north two of those. If that had stayed, you could still get three additional houses. Let me see what the next one looks like here. So these three would have been still buildable, and the original house would have stayed there under your proposal. Now, I want to clarify that we are -- this -- we are making these distinctions based on our view of the --

Leonard: But isn't that precisely what it was that came to us originally? I mean, the original proposal would have allowed the same amount of construction.

Pinard: Not in all situations, and the difference is in the next one.

Leonard: I'm talking about this example. What is the difference between the original proposal and the mayor's?

Pinard: I believe you're right, the timing of these three lower lots here that they had already been - - the tax accounts had been separated, then those would still be buildable. As contrasted to these here, there was a house on these two northern lots, and all -- that house was torn down and there's three new ones, and there's the potential for two additional. Under the mayor's proposal, the house would stay here, but there's still the allowance for an extra one there. And this is the difference. In the mayor's proposal, this vacant one could still be divided along the underlying plat. And that was not part of the planning commission's recommendation. Let me show -- the three houses with the arrows here would still be allowed, which is this one, the original house there would stay. Going down the block, these two houses would stay, but this new one would still be allowed and there would be two allowed here, which again is different than the planning commission's proposal.

Saltzman: How big is this lot? Is it an r-5?

Pinard: It's an r-5 zoning, it has an a overlay zone, but the underlying platting is the 25 by 100.

Saltzman: You're showing an example that could happen on r-5 lot.

Pinard: All of my examples are in r-5 zoning. As they were the original time. In kenton, the mayor's proposal would continue to allow this development that happened because the original lot was vacant. Across the street, the original three lots seemed to have a house on the northern two and maybe a garage on the southern one. So you still would have gotten one more here. An infill development instead after tear-down plus infill.

Katz: The reason for this amendment was not to tear down the houses. That was the reason for this. I was willing, reluctantly, to put this on the table if there was any interest so that we can continue to do what the majority of the council wanted to do, but at least we aren't tearing down homes.

Pinard: And then another example that we showed you before, where the original ownership here was five of these lots, if the existing house stayed, you would still get three more, which are these three, still aloud under the mayor's proposal, but these two would have remained a house, which again, under our rules, could have been divided into a duplex because it's a corner lot.

Katz: Right.

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Pinard: And here's just another example of that. Instead of tearing down the blue house, it would stay, but these people had wide enough side yard you could get three infill detached houses under the mayor's proposal.

Katz: Because they were vacant.

Pinard: Because they've been vacant for five years.

Katz: So that's sort of --

Sten: We don't have any idea how many of these lots exist.

Pinard: Let me ask b.d.s. If they could get us that number.

Sten: It's hard to know whether this is a meaningful proposal in terms of allowing some homes to be built.

Pinard: I don't know if we could get the number of vacant 25 by 100 side yards in the city zoned r-5.

Betsy Ames, Planning Bureau: Betsy Ames, assistant director. I think part of the problem is that the 25 by 100 historic underlying plats are not something that we have in a g.i.s. As a g.i.s. Layer. So you'll remember the map that we did with the penciled in areas we had to do that by hand because that isn't a layer we can just bring up. And we can work with our g.i.s. Folks to see if we can get something a little more precise. But I know in the examples we looked at, there were more in the record, many of them were on side yards that were developed or where there was five -- four or five underlying where part of the property had been vacant.

Katz: So technically we have adopted each of the segments, and this goes -- comes back next week for a -- for a vote.

Kelley: The whole package.

Katz: The whole package. If you can answer -- if you can answer -- if the commissioner Sten's question, and if that makes a difference, he can always come back and raise this as another issue, but that's going to be up to him. I don't have three votes right now. So there's no sense going through this exercise. Is that correct?

Sten: I'm not there for the amendment as written. I'm interested in knowing how much of the vacant land is there and i'm interested in commissioner michaelson's idea. I would be interested in a proposal, but i'm not interested in just closing this legal piece without some plan to allow smaller homes.

Leonard: And I am more than interested in doing -- to engage in a discussion to go through the process to allow this as I said in my earliest comment to the bureau of planning, this to occur throughout the city. I think we should begin having that discussion.

Katz: Certainly in our -- in r-5's, in r-2.5's and r-2's and r-1's.

Kelley: I think the proposal that commissioner michaelson mentioned is something we are going to be looking at in the infill design project. So there's a commitment to look at that question, or that set of questions. We will get the best information we can on the number of vacant lots that would fall into this -- into the category of your amendment if that would be helpful.

Sten: Would it -- the idea of maybe allowing vacant lots city wide, so there's some ability -- i'm looking for a way -- I think these are housing products that people can use and want. I think the process to these neighborhoods is a tough one. I'm trying to figure out, is there a way to if there's a way to allow more infill citywide on a limited basis to get a number that we can build some housing that's fairly -- so maybe there's a way to look at the vacant lots that exist citywide and give them flexibility. What escalates right away is, ok, if you're going to look at the city right away, what you're really talking about is rezoning the whole city to r-2.5. What's happening in this conversation, I understand people are passionate, they should be, and that every time I look for

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what's the middle ground, it escalates to, you're throwing the whole land use process out the window or you're going to rezone the whole city r 2.5. And I don't accept those terms. So I'm looking for some middle ground, but so far I haven't heard it.

Katz: In -- you have, we will be -- there are opportunities now in lower density neighborhoods to move from detached -- from attached to detached. That's something we will be looking at.

Sten: I don't mean to say there's not people making effort, but for me just saying, we're going to allow -- try to make it easier for you to build in these ones that are right next to the transit lines, that's not to me the middle ground.

Katz: Ok. Thank you.

Kelley: We know we have plenty of development capacity to get us to 2040. You're looking at a particular housing type, and I'm taking that to be your question. And we'll do a little more research on that.

Katz: All right. I think we've --

Francesconi: I'm not interested in rezoning the whole city. 2.5. But I have to believe that in addition to unattached -- unattaching some in order to accomplish the objective of smaller units, I'd like you to also look if there's areas where this does make sense. That's what I'm saying.

*******:** Ok.

Katz: This -- actually this conversation didn't turn out the way I wanted to, or commissioner Francesconi wanted to, but this conversation is very important, because we were doing this for 12 years ago with the a overlay, for example, and we're now focusing in on something completely different. So when -- every 10 years it's time to review some of the policies that you've been working under, because times have changed. Markets have changed, housing prices have changed, and it's a good idea, and so through the infill design project, and it isn't going to take 18 months, and we'll have a conversation about that, but we will start, and it's July 1, so you can start on it right now, we'll start working on that. So I'm sorry for those of you who are here, who were here on the lot segregation, there is no sense opening this up right now. You heard the discussion, it was worth while, we'll take this whole package to second reading next week. Ok? Fine.

Ames: We have some technical amendments.

Katz: Oh, I forgot, the technical amendments. What are they? Did we adopt them?

Pinard: We sent them to you. Have you them before you. I think someone needs to move them. They would clarify the review procedure and criteria for design review, in some cases for the design situations that you adopted two weeks ago, and they would clarify that standalone, substandard lots in the r-7 through r-10 zones are still buildable. Mostly they're technical corrections because we were doing these --

Katz: They better be.

Pinard: They are. And we've got copies there. We were doing this so fast we didn't have adequate in-house review to catch all the little --

Katz: I trust you, Cary. You better be. All right.

Leonard: I second that.

Katz: Any objections to adopting the technical amendments? So ordered. [gavel pounded] we'll take this package to second next week. Thank you, everybody. We stand adjourned. Be prepared to stay for a while tomorrow. [gavel pounded] for a long while tomorrow.

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

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* * * [roll call]

Katz: We're going to sit and wait.

Item 801, continued.

Katz: I can move the amendment with the three of us. Cary, are you here? Where are you?

Moore: Jessica richman is here.

Katz: Jessica, come on. Read 801, please, karla.

Katz: Let me just try to summarize it and see if i'm right. We did a lot of agreement on all of the issues, all the work is done. What we forgot to do is to amend the substitute ordinance, accept the -
- Move the substitute ordinance with all the amendments.

Richman: Correct. And then we need to amend the substitute ordinance with the documents that are dated july 7. That's the technical --

Katz: Ok. So do I hear a motion?

Saltzman: I'll make that motion.

Katz: Any objections? Hearing none, so ordered. [gavel pounded] it's passed to second reading.

Richman: Thank you.

Katz: Thank you, everybody. When we break these things up, you sometimes forget what you did and what you need to go back and finish up.

Katz: Let's start with 802, then.

Item 802.

Katz: All right, everybody, let me open it up first. Don, why don't you and your team come up while I do this. If my memory serves me correctly, it was five years ago that we had a first meeting at the p.g.t. Building with our advisory team to begin thinking through the -- at that time it was the north macadam plan, and it is -- we adopted last november was the adoption of the south waterfront plan by the city council. This is going to be the largest development ever in the city of Portland. It will create a new neighborhood, it will meet our housing and job goals, it will lessen the impact of higher density in our established neighborhoods, it deals with mixed use neighborhood goals, a strong diverse employment base, our ability to connect with one of the largest employers in the city, and the cornerstone of the new economy in the biosciences and the creation of centers of excellence in the biosciences as the cornerstone of a new economy for us. It provides multimodal transportation opportunities, it gives us an exceptional riverfront greenway, remember when we first started, it was 25-foot setback. We're now averaging 125-foot setback. Neighborhood parks, open spaces, this will be a 1,300-foot long river front that will be donated to the city to ensure public access in perpetuity. A park, public access, 8.6 acres of public open space will be given to us. 430 affordable housing units are committed in the 31-acre central district. If more than 2,000 market rate units are built there will be additional affordable housing, you're going to hear about that in a minute. The redevelopment of this -- these acres is currently the most promising prospect in Portland for reinvigorating this region's economy. It isn't happening anywhere else in the state, and it isn't happening anywhere else in the region. And if you've read all of the documents, and we'll hear a little bit more on the return on investment, it is a very sound public investment for leveraging a huge private investment for this community. There are three people sitting in front of you today, one is their boss, the other two have done most of the day-to-day lifting. But don was there as well, pushing, pushing very hard. But it's these two people, abe and cheryl, who worked with all of the partners on weekends, at night, for months putting this very complicated, complex, interrelated agreement together. You're going to hear about it now. We can then talk about later on about all the things that this will provide this community of ours, and the investments we're

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going to be making, and the investments the private sector is going to be making. Never in my wildest dream, five years ago, that I -- did I ever thought that this was actually going to come together and we were going to be able to create a new part of the central city that will provide housing and jobs, and open spaces for the citizens of the city of Portland. Thank you all for all the work that you've done. I'll turn it over to you.

Don Mazziotti, Director, Portland Development Commission: Thank you, mayor. For the record, my name is don mazziotti, i'm the director of the Portland development commission, and i'm accompanied by cheryl twete, who is the manager of the north macadam urban renewal district, and abe farkas, the director of development for the commission. As the mayor has already described, we have been negotiating a development agreement on behalf of city agencies and p.d.c.

With Oregon health sciences science university and n.m.i., an investor group represented by williams and dame developers, since last november. For clarity, it's important to understand the geography covered by the agreement. It is the central district of the south waterfront plan area. That area is located within the north macadam urban renewal district, which is shown in the map with green here. The area is a little more than 30 acres in size, it constitutes about 8% of the total renewal district, and about 25% of the 130-acre plan area. It's a very small fraction of the total, but it's the spark designed to trigger the plan. You and the public have version 17 of the development agreement, and have had it for a while. For your consideration. The agreement was agreed to with a few conditions by the commission by the development commission for one yesterday.

Katz: Do you want to share those with us?

Mazziotti: The conditions are any material changes in the development agreement which occur between now and the 13th of august, which is their next regular meeting, any material changes I am not allowed to execute the agreement. If there are no material changes and the unresolved issue on prevailing wage, and I think they believe they have resolved the affordable housing issue, then we need not return on the 13th of august. And so we intend obviously to follow the direction of our commission. And we have been working both with commissioner leonard and commissioner Sten and many others in attempting over the last 24 hours to resolve those issues, that 24 hours may not for one reason or another, be adequate, and we're prepared to work as long as necessary to find solutions. Following staff presentation, public testimony and discussion, i'm here to propose acceptance of the agreement, subject obviously to those considerations. The south waterfront plan provides a definitive vision of the part of the district which we're discussing today, south waterfront plan was our guide for this development agreement, as well as some precedential findings by this council and by our commission over the last five years. I want to call your attention to four central facts that I think are very important for everyone to consider when evaluating the agreement. First, it's based upon multiple revenue forecasts, which depend upon agreed-upon phasing of public and private development and the vigorous pursuit of state and federal resources, in addition to tax increment, local improvement district, and system development charges. All of these have been carefully vetted by o.m.f., office of management and finance, and are largely self-financing. No new taxes are required for this development and no additional city resources are anticipated, at least for the development per se to be required by the project. I believe ken rust from o.f.m., who deserves at least as much credit as abe and cheryl, is prepared to talk about those forecasts any time that you ask.

Katz: Oh, i'm in trouble. I forgot ken. And the planning bureau. But we'll get to that later on.

Mazziotti: Right. Secondly, the agreement focuses on the first phase of the central district development. The first phase will last from whenever the development agreement is signed, until around 2008, probably the end of 2008. Because of uncertainties associated with out years beyond

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2008 and the highly interdependent nature of the agreement, it really was not possible to make definitive agreements on the second and third phases. The total development plan for this part of the district, however, will require about 20 years to complete, when everything is said and done. The rest of the district of course develops on a different time schedule, depending on many, many variables. It will, during the three-phase, 20-year life span of the project, constitute the largest economic development project in Portland's history. About 1.9 billion dollars just on this small fraction of this part of this piece of the district will be expended during the course of the project if everything proceeds as we anticipate. If the agreement is approved, within six months I would anticipate a thousand construction jobs to begin to be filled. I would anticipate 300 indirect jobs to be created shortly following the development, and I would expect ohsu to begin recruiting for 2,500 new net jobs that will ultimately occupy their facilities in the first phase of this project. So somewhere in the order of 5,000 jobs are at stake in this first short phase of the development agreement. Third, based on our analysis, about 75% of the public dollars, which are spent on improvements to open up the district, will actually benefit the entire renewal district, not just the plan area, and certainly not just the developer or the institution to be located there. Said another way, in order to open up the renewal district and the south waterfront plan area requires very substantial capital investments to build the roads, the water, the sewer, the transportation facilities necessary to make the land available to the central district, and in the process, will confer generous and extensive benefits on many if not all of the property owners in the immediate district. Constructing bond avenue, for example, allows bus transport through the entire area. Extending the streetcar to gibbs connects the south waterfront to the rest of the central city. And so the benefit is substantial to many people, and property owners. Fourth and finally, there are a series of contingencies contained in the agreement which must be accomplished to make implementation possible. These are mutual obligations, and represent additional work necessary beyond adoption of the agreement itself. These contingencies are accompanied by mechanisms which protect tax increment funds and city revenue by claw-back provisions should the developer fail to perform. Likewise, we must perform. As you know, the north macadam urban renewal advisory committee recommended approval of the development agreement as written on a 10-2 vote. The ohsu board adopted the plan and agreement unanimously this week. The city agencies on the core negotiating team, which i've chaired for the last going on a year, reached consensus several weeks ago, and the p.d.c. staff I think has done a good job of crafting the development agreement, as the mayor has suggested. And so what we'll cover in some detail with you, and as much detail as you desire, we'll be talking about an area within the 409-acre north macadam urban renewal district called the south waterfront plan area. It is specifically as shown in the graphic, a 31-acre central district piece which is the subject of the development agreement. And I should point out is also the focus of more than \$40 million of investment of real cash which have been made so far by the parties to the agreement. As the mayor has indicated, there's been five years of planning effort. The 1999 framework plan, the 1999 renewal plan, culminating in the 2002 south waterfront plan. We have had extensive public involvement with more than 200 public meetings, and untold numbers of private meetings, negotiate sessions wherein we attempted to pound out the agreement that's before you. The central district development agreement only begins implementation of the approved plan. It will not complete it. The south waterfront plan area is intended to create, when it's finally developed fully, about 10,000 jobs that we anticipate will be quality jobs, about 3,000 housing units minimally with a broad range of types and affordability. With a minimum of 788 affordable units in the early phases of this project. A 100-foot-wide greenway, which under the development agreement is 125-feet deep. An open space network that will interconnect with other parts of the

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city, and the reclamation of about 1.2 miles of willamette waterfront. The significance of the development to Portland and to the city and its citizens is enormous job creation and economic stimulus if we can get it done. I've mentioned the numbers, and it's a milestone in Portland's history. It will serve as the catalyst for the rest of the urban renewal area, and we expect it to transform an underutilized riverfront area which is now barely navigable and has about eight people per acre at work in jobs which some are good, some are not, we would anticipate that it turns that area into a sustainable, underutilized -- utilized riverfront area for a mixed use neighborhood. About 75% of the public improvements will directly benefit everyone in the area, and ultimately will allow us to traverse the area easily. It will provide a platform for university level research and private sector investment. I should elaborate here. Portland has one large missing ingredient as a city, and for that matter, as an economic region, which is a major academic research facility, or center that is linked to commercialization of intellectual property that is generated within that facility. Ohsu is now positioned, both organizationally and from a commitment standpoint, to not only become among the 20 top university research centers in the world, in the united states, but also to commercialize and work on commercialization of its considerable intellectual property. And this means great things for Portland. If we can capture the value and the concomitant economic benefits of those developments in that commitment, and that's really at the heart of why this is such an important project. Also important is to create a neighborhood that serves a broad range of people, a work/live environment, which provide affordable and market rate housing opportunities, not everything is accomplished in the earliest years, but we anticipate accomplishing fully the city's comprehensive plan requirements in this regard in the second and third phases and beyond, and our commission has adopted language to that effect to amend the agreement yesterday. It will create ultimately a greenway, parks and open spaces, which, which the planning work is completed, we think will provide a huge regional resource of great value to all of the citizens of the community. And the development agreement contains special provisions which advance the interests of minority, women-owned, and emerging small businesses, meeting the 20% goal that p.d.c. Has and we achieve 27% last year. A prevailing wage commitment by the development commission for all public projects that we are involved with. We will meet or exceed the l.e.e.d. Green building standards for those buildings for which there are established standards, and we'll seek for the overall development to have at least 75% leed-certified buildings, and we're committed likewise to our green building policy in that regard. And finally to generate sufficient tax increment revenues so we can do all of this. We think that we must also seek significant support, project funding from state and federal sources, the financing plan makes it very clear that that is what is necessary. Cheryl twete will now go through the development agreement and then abe can follow with any comments or responses to questions that you might have. Cheryl?

Cheryl Twete, Portland Development Commission: Thank you. Cheryl twete, staff, Portland development commission. The platform we've been working from over the last several months is to get a better understanding of the tax increment that can be generated short-term and long-term, as well as the leverage in private investment that can occur from our public investments and infrastructure in the district. The numbers that are shown in this screen indicate our most recent projections for long-term financial investment within the district, and now looking out 20 years, 17 years, excuse me, we're projecting \$1.6 billion of private investment in new development, which includes both the central district project, as well as some very conservative projections about what might happen in the balance of the district. We believe that if the central district is successful and is feasible, that other developments throughout the remaining hundred acres within the district will

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likely be developed at higher intensities and result in even more private investment and the ability to generate additional tax increment. Our current t.i.f. Projection for the remainder of the life of the district is \$131 million. And this number still unfortunately is below the maximum indebtedness figure that was included in the urban renewal plan that was adopted by council in 1999. It's about 20 million shy of --

Katz: That's the gap.

Twete: Still the gap. But i'd like to just reiterate to respond to that, our private development assumptions for the remainder of the district are very conservative. So we're quite hopeful we'll be able to achieve the hole \$150 million over time. The current financing strategy, which is in draft form, has been presented to the commission, and we believe will be adopted by them at their august meeting. It calls for a total of \$219 million of public investment, of which \$131 million will be tax increment, and the balance about 90 million, would come from other funding sources, including city, s.d.c.'s, land sale donations, state funding, and very significantly federal funding. We're also anticipating about \$55 million of total private investment in infrastructure within the district.

Katz: You add that to the 1.6?

Twete: Yes. That would be included in the 1.6. And that --

Katz: Included?

Twete: Yes. The 55 million would include l.i.d.'s as well as direct capital expenditures for street construction, utility construction, sidewalks, etc. As we've negotiated this development agreement, obviously our challenge has been to stretch our very limited dollars in the early years to the maximum extent possible. And we believe we've put together a funding plan that enables a very significant phase I project to move forward with relatively minimal public resources. In phase I we're able to leverage our public dollars to private dollars on a 1-6 basis. Meaning that for every dollar we spend, the private sector is spending six times that dollar amount. Other benefits to the entire district include completion of street and utility infrastructure that serve not just the light gray area within the black box in the heart of the district, but also the streetcar extension, macadam area improvements and bond avenue improvements, which as don mentioned, for the first time totally opens up this district in a way that it has not had the capacity in the past. Bond street will enable bus service for the first time, and it will create a new front door image for the district. We no longer will have to drive on roads with lots of potholes in them. Transit will be brought down into the district beginning with a streetcar from p.s.u. To riverplace, and streetcar gown to gibbs street. The tram will be constructed during this first phase and will connect the south waterfront district with marquam hill and all the associated employment on marquam hill. We've worked very hard to achieve affordable housing in the first phase of this project. Again, given the limited resources, this has been a difficult task, but we believe we have found an approach for making it happen early, and as you know from the development agreement, 230 affordable units are a requirement in phase I of the project. In addition, we'll see initial improvements to the open space system in the district, beginning with the greenway property along the n.m.i. And the r.c.i. Tract of land as part of this development agreement, the city will be receiving a donation of 125-foot average tract of parcel to the city which enables the city, parks bureau, to have very full control over the design and implementation and the usage of that property. The zoning code does not require that the greenway properties be donated to the city, or in fact it doesn't even require full easement on the greenway parcel to the city. What the zoning code requires is a trail easement, so we believe the terms of this agreement in fact give much broader public access and a better ability to achieve all of our goals for the greenway, including habitat, open space, and transportation. In phase I we'll also see the acquisition of a neighborhood park, approximately two acres, and we hope in later phases the park

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will be augmented with more space farther south in the district. As don also mentioned, the central district project becomes the spark or the stimulus, the beginning of the momentum for an area that has long been without development. It's been nearly 20 years since there's been significant private investment in this district. One of the driving factors has been how can we ensure achieving our 10,000 jobs goal within this district? Obviously that's a long-term goal, but we think we have crafted an approach with the city's largest employer, ohsu, that enables very significant early job growth in this district, up to 5,000 new jobs -- 4500 ohsu jobs between the central district and marquam hill, and another 500 jobs that would be in support services and retail throughout the district. Ohsu will be committing to 1.5 million square feet of facilities within the district. Half of which will be research and clinical oriented, the other half will be defined over time as their specific development program needs are better understood. We believe this is an excellent opportunity for ohsu, and other institutional -- institutions, including p.s.u., o.g.i., o.s.u., to collaborate and to create a center where their related efforts can occur and research and technology can be shared and transferred ultimately into new businesses and job creation within the district. Housing has been the subject of much discussion for many, many months in the district, and particularly the last several weeks. The development agreement calls for up to 2700 housing units at full buildout of the central district property only. So on 30 acres out of this 130-acre area, we potentially will achieve much of the overall district, housing goal of 3,000 units. And that's very exciting. The development agreement calls for a minimum of 430 affordable units, including 230 in phase i. It calls for a broad range of housing types and affordability, condominiums, apartments, student housing and potentially senior housing. As it is currently written, the agreement would achieve 55% of our affordable housing goal from the district, the goal that council adopted last fall of 788 units. We have put renewed focus on trying to achieve family housing in the district, and also to address households below 50% of median family income. Yesterday when our commission approved the development agreement, they made four amendments to the -- two major amendments to the development agreement that don mentioned a few minutes ago, and i'd like to flag that for you, because this bullet has not yet been updated. So I will want to clarify that. For development under 2,000 units covered by this development agreement, 20% of those units are required to be affordable. For development of more than 2,000, up to 3,000 housing units covered by this development agreement, 36% of the market -- an equivalent of 36% of the market rate units will be affordable units. If more than 3,000 housing units are developed within this project area, then the affordable housing requirement becomes the citywide housing policy requirement. So that is hot off the press modifications that were approved by our commission yesterday. Connectivity has been one of the main themes of the project. I think this photograph and the graphics superimposed on it really tell the story about what we're able to do by opening up this really locked area, landlocked area within our central city. It's long been known that the transportation capacity of the system was a bottleneck for redevelopment of this area. And we think that the strategic opportunity to create a tram, to link to this district and to create the kind of live/work situation that has been discussed for many, many years as one of the most significant public benefits to come from this central district project. Obviously the tram will connect employees and people who live in the marquam hill area down into the south waterfront district, and those folks can then transfer at the multimodal hub onto streetcar into downtown, or bus service into downtown and the rest of the region. For the first time in history, more than 60,000 people will be connected to employment, housing, and open space in the south waterfront district. The open space elements of the agreement are very, very significant. The current zoning code requires 100-foot setback, but we've been able to negotiate with ohsu and n.m.i. 125-foot average greenway area. That will not have just a

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limited easement for the public trail, but will actually be donated to the city and provide a much broader array of public access. As I mentioned earlier, two-acre park, neighborhood park is envisioned for the first phase. Our goal is to acquire the property and install initial improvements by the end of the first phase. We'll also see some initial greenway improvements that are primarily installed by the private developer parties, because at this point the parks bureau is embarking on a greenway development plan, p.d.c. Will be working in partnership with them to create an implementation strategy for that plan, but since we don't have a complete plan at this point, we have reached an agreement -- an arrangement to install some initial public improvements, including grading, hydroseeding, some trail and overlook features that will for the first time enable public access down to the river's edge. And followed by later phases of improvements to the greenway during phase ii and phase iii of this development program. We've mentioned the three phase development program to you several times. I think it's important to note that what we'll see with phase I will be the beginnings of this neighborhood, and we worked very hard to ensure that we get enough of a there-there happening in phase i. We've all recognized one or two buildings in a vacant area is not a sufficient to create a new neighborhood. So phase I development will include about 1,000 housing units, and ohsu -- an ohsu building, initial greenway improvements, neighborhood park acquisition, and improvements in the significant public infrastructure that we've been discussing. We believe that all of these improvements will be in place by the end of 2008. I would like to note that these diagrams indicate a massing study for how the central district might be developed. They are not the actual designs of the buildings. The development team will be moving forward quickly on those actual designs once the development agreement is executed. So for a quick recap of the phase I development program, approximately 1,000 housing units of which 230 are affordable, 250 would be student housing for ohsu, and potentially p.s.u. Graduate students, and 500-plus market rate apartments. It will also include a hotel conference facility, 150 to 200-room range, a very significant ohsu building in the district, which will be in the range of 250 to 400,000 square feet. We believe it will be in the larger end of that range, and will include significant research space and clinical space. Also ohsu will be constructing structured parking, which has been a significant goal to ensure that this area does not become a long-term surface parking lot. We're very encouraged by their desire to build structured parking to serve their development. The phase I investments in total about \$440 million. And direct new private development. The public infrastructure package is about \$103 million, and i'd like to note that this would include funding for affordable housing, as well as the streets and the utilities and the transit. Of the 103 million, about \$71 million would be from direct funding source -- public funding sources, including \$25 million of tax increment, and \$32 million would be from private sources, including yet-to-be created l.i.d.'s within the district. The public/private leverage ratio is 6-1, and we have also to address the possibility that the development could proceed at a faster pace than anticipated, or that the value of development could exceed what has been anticipated to date, we've identified what we call a tier two list of projects for phase I that we would like to see moving forward if there is additional tax increment revenues available. There are a couple of different ways that additional tax increment could occur. Number 1, development outpaces our projections, and number 2, if we're able to generate additional state or federal funding beyond what we've identified in our funding strategy, that potentially frees up some of our tax increment to be put into this year two package of projects. This is a breakout of the public projects at phase I that we've been discussing for the last several minutes. Clearly transportation is the largest single category, if you include streets and streetcar and tram and ctlh neighborhood categories. We've all known for many years that the fundamental reason development hasn't occurred in this district is because of a

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lack of basic infrastructure, and the need to front load front end much of this infrastructure in order to open up the district for redevelopment. Risk management has been a very significant part of our negotiations these last several months, and we have included a number of provisions that we believe both provide risk management for both the city, for p.d.c., as well as the private developer parties. As you've i'm sure noted in the development agreement, there are a series of about 18 basic contingencies which are tasks that were actually currently working on and need to be completing over the next six, seven months. And at that point, then the actual project activities would kick in. The reason for taking this approach is that as the mayor said earlier, this is a very complicated project. There are many, many moving pieces and parts, and we felt it was critical to lock in the development agreement with the commitments by the various parties concurrent with working on these basic contingencies. Many of the basic contingencies are actually quite expensive activities. They include things such as street design, and hundreds and hundreds of thousands of dollars need to be expended in order to design the streets and utility systems within the district. Once all of the basic contingencies have been met or waived, then we get into a next phase of the development agreement, where we have identified specific projects for each phase. Each of those projects also has a series of contingencies that must be met, satisfied, or waived prior to that project obligation kicking in. So, for example, on the private side, some of the project contingencies are things such as the developer must have achieved reasonable and feasible financing for the project. Regarding ohsu, they must have received approval from the state for \$100 million of urban economic opportunity fund bond financing. In addition to managing how our dollars and our commitments are triggered in the development agreement, we've also established remedies in default scenarios. All of the parties have the ability to sue another party for lack of performance, but in addition to those basic remedies of law, we've also negotiated two rather unique provisions that i'd like to call out for you. First of all, regarding n.m.i. and any private l.l.c. They would create --

Katz: You need to define the acronyms.

Twete: North macadam investors, the lead private developer involved in this project. They'll be required to make gap payments to the city for any tax increment revenues that are forgone because the project does not perform according to the project schedule. So, in other words, if a project does not move forward as we have projected in our funding plan, and we do not receive the tax increment based on that project moving forward, then n.m.i. Is required to make payments to us to compensate for the lack of tax increment revenues being generated. We have --

Francesconi: At 100% of the amount? The full amount?

Twete: Dollar for dollar.

Abe Farkas, Portland Development Corporation: It's up to \$37 million, which covers not only the \$25 million of t.i.f. That's identified for the key infrastructure, but it would also cover the full \$10 million of affordable housing.

Twete: And regarding ohsu, we have negotiated a somewhat similar provision that would require them if they again did not perform on schedule, to make payments to the city of approximately \$210,000 per year for an event of default. I'd like to close on a more positive note. The risk management is one of those business deal points that your attorneys always say you have to have in the agreement, but what's truly exciting about this project is that we have the opportunity to create a wonderful new 21st century neighborhood in the south waterfront district, and this rendering is just a depiction of what it might be like five to 10 years down the road. Thank you.

Katz: Thank you, Cheryl. Abe?

Farkas: I'm just -- I just have a couple of closing comments. This agreement is fundamentally from our perspective a momentum generator. It doesn't solve each and every issue in the entire

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south waterfront area, but it does generate momentum. It provides confidence to both the public and private sectors so they can go on with their investments, and like many other agreements, including state and federal constitutions, it's going to be amended over time. These are living documents, and I'm certain we will be coming back for an amendment. What I think this agreement is about are three things. First as Cheryl concluded in her remarks, it's about creating a sustainable urban riverfront neighborhood that provides for a plethora of public amenities. Second, it's about broadening and deepening the catalytic research capacity of Portland's universities to help generate a more vibrant and healthier economy over the long haul, and finally, about taking measured public risks to generate very, very significant private investment in an area that's been languishing for a very long period of time. Thank you.

Katz: Thank you. I do need to thank p.d.c. And you, I did neglect to thank our office of finance and management and Ken Rust. This is a project where every partner that has a piece of this plan was involved, and the first group that actually was involved was the Bureau of Planning. And they -- the design and the implementation was p.d.c. The guts of the work that you just heard was their work and their effort. Is Gil Kelley still here? Gil, come on up. I know you need to leave, and just take a few minutes. Then we'll come back and ask you questions. I just want to flag to everybody that we're not going to vote on this today. As you can hear, the commission itself still has some contingency issues, an issue they need to address. We do too. We'll talk about it later on. But I know that the issue of affordable housing and the prevailing wage needs to be somewhat dealt with, and we'll deal with that during the interim, whether it's two weeks or three weeks, we'll identify that later on in the discussion. Gil?

Gil Kelley, Director, Bureau of Planning: Thank you, Mayor. I just very briefly want to commend this agreement to you. It is consistent with the plan as Don mentioned. The plan you adopted several months ago served as the foundation for this agreement, and I want to just personally thank Don and commend he and his staff and O.M.F. Staff for holding true to that vision. I certainly knew during the planning phase I was stretching people as to the possibilities for the district. Don certainly knew he was stretching people in this phase as to the making those possibilities really come to fruition and be reality. And I think it marks a great moment frankly in my relationship with Don and our partnership. Our roles in planning and development in this city are inextricably linked, and I think this is a great success. I wanted to make three very specific points. One is that it is important to remember that the great bulk of the investment that you're seeing here in the infrastructure, be it from the private side or the public side, is necessary to serve the whole of the district. And that's a burden placed on this first piece of development. And therefore, you're not going to see all the district goals melt in equal proportions in this first phase. And I think that -- you have to keep in mind as you're weighing all the pros and cons. And to that end, I would like to offer as I have to Don and the Development Commission, that the Planning Bureau will be involved over the years in tracking the success of the plan, and making adjustments along the way. But really sort of serving to make sure those other goals are met over time. And I think that p.d.c. Has done a remarkable job in balancing and really pushing the negotiations, and I want to thank the other parties on the other side of the table for their acceptance of that -- the vision and the importance of those public goals. And finally, I want to remark on one specific provision, which is the -- we requested that the agreement contain a proviso that as development -- specific developments as part of this come in for approval, that we have an early consultation requirement, so that planning and design review staff have an opportunity with the applicants to really kind of get at some of the basic site planning, height, bulk, and major design issues very early, before hundreds of thousands are spent on design to sort of get a good jump on it. And this will really be

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a test -- a first test of that policy, which the mayor and I have talked about possibly extending on a broader basis to other projects. So I also want to thank don for that work.

Katz: Thank you.

Kelley: I'm going to need to run off to design commission. I'll be back for your next item.

Sten: You may not be able to answer right away, but I had a few phone calls from neighbors, essentially they're built off "the Oregonian" schematics in terms of amassing -- the concerns I heard about were about height. I remember we had a very long discussion with the planning bureau about how to handle height. I remembered the trade-off being more a play of trying to get taller buildings, but also real gaps in the heights so there would be view corridors, and at least the way people read the diagram in "the Oregonian," there was a sense it was going to be a monolith of a block. I remember two things, I want to make sure i'm right on this, the goal was to protect the terwilliger view, and that the idea was to try and get a varied -- I remember my sense was i'd rather have really tall buildings and shorter buildings than a whole row of tall buildings that blocked everything. Could you help me get what this is actually going to look like?

Kelley: I can't speak to the picture in "the Oregonian," I was out of town for a couple days when that ran. But the principal you're articulating is correct, it was to be a varied skyline allowing tall buildings that the critical public viewpoints were protected, and that we use the east-west streets with stepbacks on certain ones of those to allow corridors of view through the district. So it was intended to have variation in the skyline. Again, i'm not sure what you're seeing yet from the development side are really building proposals as much as envelopes that are -- have yet to be finally designed. That's the way I would characterize it. I would be reluctant to read too much into the computerized diagrams.

Katz: Which is one of the reasons you raise the issue of early design, so we can get to that before we actually -- architects have spent huge amounts of money designing the buildings.

Kelley: We've been clear with p.d.c. that the proposals falling out of this agreement will be consistent with those design guidelines. You adopted those earlier, so i'm not particularly concerned about that. I just can't represent what any diagram --

Sten: I wanted to get the principals back on table. I think there was a very long discussion of that, and there was a sense, because a lot of people just read this in the paper, that there wasn't any opportunity to discuss that. And I think there are protections in place, and it may be worth laying some of those out as we move forward.

Katz: There were. Further questions? We'll come back to questions. Don, did you want others to -- from ohsu, and --

Mazziotti: It might be appropriate to ask homer williams of williams and dame, I think president koehler and --

Katz: Dan? Why don't we have the rest of the team up here. Thanks, gil.

Homer Williams: Homer williams, from n.m.i.

Katz: Doctor, why don't you start, and homer, you'll wind up.

Dr. Peter Kholer: First of all, let me thank you for opportunity to testify here today. This particular presentation is the culmination of a lot of hard work that many of you have been involved with. I want to thank homer and his colleagues for being there as well as the p.d.c. And the city council. I want to emphasize along the lines that you've heard, this is a really marking a new chapter in our history. The marquam hill plan was approved last year, 2002, and it allows us for the first time to really define how we'll grow over the next 30 years. The central part of our vision revolves around the connections to ohsu and helping Portland also connect to the future. In the past eight years since we became a public corporation, we have undergone a dramatic change.

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We have added over 5,000 employees since that time, our patient care programs we believe to be excellent, our educational offerings are nationally recognized, and our research programs are rapidly growing to become world class. As you know, we are now Portland's largest employer, and one of the largest in the state. We do, however, need to continue to grow, and we are constrained on our hill. I want to -- I think dr. Dorsa may be talking to you later, but I want to indicate for you something that I think is a very important benchmark for us. This past year we did exceed \$250 million of research awards, which is a very large number and continues to push us up into the top echelon of academic health centers. As you know, we've begun already to build a research building on the hill, and we will soon start on a patient care facility up there, but that is going to be about it in terms of what we can build on the hill. So we need to be able to expand. We're very excited about the possibility of the riverfront being our new campus that we can build upon. It allows us to meet many of the goals I mentioned in terms of connectivity already. The literal connection between the riverfront and the hill will be the aerial tram, which obviously has been surrounded by some controversy, and we may hear more today. But I think it does fit very squarely with Oregon values and will move large numbers of people quietly and efficiently back and forth. We anticipate occupying at least a million, a million and a half-plus square feet on the river, probably actually more like 2 million, by 2030. We anticipate all aspects of our mission will be represented there, research, education, and clinical care. And we also do anticipate becoming a major player in the emerging bioscience industry that you've heard about already. I am much more optimistic than the people that are usually quoted on the possibility for bioscience in Portland, and think we will succeed. So basically, we are in the middle of a journey now from a small medical college in 1887, to what we intend to be a world class health and science university. We want to be able to be a benefit to the state of Oregon and to the region in which we're located. We want to be able to generate continued intellectual property which can be commercialized and then also applied to Oregonians. Along the lines of the work of dr. Brian grouper, for example. So i'd like to thank the city council for all the work you've put into this project, and when you do get to the point of voting, I urge you to please vote yes, I think it's going to be a very important thing for the city as well as for ohsu and the state.

Katz: Thank you, doctor. Let me just add that during my tenure in the legislature, your predecessors didn't really recognize there was a city of Portland somewhere around their facilities and I want to congratulate you, because you're the first leader of the largest employer in this community that has realized you have wonderful partners to work with. And it's wonderful to be able to be partners now, because prior to that, there was total lack of understanding that the partnership really existed. So thank you.

Kholer: Thank you.

Francesconi: Your line was supposed to be, and before this mayor, there was -- there was not an mention that ohsu was in the city.

Katz: No, I -- this is really a thank you to ohsu, because I was a member of the ways and means committee, and kept hammering at them over and over, and i'm sure that was the same issue which commissioner leonard was serving in the legislature, and it was only with your tenure there that the partnership was been built.

Kholer: Thank you. And thank you for what you've done.

Katz: Mr. Williams.

Williams: Well, what can I say? This is a culmination of 21/2 years of work, and my first -- when I first walked down on that property, the idea of what could be there really hasn't changed. And I think the commitment to a truly great live/work neighborhood is what we're bringing to the table.

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This isn't going to be for 6% of the population. It's going to be for all of the population. And I think that -- I think the opportunity for both the private and public side is about as exciting as it gets in this business, and we really look forward to the opportunity of working with everybody.

Katz: Thank you. And let me add to homer, there aren't as you all know, there aren't very many developers in the city of Portland that take on the development of the core city. It's much easier for many of them to go out in the suburbs and build out in the suburbs, and there's a handful of developers, because of a love of the city, and of course they do get a return on their investment, that's natural, but because of the love of the city, and their willingness to take some of those risks, because the end product is an incredible achievement, do work in the core and homer is one of them.

Francesconi: Just one question, doctor. Could you elaborate on how your growing expertise in microbiology, and biomedical engineering can translate into employment, the kinds of -- give us a little more examples.

Kholer: Well, I think I may have read in the paper today something about our biodefense work, and in fact we do have an outstanding microbiology program here, and our marriage literally with o.g.i. allows us to apply many engineering techniques. I anticipate that diagnosis and management is going to become more and more electronically oriented in the future. We're going to be leaving test tubes and moving into chips for diagnosis, and frankly for treatment as well. And that's going to be very important. And something such as biodefense, where you need rapid identification of a potential pathogen, and ideally it would be done within minutes, not several days later once you grow up an adequate amount, we think we are getting prepared for that, and the thing that you read about in the paper today, which by the way still hasn't been passed am the way through the process in Washington, d.c., will allow that relationship between our engineering activities and our biologists in such a way that we can accelerate diagnosis and take part in what is going to be a very important activity.

Francesconi: Thank you.

Katz: Further questions? Thank you, gentlemen. All right. Public testimony.

John Rackowitz, Portland Business Alliance: Good afternoon. I'm john rackowitz, testifying on behalf of the Portland business alliance in support of the proposed south waterfront central district development agreement. As long as until its execution, it will support future development of the whole of the south waterfront area. That is the key issue for us. The reasons for our support are perhaps obvious, but important to keep in the forefront. As this discussion continues it sounds like it will not be settled today. One is the development agreement for the 31-acre south waterfront central district does represent a concrete and long-awaited first step toward creating economic catalyst for the development of this urban neighborhood long envisioned to expand this part of the central city. In addition to that, the ohsu central district campus will serve as the foundation for future private investment and development, as well as the future regional economic anchor in job creation engine responsible for thousands of jobs and business ventures as the president of ohsu just described in some detail. Those are important overriding issues for the alliance. In our estimation, there are three or four considerations that we believe require resolutions prior to the implementation, not to the passage or execution of this agreement, if we're to really reach the goal of all the private investment for the entire 131-acre site of the south waterfront area. Those issues and we believe there are a number of committees here that are wrestling with those, but we want to call them out so that due diligence can occur. One is the transportation capacity designs, including alternative modes need to be reviewed and refined prior to the implementation of the development agreement to ensure that the phase 1 public investments will maximize private investment

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opportunities and stimulate the private development throughout all of the south waterfront area. You'll notice a theme as I go through here. All south waterfront development area. It's that use of the public resources that allows the maximum development that we're after. In addition to that, the utilization of local improvement districts is key to this development agreement, and we believe they will require very careful consideration and agreement by all the affected payers if we are to ensure that maximum private investment, and that the public improvement costs are shared in an equitable manner. And third, financial obligations of all the property owners for the planned greenway need to be specified in order to really generate the additional investment and secure that redevelopment that is envisioned in all the plans that have led up to this agreement. And that this agreement is based upon. Finally, the future development of the remaining 100 years of the south waterfront area has the potential for development as described in the current south waterfront plan, and as exemplified in the current central district plan. The execution and implementation of the proposed agreement should encourage and facilitate such development. With that, thank you for the opportunity.

Katz: Thank you.

Katz: Have you three minutes each.

Rev. Terry Moe, Macadam Group: Good afternoon, mayor and commissioners. I'm reverend terry moe. I reside at 5844 northeast 30th avenue, also near the church. I'm a leader with the metropolitan alliance for common good, which is a broad-base alliance of labor, churches, public schools, and community organizations that have gathered together in order to promote common good. There are representatives and leaders from our religious community labor and schools here today, i'd like them to stand as they stand in solidarity with us as we testify.

Katz: Why don't you stand up. Thank you. Thank you for being here. I appreciate all the work you've done.

Moe: On may 13 in the Oregon convention center, 1300 delegates from our organizations gathered together for our annual assembly, and there we heard city commitments for increasing affordable housing goals from Portland development commission and the city, and we appreciate that. And we celebrated responsible contractor ordinance that had been passed earlier in the month, thanks to commissioner Francesconi and others for passing that. Today we are -- and we have been over the past year working with the city and Portland development commission and the development community in order to achieve two goals and to hold them together. That affordable housing and sustainable career jobs must go together for the public good. That public investment should leverage and create public good in terms of housing and jobs. And we're glad to hear today and in other testimony the commitment of the Portland development commission, Oregon health sciences university, and the city and the major developer to make this development truly for all people. And we want to hold you and others accountable to that goal. It's not our intention today to oppose this agreement. However, we are grateful for the delay so that you can consider the broader vision that we hope to bring, that public investment should create public good in the city of Portland, as a city policy. And while we have concerns about some of the details of the development agreement and want to address some of those, our chief concern is that we address the broader vision of the public good that can come from this agreement and others in the future. So today we'll address some of the issues in the agreement, and again, are appreciating the time you are taking to consider that, and we have a proposal for some next steps that we want you to consider before ratifying this particular agreement. One of the complicated issues relates to prevailing wage, and I want to refer to my colleague wally mehrens to address that. We also appreciate commissioner leonard's response to our concerns in convening several significant meetings over the past week.

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Katz: Thank you.

Wally Mehrens, Macadam Group: Thank you, terry. Wally mehrens, executive secretary of the columbia pacific building trades council. I want to start off by saying thank you very much, commissioner leonard and all the commissioners that have been working on this issue for especially the last week, week and a half. And especially I don't think he's here, labor commissioner dan gardner for making himself available to explain some -- explain issues regarding prevailing wage, and the issue of common good and investment in the common good, when we make public sector investments like our plan is at the south waterfront urban renewal district, and on those projects, one of the things we want to make sure is that investment does not push down or adversely affect the wages and benefits of people in the construction industry. I think that's where the issue came up on prevailing wage, so that investment and it's a substantial one, does not adversely affect the wages and benefits of all construction workers until the Portland metro community. We have seen, if you've been reading in the paper, a number of times throughout the state where that investment and people forgot it was I think -- it goes without saying that construction workers benefits and wages and standards would be protected. And there are a number of places in the state that they've been reported on where it's an afterthought, it doesn't happen, and you understand up with an out-of-area contractor with a bunch of imported workers. And we don't want that to happen here. This economic development investment is good for the whole community, not just for a few businesses that will locate in this area. That's why, we in the building trades, support the plan. But only if the needs of the whole community are addressed. That means protecting established community wage and benefit standards by including prevailing wage protections, and addressing the growing need for affordable housing in our community. And thank you very much again for holding this as we dot the i's and cross the t's.

Katz: Thank you, wally.

Ron Williams, Macadam Group: My name is ron williams, i'm the community outreach director for the first united methodist church, and i've been a member of the metropolitan alliance for common good affordable housing and sustainable job working group since it was formed. We've been in discussions for some time with the Portland development commission, a number of you, and we've talked and reached a number of agreements where we feel we've made significant progress in our discussions regarding addressing production goals and income bans for citywide production goals and income bands for affordable housing. We feel that at this time we would like to ask that the proposals that are coming forward, that the resolutions that are coming forward from the city regarding addressing production goals and income bans and prevailing wage as part of citywide urban renewal policy, we want those resolutions linked together in time, and then brought together and voted on essentially at the same time. So they're linked. We want to make sure that as these proposals move forward, or these ideas move forward, that they stay together from our perspective. We would also like your commitment to assist the metropolitan alliance in convening major developers and general contractors and creating a private fund for bonding and capacity building and insurance of and for minority business owners, minority contractors, women, and emerging small businesses. This is a proposal that we have that will go a long way towards creating what we feel is a much more level playing field and give as we believe considerably more leverage on the part of these small businesses that seem to feel that the playing field is not level at this time. Because of prevailing wage.

Moe: We also appreciate your commitment to expanded revenue source for affordable housing and pledge our commitment to continue to work with you on expanding the whole pie, because

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without a reliable source of revenue for affordable housing, it won't happen. And we commit to work with you in the development community in achieving that.

Katz: Let -- go ahead, wally.

Mehrens: One thought that I had down that I was going to try to put in there, I know having worked on the convention center and oversaw that project, there is a statewide law that says on a public works project 1% goes for art, and anybody think about 1% for affordable housing, or 2% for affordable housing?

Katz: That's a whole other conversation.

Mehrens: Just a thought.

Katz: Actually, it's an interesting idea, but it's also tied to something else i've been thinking about. But not today. I did -- the reverend asked me to convene the group, or ask one of you to do it, but -- so -- and I said I would do it. We would start this work. But I also told reverend, we're not going to -- we're going to either do it by a certain date or it isn't going to get done.

Moe: And we want that too.

Katz: Because I can't drag on this agreement, and we have -- we're fortunate we have a little bit of time, p.d.c. commission, don, correct, will respond by august 13, I would like to get this done before august 13. So we have two dates which is the end of -- which are the dates, the end of july or august 13. And that means everybody has to come to some agreement, that the commission has to agreement to it too, and we need everybody's cooperation to work together to make that all happen.

Moe: Yes. The timing is very important. I wondered what this was, and I see it's a countdown clock. I was -- I was given three minutes, and I don't want any of my parishioners to get any ideas.

Katz: We're talking, and that's ok. If we ask you a question you can continue talking until you're cut off.

Moe: We agree there needs to be a time line.

Katz: So it will be before august 13 for sure, and hopefully by the end of july.

*******:** Thank you very much.

Katz: Go ahead.

Ian Slingerland, Community Alliance of Tenants (CAT)/Affordable Housing Now!: My name is ian, i'm presenting testimony on behalf of the community alliance of tenants. We're a grass-roots tenant controlled renters rights, and we're an active member of the affordable housing now coalition. Let me begin by stating as we have throughout this process our alarm at the inadequacy of the affordable housing target set for this project. The discrepancy between the target of 1400 -- 1422 units of affordable housing for low-income people called for by comprehensive plan goals and the 582 unit target in the constrained funding model of north macadam framework plan is startling. And the picture for those in need seems to get poorer with each step of this process. The absence of any requirement for affordable housing for those with the lowest incomes and the current development agreement is shocking. Surely we can do better. We understand the particular magic of urban renewal limits the amount of nonincrement producing development that can be funded in the early years of a district. Surely then we should target constrained affordable housing funding towards those with the greatest needs. Rather than focusing limited available resources on providing homes for the homeless, rather than freeing families from unthinkable choices between rent and food, housing or health care, rather than providing stable homes for the most vulnerable among us, this agreement proposes to subsidize the development of housing for household that's already have multiple affordable housing options throughout our city. Surely we

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can do better. Limited t.i.f. resource for housing should be targeted towards the 406 units at zero to 30% of m.f.i. And 516 units at 30 to 50% called for by the comp plan goals. At the very least, this development agreement should require production of the 166 units at zero to 30% called for in the framework plan prior to any t.i.f. investment being spent on other using uses. Thank you.

Mickey Ryan, Attorney, Oregon Law Center/Affordable Housing Now: My name is mickey ryan, i'm an attorney at Oregon law center, and in that job I represent people who have becomes below 30% of median. We're also a member of the affordable housing now coalition. My clients are the people who are homeless, who live at dignity village, who are paying all of their small incomes to live in substandard housing because we don't have housing they can afford. It's our greatest housing need. The housing problems in Portland won't be solved unless we give this priority. We have a moral obligation, a social obligation, and we have a legal obligation under the comprehensive plan to meet these goals. This is a wonderful opportunity to do it. We don't have the nimby aspects that we have in developing affordable house, we have great transportation which people below 30% need to meet their medical needs, to meet their job opportunities, to work at ohsu. We need 31% of the units to be affordable to people below 50 percent to meet that plan. We need it to be funded. We need that funding guaranteed up front. When we talked about affordable housing today, what people need to understand is that we're talking about housing for people at 120% of median. And that is not where the need is. I understand that the city's commitment has been strengthened over negotiations in recent days and the housing advocates are quite pleased about that. We'd like to continue those negotiations to make sure that we have solid funding for housing for people at zero to 30%. Thank you.

Sam Chase, Director, Community Development Network/Affordable Housing Now: I'm sam chase, director for the community development network and also with the affordable housing now coalition. I'm going to refer to a document that you should have received already, and I had a couple extra copies for the council earlier today. There are three -- we believe the north macadam can be a wonderful design that is livable and equitable for our communities, and Portland. We think it needs three specific pieces to make that work. One is that t.i.f. Funding should be prioritized for these lowest incomes as the first and highest priority housing to receive subsidy. Listed below are -- listed on the letter are the targets set by north macadam district framework plan, the targets we've been expecting would be a part of the first 3,000 units, and it's no more than that. It's already the substantially reduced goals that we've agreed to. To be completed already reduced targets would require for the first 3,000 and for the entire life of the district up to 6,000 units, 39 million would be required just to address the zero to 30 and 30 to 50 housing. And that is 30% of the predicted -- the conservative projections of the t.i.f. funding. Beyond that 130 could then be used for 50 to 80. But we would ask that the specific targets and the funding needed to meet those targets be listed in the development agreement, and i've submitted copies of those to you. That is 166 units at zero to 30, for the reduced targets. That is 211 units from 30 to 50. Current agreement has zero at 30 and 167 at 50. So it's short on both of those. And that would take a total of 11 million in t.i.f. rather than 3 million. Additionally, resources and the housing at these lowest income levels should not take funding from our neighborhoods and funding that's available to produce housing in the neighborhoods and just put that into north macadam. That will not create a net increase of housing, that's just moving housing from one neighborhood into north macadam where frankly it's going to be more expensive to do. North macadam needs to support itself in building the affordable housing. Affordable housing is defined far too broadly in this, and terms like being similar to or reflective of city income goals, or if financing is available, or simply just building affordable housing could result in housing that is affordable to 120% of median income,

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that is a 350,000 dollar condo for a family of four, that is a \$235,000 condo for a single individual.

That is not an appropriate use for affordable housing funds, and that is not an appropriate use to call -- to say that's addressing our affordable housing need. So those are our three main concerns.

Katz: I'm going to ask you this question, because you've been here for a long while. You don't need to answer it now, but since I have the responsibility of putting a balanced budget together for this project with p.d.c., I need to know what you would reduce toll get to those goals, over the first phase and certainly over the life of the project. You can -- you don't need to answer now, you can think about it, and assuming we don't have any additional resources.

Chase: Ok. Well, I think part of it is that the expectations that we were looking for in the framework plan, maybe they should have been incorporated sooner and clear sooner, so those were being budgeted more accurately during the process. But funding has been developed for the parks, and land has been secured for parks, open space, tram way, streetcar, infrastructure, all of these other priorities have been able to find the resources necessary, and housing seems to be --

Katz: Why don't you email all of us your recommendation for the reductions of all of those items that you justified.

Francesconi: Sam, I have a different philosophical question. First of all, I believe that we need mixed income neighborhoods, so don't jump to the conclusion that I don't believe that. And I also believe that zero to 30, zero to 50 is the most crying need. But just as you said, you don't take money from the other neighborhoods for housing, which we cannot do, and put it into more expensive real estate, the other side of that coin is, you could have it a little less mixed in terms of low-income if there was a funding mechanism, take some of that money that instead of putting it into zero to 50 in north macadam and getting a few minutes, you would get a lot more people housed in less expensive land. Doesn't that make some sense as long as you don't totally gentry identify the neighborhoods and have some -- if the goal is serving zero to 50?

Chase: If you're talking about serving zero to 50 with resources other than t.i.f., the t.i.f. Funding can't be used to serve other neighborhoods, we, we would love to continue -- i'm very enthusiastic about the mayor and commissioner Sten's work towards trying to identify new resources for housing. And those resources could be spread throughout the city. But I think that the t.i.f. Funding is specific only to that neighborhood where building potentially 6,000 units, we're not asking that that even meet the citywide profile at this point, we're asking that it meet a substantially reduced goal for the affordable housing units. So I think that we have already addressed those concerns about the costs in that neighborhood. Does that help get --

Francesconi: You did as -- better than my question.

Katz: Thank you, sam.

Sten: If we're having a little discussion on affordable housing, I think that -- i've been working the last couple weeks to try and -- my sense was that we're not going to meet the -- the city's policy on affordable housing is when we build big developments we're going to meet the income mix as a whole, and that's been achieved in the river district, and I think it's remarkable. I don't think there's a city in the country that's built a big area and had it match the income requirement. So my concern was that for fiscal reasons, because -- there's so much more infrastructure needed, and i'm a supporter of getting a greenway in there and issues that cost money, that you just can't build this out and meet that requirement in the early stages like we did in the river district, and so I think everybody's been agreed on that, but the issue has been what's enough, and what's fair. And what was critical to me that maybe didn't quite come out is that in explaining that we're not going to hit that far get -- target, we not lose the city strategy and the city policy. So this goal still says the city policy is to meet the income mix of the city, and I think that's critical to underscore. Where i've

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reached working p.d.c. and the development team is an agreement to up the amount in this development agreement by 160 units. So it moves from about 600 to 760 units. So that's a significant jump. And it also means this first phase will meet what people have thought we'd do throughout the whole district, and then it puts a higher burden on the later developers to meet the actual targets. I think the idea is that the developer who goes first creates the increment. The increment doesn't exist without the high-end development, period. They therefore build less units, but the ones who came later and don't take the financial risk of going early, need to push to meet the city policy. I do believe it's feasible, it's not quite the number the advocates are asking for today, but I think we could get about 70, 72 of the zero to 30% units into this phase and Williams development agrees with that, and so I do have an agreement I'm going to introduce later to require that in phase iii, if they build that extra thousand units, 20% of those be zero to 30, and I think we have a strategy to achieve that. So I think we've made progress, and I think getting something units in is critical, and there's no magic answer to it, but the key thing that's being underscored, until we come up with another source for affordable housing, these are the only places we can build.

Katz: Thank you.

Chase: I think that's -- can I quickly 20 seconds, I think that's a very significant move forward, and very positive. I think that we need to keep our eyes on the 788 framework goals as we've -- as we expected they would move forward still, and I think we've got to identify the money for the housing units.

Katz: Thank you.

Katz: Who wants to start? We have 35 people waiting to testify.

Michael Anderson, Community Development Network and Affordable Housing Now!: Hello, commissioners, mayor. My name is Michael Anderson, I'm with the community development network and the affordable housing now coalition. I'm here to testify that since the city has made north Macadam an urban renewal district, we cannot allow the north Macadam development to soak up other existing resources for affordable housing funding when t.i.f. funds could be directed towards housing. A total of at least 130 million in public dollars is planned for the district. The project should not move forward until enough t.i.f. and only t.i.f. is identified for the project to meet its minimal and substantially reduced goal of \$7 -- of 790 units. Housing is slated too little in t.i.f. expenditures to meet these reduced goals. Housing is an important enough goal that this allocation should be reconsidered. A greater t.i.f. allocation housing would allow us to set more acceptable goals. All housing money should be spent meeting the framework goals for affordable housing for zero to 30 and 30 to 50 a.m.i. until those goals are met for the first 3,000 units with the constrained funding model. At p.d.c.'s ratio of 30,000 per unit in subsidy needed, that would require over \$11 million. Almost four times the 3 million currently allocated from t.i.f. We are heartened by the city's work in the last three days to address the lack of affordable housing. And we know that Portland can do better and we encourage you the rest of the way on this progress.

Kris Smock, Affordable Housing Now!: My name is Kris Smock, and I'm testifying today as a member of affordable housing now. In recent months the problem of homelessness in Portland has gained increasing attention in the media and public eye, and city leaders have professed add commitment to do something about it. Towards this end, the city has launched a strategic planning process to create a plan to end homelessness in 10 years. This is an ambitious goal and will require the city to take advantage of all available resources and opportunities. The north Macadam project provides Portland with a major opportunity to begin addressing our city's homelessness problem by increasing the number of affordable housing units in the downtown area. Unfortunately, the city has squandered this opportunity so far with a development agreement that will do little towards the

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achievement of this goal. Yes, the development agreement includes provisions for affordable housing, but the definition of affordable includes households with up to 120% of median income. A family of four at 120% of area median income with a 5% down payment and an interest rate of 5.5% and monthly payments equal to 30% of their income could afford to buy a \$350,000 condominium. In other words, under the current plan, out of 790 affordable units developed, up to 372 of the units could be sold at 350,000 dollars and still be considered affordable. If we're really going to do nothing to address homelessness, we need to be building housing for people at zero to 30% of median income. The hcde special needs committee report estimates a need of more than 8,500 units of supported housing at zero to 30. The consolidated plan shows a gap of 12,000 units of zero to 30% housing. Despite the documented need, the current development agreement doesn't provide any units in this income range. If we're going to invest over \$130 million in public funds, a significant portion of this investment needs to go towards addressing our city's most pressing housing needs.

Katz: I'm going to ask all of you, the two that testified the same question, email us as to how we're going to spend the t.i.f. dollars, first, second, and third phase, to meet the goals that you've identified. Without any additional new revenues, because the budget needs to be balanced. Thank you. Go ahead.

Kevin Kraus, President, Community Development Network and Affordable Housing Now!: My name is Kevin Kraus, I'm with the community development network, I'm the board president. And with the affordable housing now coalition. I have two issues with this particular agreement that you're ready to sign. I think it's a great agreement, I think it's a wonderful thing that's going to happen down there, and I really would like to see it move forward. But the two issues I have is one, it doesn't meet the goals that I know at least three of the five of you were here that are the comprehensive goals of the city of Portland, as far as the income distribution. It is way lacking in the affordable range of the housing. And then on the second issue that I have, I understand why it's based the way it is as far as trying to build the things first that would be the more expensive that would generate revenue, but in a way, it's asking me to accept the theory of trickle-down economics. Which was done during the Reagan administration, and is being done by our president now, where you give tax breaks to the wealthy who are going to invest, and supposedly that money is going to trickle down to the poor people. It never has, and it's never done it even when we had good times. So having to ask me to accept that, we're going to get there in the second and third phase, is really hard. And I just have some real concerns about that. Thank you.

Francesconi: I'm not a big fan of trickle-down economics here either. But the difference is that as the increment grows, the money doesn't go to the developer to trickle down. Even though we -- the money goes to p.d.c. and to us, and we have the mission. That's the difference. Just in that analogy.

Kraus: Then let's take whatever projections over the next 20 years of this district, and anything that goes over those projections in tax increment goes to the low-income housing. That would be a good solution for this.

Katz: Thank you.

*****: Thank you. Koehler.

Katz: Ok. Clyde, hi.

*****: Hi.

Katz: Identify yourself.

Clyde Doctor, City Club of Portland: Clyde, southwest barber. Here today representing the affordable housing advocacy group of the city club of Portland. We issued a report a year and a

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half ago that created a bit of a ripple in the affordable housing community because we in effect redefined the paradigm about affordable housing. We pointed out in the report that you really can't build your way out of the affordable housing issue, that we create -- created a society in such a way that we cannot build key housing anymore. That there was not really an affordable housing issue, there is as an -- is an affordable rent issue. And our recommendation therefore was that agencies concerned about providing affordable housing for low-income people beginning -- begin increasing their commitments to rental subsidies instead of new construction. Your development agreement here I think is just a testament to the failure of the notion that you can provide affordable housing by building it. Here's an article about a wonderful building, eye like to live in this building, called the pacific to you i. Built specifically -- tower. Built specifically for affordable housing, it cost \$110,000 a square foot. That's the best you're able to do, and yet the market will build affordable housing for you, decent housing, at \$55 a square foot. So it's a little bit late, I realize, I know the situation you're in, but in parallel with your concept about providing affordable housing to -- in the south waterfront, I think you need to begin thinking about parallel programs that create subsidies for the people that have to live in that housing, rents and mortgages. I know that commissioner Sten's a leader in that area, and our committee has been very supportive of that. As a matter of fact, our report recommends supporting real estate transfer fee and so forth. But I just wanted to point out that urban renewal simply is a system that simply is not capable of providing a sufficient amount of affordable housing. And the housing it does provide costs anywhere from two to four times the amount of money that you would get in a more conventional development. I know you're in a tough situation, I think you're not going to work -- you're not going to solve this problem by compromising it away. So my message simply is, look at the other end of the issue, get some programs going to help pay people --

Katz: Thank you, clyde.

Teresa Flowers, Elders in Action: My name is teresa flowers, and i'm representing elders in action. And of course i'm here to testify on the housing, and I really think this is a great, great project that is going to be put up. But I feel as if that when you're looking at it that we're not -- for some of the people that are low-income, I think that we should be able to speak out and say that we're -- we would like to be into that area too, and I feel as if the people that have minimum jobs would be great to be down in that area so they didn't have to travel really far. And we just cannot ignore the low-income people or the disabled people. I think we have to just take care of them as well as the other people that are -- can afford more. Thank you.

Katz: Thank you.

Howard Glazer: Can you hear me all right? Hello again. You have -- howard glazer, 2378 southwest madison. You have a more detailed statement that I think was given to you, but I have some additional comments and slightly different comments.

Katz: Howard, talk into the mike, we can't hear you.

Glazer: This massive new development resembles the failed 1922 dream city concept of french architect. It is not a city of the 21st century as p.d.c. Said today. It is anything but that. Private and quasi public developers, in -- and their paid consultants and some city of Portland staff maintain that they have no obligation to residents in existing neighborhoods that will be adversely affected by this development. And I ask this council, when are, quote, the spectacular views from million dollar penthouses, which has been quoted in the paper, more important than the existing spectacular views from homes of hundreds of ordinary folks, many of whom now live in affordable housing, in lair hill and other neighborhoods in the west? It is the concept of this plan that is wrong. Contrary to what you have been told, most vancouverites hate the high-rises, and they

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refuse to let any of them near older residential areas. And this project certainly is near an old residential area. Many peripheral areas in these older areas are being developed, but only under strict controls that exclude these skyline monsters, and these are quotes from a study of university of british columbia. I urge that you slow down and carefully consider a few requirements that should be mandatory before permitting high-rise buildings on this particular site. One of them is that if these buildings would impact an area with a distinct historic or architectural character, then they should not be built. However fine the designs themselves might be. Because what you're doing is cannibalizing an existing neighborhood for something else. Secondly, high-rise buildings, and I underscore this, must not spoil the view to and from important landmarks and open spaces, and this project clearly does that, despite being able to look down the street between these towers so you can get a peak of the river. It's a ridiculous idea. The next item is that high-rise buildings must not create adverse microclimatic problems or dense shade in nearby areas, and obviously it does that.

Katz: Howard, your time is up.

Glazer: Can I make one final statement?

Katz: Sure.

Glazer: The project that's being done in a frantic rush without essential input of the citizens of the community being affected, because the current plan contains so many serious planning flaws, more time for citizen involvement is crucial, and I urge that you postpone any final decision until this is accomplished.

Katz: Thank you.

Ken Love, CTLH Neighborhood Association: My name is ken love, i'm with the ctlh neighborhood association, i'm chair on the park and greenway committee. I'm here today to ask the council if they could reconsider and bring back the 150-foot greenway figure that was the goal for the last year plus, and has just seemed to change the last couple of months. Just to quote a statement in today's paper, the audubon society says the greenway should be wider, more money should be -- should be spent to restore the banks for the fish and fully development trail. And the other issue is, we'd like to see the park increased from the two acres to three acres, which has been more or less established size in the Portland park bureau recommends that amount for it to be a fully utilized park. With the increase in the affordable housing, that will be more people and more children to utilize it and to quote mr. Homer williams, this is not for the 6% of the population, it's for all of the population of Portland. Thank you.

Francesconi: Thank you for standing up for parks and greenways. It's good.

James Shaver: My name is jim shaver, 641 sixth street, lake oswego, **Oregon**. My -- the testimony that's been given today has been encouraging. I think mr. Sten alluded to the zero to 30 goal in the third stage of the implementation of this project, and I commend that. It seems like a significant step forward in terms of accommodating the needs of citizens in the future, and in terms of all income brackets. But my concerns, I don't pretend to know a lot about the -- the limited information I know about this project has just been what's been conveyed through the paper, and limited resources. My task here is to more ask -- just a few quick questions on certain issues that have they or have they not been addressed. My first is, have the unintended consequences of this project been accounted for, and that -- a gentleman a few minutes ago mentioned the possible consequences of the views of these neighborhoods, and should that happen, will the -- these residents find compensation somehow through adverse property devaluation or anything like that? And my second question is, and this is probably going to later stages of architectural design, but I think we have an opportunity here to send a message to the rest of the country on how to properly

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develop these sorts of projects in terms of efficiency, I know the Portland green building program is extremely involved in this process, and my hope would be that certain other development projects this large across the world would be looked at as being possible options, either being possibly solar skins on the side of the buildings to network, for net metering or running certain appliances in these buildings, rooftop gardens to better add to the community satisfaction, and those sorts of options. So could I get a response on either one of those questions?

Katz: If you wait until the very end of this hearing, what we usually do is bring staff up to respond to the questions that are raised.

*******:** Great. Thank you.

Joe Robertson: My name is Joe Robertson, I'm dean of the school of medicine at OHSU, and a member of the OHSU community for 24 1/2 years, since coming there as a very green house officer in 1979. Over that period of time, I've seen many exciting projects, but I probably have never been more enthusiastic about one than I am this particular project. But over the various testimony that I've heard has convinced me there's a broad-based understanding of the interconnectedness with the city and also the mutual benefit. So I'm going to limit my comments to a couple items that I don't think have received much air time. The first of those is the importance of this project to the physical health of the citizens of Portland. Most people don't realize this, but there's an anticipated 20% shortage of physicians forecast by the year 2020. Furthermore, this is a crisis that will affect us here locally in Portland, and in Oregon. You may have heard it's already affecting many of our senior citizens. In the next two years, roughly, 1,000 physicians are predicted to retire in Oregon. We will train 200. We need the space that is in this project to both recruit the people to take care of our citizens, as well as to recruit the leaders and teachers that will train the providers that we'll take care of us -- that will take care of us in subsequent decades. The second aspect of this that I would like to address is that I would like to assure you of the success of this first building. OHSU is the flagship of this enterprise. I have sat through many informal and at least six formal reviews of the finances of the first building, both at the medical group level and the OHSU level and board level. So I sit here and tell you that it does pencil out financially. But even more than that, it pencils out and looks very good programatically, and the occupancy is already assured. I would also remind you that if history is a lesson, that we see of all the major capital expansion projects at OHSU as undertaken over the past two decades, they've all succeeded in -- to a degree that surpassed the initial expectations in way of brief review that's -- the Casey Eye Institute, the Hatfield Research Center and the Doernbecher Children's Hospital. I think this project will do so even to a greater magnitude. We appreciate the opportunity to work with our partner, Portland, we really do appreciate the partnership, and we look forward to this opportunity to develop this area together in a way that will help our region, both financially and also with their physical well-being. Thank you.

Katz: Thank you.

Francesconi: That was hopeful. That was good testimony. Can you say a little more about the programming side, why you think it's going to work so well and why therefore it's such a hopeful project?

Robertson: If you walk down the halls of all of our buildings, you see how constrained we are. In the past year, as successful as we've been and as much acclaim as we've gained as a research institute, we've turned away millions of dollars of clinical research projects. Those are projects that we could have brought to Portland. Not only are they good for Portland economically, but that will be available to our citizens earlier than they would have been otherwise. I've witnessed this in my own department, and seen -- had the opportunity to observe what actually happened when you

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did have adequate space. We can recruit the best. We have a wonderful scientific community, we have a great place to live, now we're going to have a campus that's going to be unequalled among those in academic health centers anywhere in the country. There is nothing like this. Nothing that combines a place on a hill, a waterfront, the space to grow, that space is the greatest constraint in all of academic medicine. And this provides us the luxury of dealing with that great problem.

Katz: Thank you.

Dan Dorsa: I am dan dorsa, vice-president for research at ohsu. I would like to take this opportunity first to actually thank you, mayor Katz, and other members of the council for acknowledging in various forum the importance of the research mission of all of our academic institutions as well as those specifically of ohsu. Both to the city of Portland and to the public in general. I hope you'll continue to be proud of us as peter koehler just mentioned to you earlier, we continue to do well, we moved from 29 to 28 in the national n.i.h. Rankings for last year, and as I have the responsibility to crunch the numbers on grants for this year, we will exceed \$250 million this year in funding. And we expect to potentially move up in those rankings. Part of my other charge is to identify in combination with the leadership of ohsu, the potential research programs that would take up residence in the south waterfront area. And as you've heard from both dr. Robertson and dr. Koehler, we are very space constrained, but I want you to understand that we have undergone a strategic planning process and that our thinking about what programs will go there is in fact very strategic, and tries to capitalize on the unique opportunities that the south waterfront will offer our institution. These factors take into account obviously the physical and geographic relationships and also will foster the sin gist with other neighboring programs and activities. So what are those? Those are frankly proximity to marquam hill and its faculty and facilities but also ohsu m.g.'s outpatient clinics, which will have a very prominent presence in that first building, which gives us some opportunities for the conducted of translational research in a way that we have not been able to do it before. Our proximity to Portland state university and its programs and Oregon state university's pharmacy program and other programs need to be capitalized on. And finally, I am somewhat opposed to those I am referred to as the nattering nabobs of negativism, they will be entrepreneurial programs that will promote bioscience development, and those are programs that will be van damaged by their proximity to incubating start-up companies, and those companies which we are working very hard to recruit to take up residence in the macadam region. So these will be high probability programs for creating intellectual property that could be readily commercialized, high potential for federal industrial funding, they will build relationships with other academic partners, and fit with this overarching theme of translational research.

Katz: Translational research?

Dorsa: What that means is literally taking discoveries from the bench directly to the bedside or to the patient in the most rapid means possible. And physical proximity actually is a facilitating factor there. So that when a basic scientist can actually be close to the clinics and actually see the applications of their work going on, they get more ideas about how to improve what they've done. And it's an auto catalytic process that by bringing all these programs together in one place, we'll be able to do I think much more efficiently than we are currently doing it.

Katz: Thank you.

Dorsa: So just to give an example --

Katz: The next -- your time is up, but I wanted to ask you, give us examples of what you think will be located there.

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Dorsa: Ok. So a very good example is our new biomedical engineering program, which is the child if you will of our recent merger with the Oregon graduate institute. That is a brand-new program. Dr. Steve Hansen from Emory University, has been recruited to lead that program. He works on preventing blood clots and preventing disease, he will be recruiting a wide variety of people who work on applications perhaps, say, in the orthopedic area, where they're making biomaterials that can be used to facilitate bone healing and limb transplant success. They might also be working on devices that improve the quality of life in the elderly. These individuals are individuals who are likely to be found in their laboratory in the morning, in a clinic downstairs in the afternoon, or up in the new inpatient tower, along with a physician seeing patients following their progress, based on what the device that might have been implanted in them, or -- and in the evening, walking into their start-up company for which they are the chief scientific officer to conduct the research that's going on in that arena. So that's the vision we have for what OHSU hopes to do.

Katz: Thank you.

Janet Byrd: I'm Janet Byrd, the co-chair of the housing and -- HCDC. We're a citizen advisory committee established under the city code to provide you with advice on policy development and research coordination. The South Waterfront housing development strategy and the first development agreement obviously present important policy and resource coordination issues. And I have several comments on behalf of HCDC. I'd like to first thank you for delaying the vote today on the development agreement. I think that since the terms of the development agreement have become public, there's been significant progress, and particularly the amendment that Commissioner Sten recommended. I think the sign of compromise is that nobody's totally happy, it's not what I would have asked for in a perfect world, but it is significant progress, and I think we should recognize that. And I think we can use the next few weeks to make additional progress on other issues. There's a lot of talk about how this is going to be the development of the decade. And I would like to say, let's make it a development that we can really be proud of. Let's not look back in three years and realize that we've sold our most needy citizens and ourselves short. I would like the greenway to be enjoyed by an economically diverse group of Portlanders. We've been encouraged to come to you with a short list of the changes that we need. Some of these would require changes in the development agreement, and some are addressed in the housing development strategy. We would encourage that you look at both of those documents together when the development agreement comes back to you. There are three things on our short list. The first is to take steps to secure land today. The development agreement benefits property owners throughout the South Waterfront area. Don used the figure that 75% of these initial improvements benefit the own tire district. When that means is that just executing this d.a. -- the s.d.a. Will send property values shooting up for other properties outside of the central district that the development agreement applies to. We need to buy land in the district for future development of affordable housing at today's prices, or all strategies for future affordable housing will fail. P.d.c. Assures us this is a high priority, and I know they're working on this. But frankly I don't want assurances. I want to see a plan to buy land at today's prices, and I want to know where the money is coming from to carry out this plan. Second, tax increments funds have been allocated in these early phases to a variety of infrastructure purposes to jump start the district. The idea is that this will create more t.i.f. Revenue in later years. I think we should continue to review the initial allocations of t.i.f. To identify opportunities to free up t.i.f. for affordable housing opportunities, including land banking, and I do have a suggestion. One option is to try to pass more of the infrastructure cost to those who will benefit. The landowners in the central district as well as the our adjacent areas.

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The study of the local improvement district shows significant benefit to property owners. L.i.d. Fees of \$1 to \$6 per square foot are being charged, while land values will increase from \$12 to \$63 per square foot.

Katz: How much --

Sten: Can we extend --

Katz: How much more do you have?

Byrd: One. We have three points. The third, we want to kick -- a kicker for affordable housing. People who know more about this than I do are already predicting that t.i.f. Revenues will exceed current estimates by a significant percentage. I've been assured this will make achieving future housing goals easier. I propose that we act to guarantee that the city will meet those housing goals by capturing 100% of actual t.i.f. Revenues in excess of current projections for affordable housing.

In closing, let me just say that the policy goals are only as good as the resources we put behind them. I've been very involved with commissioner Sten's office on efforts to increase resources for affordable housing, but I think right now we need to look at the t.i.f. As what we've got in this district. We need to identify resources to make city housing policy a reality in south waterfront. Thank you.

Katz: Thank you.

Bill Van Vliet: My name is bill, and I am a member of the housing and community development commission, past cochair, just leaving that position as janet is coming on. Thank you. It's hard to follow janet's comments. She really covered everything quite well. I want to focus on the forward-looking aspects of the district and how that ties into the plan, the development agreement that's before you today, and that you'll be acting on soon. I think it's important to review the housing production goals that are going to be in the development agreement carefully with what's in the housing development strategy. I think there's a little bit of a disconnect there, and we need to bring those two documents into alignment. Primarily we appreciate very much the significant progress we've made in the last few days with commissioner leonard and commissioner Sten helping lead some of the discussions to get more affordable housing produced, today particularly commissioner Sten's recommendation to get more sear to 30 housing on the table is very appreciated. And really eliminates a lot of hcddc's initial concerns about the development agreement. But the question is what's next. We're going to start out behind where we wanted to be even in the initial housing development strategy, and I think we need to really focus on ways in the future beyond this development agreement we play catch-up. And I think what we're looking for is a commitment from council and from the development commission toll put every effort into not only taking the comprehensive plan at that point going forward, but to go ahead and actually apply the comprehensive plan to the district as it is being built out and play catch-up. So we can meet the city policy that everybody's agreed to in the comprehensive plan. So we do end up with the income distribution at the end of the day, not just from some point in the future forward, otherwise we won't make that ground. So that's what I would ask of city council, and of the development commission. If you approve the development agreement as it's submitted, with the commission Sten's proposed amendments to it, that we look then to fill up any gaps with first funding commitments from any additional resources that come down the road. Thank you.

Francesconi: Northwest folks, we're going to be a while.

Justin Gotlieb: Justin gotlieb, Portland resident. Average citizen. Enjoyed all the testimony today, and i'm excited about this project. I think it's a good thing for the city, and a good thing for the community. However, with all the talk about housing and low-income housing and upper income housing, I feel there's a segment of the population that's kind of being squeezed out. And

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that's the young professional. Those from 20 to 30, college educated, who are really struggling in this present economy. Where the jobs that are being proposed, the doctorate, medical research, and the construction work doesn't really apply. I'm ready personally to sign a 30-year mortgage on one of these places right now, but because there isn't the economic economy to provide a job with 30 to 40,000 dollar a year income to me, there is no possible way for me to even consider homeownership. And with apartments in the pearl ranging seven to \$800 a month, there's -- this neighborhood that we're all proposing is simply unattainable. You look at the 260 million dollar private commitment from private businesses, and divide that by a thousand unions, you're looking at \$260,000 per unit. I'm not a housing expert and I don't know the terminology and the different levels, but this concerns me, because this could really be a pivotal area for this city in terms of young motivated individuals who are not just tied into ohsu, or low-income housing. We need a nod rat level of those people that are going to spend money, and embody an entrepreneurial spirit. Thank you very much for your time.

Francesconi: Thank you. Shelly?

Shelley Lorenzen, League of Women Voters: My name is shelly for the league of women voters.

First thank you for taking more time to make sure that the deal that we're looking at today is a good one and that all the pieces are in place. I think it's important -- I think we get mixed -- our discussions get mixed up between the vision and the deal that we're actually considering today, so I ask all of you to as you're analyzing this deal, keep in mind the vision distinct from the document that we're addressing. And as you may -- as you've heard, the deal differs in significant respects from the plan. One of those differences is the affordable housing piece. As you've heard over and over again, we're not even meeting the -- meeting the ratcheted down affordable housing goal of the plan in this development agreement. There's been lots of talk and lots of policies about we're going to do this in the future, but we're concerned that our leverage will be lost if we don't require it now of this and other property owners, and secure the property that we need at other prices. Where's our leverage if we've committed now to the tram, the streetcar, the streets, the sewers, what are we going -- I just ask you to think about that and really know, what our averages are going to be with future development and future property owners to get the housing we need. The other place that the deal is very different is in the greenway. Under the plan the greenway was -- the setback was enlarged in exchange for property owners getting to transfer their development rights to other properties. But the ownership stayed in the property owners' hands. The development agreement calls for the greenway to shift to public ownership and responsibility, but not one dollar of t.i.f. Has been allocated to the greenway. Instead, a very significant portion of our t.i.f. Dollars have been going to hard infrastructure costs. We understand the need to build t.i.f. Generating buildings now, but the question is, do we need to subsidize them? The need for this has never been shown by p.d.c. The only explanation that we have gotten is this -- this is just what we do in urban renewal districts. We also understand there isn't enough public money to do everything the developers don't want to do. But we think our public money should achieve public goals that cannot be realized by private investment alone. You heard a good statement from ms. Byrd about using l.i.d.'s, and we would encourage you to reconsider that, have the property owners, the developers bear their normal development costs through l.i.d.'s or other cost-sharing arrangements. Also with respect to the greenway development, and ongoing maintenance. If we do end up -- we would urge you to make provisions in the development agreement to audit the developers' performance and require reimbursements for infrastructure costs if financial performance exceeds expectations. Those reimbursements could be used to meet unmet and currently unfunded goals. Finally, I have said to the p.d.c. Yesterday. If I were your attorney I

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could not responsibly recommend that you approve this agreement until it's finished. There's a number of unfunded commitments, there's missing documents, we listed them in our letter to you. Private deals don't get executed unless the document is refined, everything is clear, at least let's have all the exhibits there for your review.

Katz: Thank you.

Daniel Claboe: My name is daniel clayboe, I live in the pearl district. Most of the questions that I came here with have been answered. Except for a couple. There was a lawyer gentleman sitting over here that was in the group of the first three, and his last statement said that many of the things would be amended -- things could be amended over time. You mean these agreements that you're going to commit yourself to can be changed, and that surprised me. So it's a form of a question. Second, i've heard the greenway going from 150 feet to 125 feet, and then I saw once up 100 feet. So which is it? And why? Other than that, the only thing -- other thing, comment I have to make is the height issue of the buildings. And I think that is a concern, especially for the people who live on the hill. And also for visual pollution as in many of our american cities we have these things sticking up in the air that are not extremely attractive. And that's it, the other things have been dealt with. Thank you very much.

Katz: Thank you.

Connie Durkee, Defense of Animals: My name is connie, and i'm here today representing in defense of animals, a national nonprofit welfare group and more than 3,000 members in this community. Thank you for allowing this opportunity for public comment about the south waterfront development plan. We oppose the portion of the development that allows ohsu to expand their research facilities because we feel it is fiscally unsound and ethically bankrupt. Additionally, we are making a plea to the members of the city council to consider using your influence to help hold ohsu accountable for the public grant dollars they receive for animal-based research. And please let me explain. According to ohsu's own dr. William new jr., hired as an expert in the field of biotechnology, ohsu officials are suffering from, quote, dilutions of national grandeur, end quote, in trying to establish Oregon as a major biotechnology research center. New also said that Oregon is 20 to 25 years behind other leading biotechnology centers. This feeling is supported by others, including joe courtwright, former chief economic development staff person for the Oregon legislature, who compiled a report for Washington, d.c.'s brookings institution about the growth of biotech. Courtwright's report is skeptical of Portland's champions of being a significant player in the biotech industry, and said he considered Oregon's success in biotech to be an extreme long shot. Ralph shaw, a local venture cap list, highly respected in the region, says ohsu has oversold the number of jobs the expansion will create. Stating in a brainstorm northwest article, we're talking about putting our entire seed capital and bond rating, our ability to service debt, on economic numbers that don't support it. The costs being -- the cost of being wrong could be high. Ohsu has a clearly stated goal to increase their public grant funding base from the national institutes of health and reach number 20 in n.i.h. Funding nationally. We feel their growth at any cost mentality lies in the face of community standards when they conduct such highly questionable research that includes getting monkeys drunk, forcing nicotine addiction on pregnant monkeys and scaring them with remote controlled airplanes just a name a few examples. Further, the public was outraged when through hundreds of local media stories, they found out what was documented as a private technician at the Oregon prime mate center between 1998 and 2000. Cruel animal treatment, usda violations, mistakes in research and dangerous work practices. His observation were backed by dr. Johnson brown, Oregon's former usda inspector who stated publicly, quote, the

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usda has little motivation to enforce the already weak laws of the animal welfare act. I recognize the system is not set up to protect the animals, but instead financial interests of the research labs.

Katz: Thank you. Time's up.

Durkee: I just have a few more sentences.

Katz: Nope. Time's up.

Matt Rossell: With all respect, i'm just going to defer my time to let her finish, because we're together.

Katz: So you won't testify? We don't usually do this.

Rossell: I can finish the comments, then.

Katz: Thank you.

Rossell: My name is matt roselle, I used to work for ohsu and now I work for in defense of animals. I worked in their labs. I want to testify that often what ohsu says publicly and what's happening behind the locked lab doors are very, very different things. I want to finish these comments to say that I worked as a prime mate technician at the prime mate center between 1998 and 2000. I witnessed cruel animal treatment, usda violations, mistakes in research, and dangerous work practices. And like connie just said, the usda inspector at the time backed up what I said. What is not happening here is oversight. And this is what we're asking, hoping that the council will embrace, and at least talk to us about, is some public accountability. The usda isn't regulating, they're not regulating themselves, and ohsu's own president peter koehler has stated publicly in a letter that he would not be opposed to an additional layer of public oversight. But ohsu at every turn has reneged on this promise, cancelling meetings with myself, actively lobbying in salem against such proposed public oversight, and now you have an opportunity to hold koehler to his word. We would welcome an opportunity to discuss this possibility with any member of the council interested in this important issue of public accountability for public dollars. Thank you very much.

Katz: Thank you.

Katz: I hate to reduce it to two meant, but we may have to. -- two minutes.

Larry Beck: I thought I still had a minute left on the clock. Just a little levity. Larry beck from southwest corbett and gibbs. I again want to thank the council for delaying your decision. I think considering that the full agreement didn't come out until the -- i've looked at the summary in some great depth, it's gag to give the public a little more time to give additional comment. Although I know yesterday at the p.d.c. Meeting people were saying we've had 200 public meetings, this is the only public meeting that we've had in front of city council about how we're going to pay for it. So I thank you for that. I have a couple of cautions and concerns to mention. One thing that struck me in the last few days is how the development agreement for the central district seems to be emphasizing housing, and particularly housing for the wealthy over what I thought was supposed to be economic development and research space, and private sector spin-offs. That concerns me. The whole time i've been involved the last three-plus years we've been here with marquam hill, we've been talking about ohsu and their presence in north macadam to generate growth. Yet the only building ohsu is obligated to build in phase I is a 250 to 400,000 square feet building and only 100,000 has to be research. Where's the research space? That's what we ought to be emphasizing if this is what's going to grow the area, not housing. I do understand the need to build housing for the t.i.f., but that concerns me. Also, we're paying \$5 million for that building with the money that dr. Dorsa -- mr. Robinson talked about, the \$250 million. Why are we spending \$5 million of t.i.f. When ohsu should be able to pay for its own buildings? I think they're the ones with the buildings, not us, let's make them pay. I'm always worried in phase I we're allowing ohsu to build a 2,000

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parking space structured parking. P.d.c. Indicated over the last several days that ohsu was not going to be able to use north macadam as a park and ride for the hill, and there's no way their building requires 2,000 parking spaces. That should be deleted. It also leads me to believe that ohsu is not looking at relying on transit, it's going to be a park -- it's going to be an automobile driven development. I think that's a serious concern, because we know about the traffic concerns, the transportation concerns, and that's only going to exacerbate that problem. Expenditure of public funds. The t.i.f. Money, i've been here many times talking about trams, and we're devoting \$2 million of t.i.f. Money to the tram. Again, my position has been all along that the tram is not public transportation, it only benefits ohsu. And if they're going to build it, they should pay for it. The t.i.f. Money can go towards things that will really benefit the public, the greenway, the affordable housing, parks, and some of the transportation assistance that our neighborhood needs. Two years ago we were here I think on July 10 to approve a circulation study, but no money. Money needs to start going towards projects like that that will really benefit our neighborhood. I'm concerned about the views and the seeding of public views. Our city protected views from terwilliger to the developers at no cost. The developers have going -- are going to make a lot of money off those views at no cost to them, but terwilliger, for people at the public and people even in my neighborhood, we're going to lose those. I noticed as I was sitting back here, our beautiful park is going to have to be changed, because those views are gone. Once you built the 325 feet, they're going to be build, so we really need to --

Katz: Larry, your time is up. We've got --

*******:** All done?

Katz: All done. We'll get some of these issues --

Beck: I will email my concerns about how the t.i.f. Money should go as well.

Katz: Thank you. For those of you who want it redirected, tell us what you want to cut. That's how budgets work.

Laura Campos: My name is Laura Campos, I live at 3419 southwest first, and I agree with most of what the speakers have said before me, so I don't want to repeat them. I may have a unique advantage point in that -- well, I live just blocks from this development, i've lived there for 22 years, and I participated in these discussions for -- since 1984. So about 19 years. Back in the 1980's, I did advocate for housing in this area, because our neighborhood plan and it needs to be reit rated, because the mayor mentioned we're creating a new neighborhood, the project is in fact within the cthl neighborhood. And according to our neighborhood plan, we have advocated for mixed use since 1977, and that includes housing. And back in the 1980's when we were talking about housing, no one from city officials to developers was in favor of housing, so i'm glad that finally they -- the idea was accepted. But I do have a concern with the affordability issue, and I may have a little different perspective than others, because my concern is that people who work in the area should be able to live in the area. If they cannot live in the area, and they must commute, that means a lot of through traffic in that -- that are going to negatively impact the nearby residents. I think the other thing that I just want to briefly state is that i'm native american, and we really take seriously treaties. We consider this neighborhood plan which guarantees mixed use development on the waterfront, and also guaranteed that any development in the waterfront would not generate traffic that would negatively impact nearby residences. We consider that like a treaty, so this is a matter of trust between citizens and our government. And during the 1960's, if some of you may recall, p.d.c. Tore down most of old south Portland. That was part of one of their urban renewal areas. That was a sad, I don't -- vera agrees with me, was a sad history. And the only remnant saved was lair hill, and that's where I live. And i'm concerned that if we're not careful with this

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traffic, that's going to be generated, it's going to be the final thing that destroys this last remnant of old south Portland. Thank you.

William White, Director, Housing Development Center and Affordable Housing Now!: Good afternoon, mayor Katz, and commissioners. I'm William White, director of the housing development center. I've come for you to talk a little bit about the housing aspect, and I'll try and be brief because there's been so much testimony today. My concern is that the n.m.i. Development agreement before you today as currently written, the version that the public has, will leave the central macadam neighborhood comprised mostly of very wealthy neighborhoods. If you look at the chart I've handed out, the upper diagram shows graphically the population spread of the city of Portland as a whole. The lower diagram shows what we will be producing under the development agreement. It stacked up with the wealthiest folks at the top, the poorest people at the bottom. And this is based on the rental housing taking the study report and using the square foot levels necessary to achieve reasonable returns, based on the last 12 months' sales in the pearl district and applying the Hovy study corrective factors. You'll notice that on the current mix in that lower diagram, there is -- we're completely absent. There's not a single unit of housing at the lowest income level. Now, according to the -- there have been some substantial improvements to this plan based on the meeting called by commissioner Leonard and commissioner Sten on Tuesday. I was very appreciative of that, and the -- we'll now be able to have that bottom -- bottom level filled in with some units of housing. I recognize we need to start with increment producing development at the beginning of this agreement, so I'm willing to be patient and see us pick up the pace as we go on, and I think now we're getting to that kind of agreement. So my proposals are for first of all to accept the proposal suggested by commissioner Sten calling for a total of 790 units out of the first 3,000 being constructed, secondly, make a definite commitment of t.i.f. Resources, not project-based section 8, to produce at least 70 units of 30% housing in the initial three phases, so that's not entirely absent from this development agreement, and then third, the long-term housing strategy that will underlie the entire 20 years of this development must require as I believe it now does, although I haven't seen the final version, that all future development after the first 3,000 unit matches the city income profile, and that language should be reflected in the current development agreement in case n.m.i. Continues to develop after the 3,000 units is developed. And lastly, the point that's been made by many, to purchase land now before the price escalations increase any further.

Katz: Thanks.

*******:** Thank you very much.

Richard Werder: Thank you, madam mayor and members of the city council members. My name is Richard Werder, I'm a resident in one of the affected areas, the Marquam Hill neighborhood. My concern is over the scale of the project. I believe that I'm in favor of development, and I believe it's a good draft, but I think it's an overambitious draft. I think the height of the buildings should be reduced. It seems as though height redirection -- height restriction were relaxed in order to benefit partners in the plans, specifically the developers, but I think that other partners that need to be considered are the hundreds or perhaps thousands of residents that live within this area.

Katz: There's somebody who's applauding. Please, we don't -- we don't -- ok. Go ahead.

Werder: Thank you. Will I think part of these -- the high restrictions were to ensure certain degree of profitability, but I think that as -- if we believe some statistic that was -- something that was published in "the Oregonian" today, that a city consultant that projected the profit margin for the developer was also the same one for the pearl district, and may have understated profits, so --

Katz: He's sitting right over here, so he'll be able to respond to you.

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Werder: Thank you. But again, I think that we haven't really heard much from the public on this from these neighborhoods, and I venture a guess that most would not be in favor of these big monoliths that are going to be built on the river. I think they're really out of scale, and I don't think that just preserving Mt. Hood is -- and some public access places is enough. I think it's totally inadequate. I think as another speaker had alluded to, if we look at the mural above us, I believe part of the magic of Portland is indeed the expansive views, and I think it's going to be very negatively impacted if -- by the building these things as they are. So I would urge the city commissioners and you, mayor, to ask that the plan be scaled back somewhat, with having all elements that they've come up with, which are great, but again, I just believe it's very overambitious, and there needs to be some consideration to neighborhoods that have been there for 100 years. So I thank you for your time, and one other comment is about traffic issues. I haven't seen anything in the plan about perhaps utilizing the river in some -- the city where I come from back east, they've reinstated a water taxis, that disappeared over the years, and now came back. And I think that might be something that could be explored for people to go -- that would work there. Thank you, madam mayor.

Katz: We are exploring that. And gondolas as well.

*******:** Excellent idea.

Eric Hovee, Economic Consultant to Portland Development Commission: Yes, I'm Eric Hovee, economic consultant and Portland development commission and have focused on some specific items. One that's been -- has been the review of the financial projections by Williams and Dame, and secondly I'll talk about the return on public investment. The purpose of the review that we did of the financial projections of north Macadam investors was to really assess the reasonableness of their projections, and we focused on market rate housing product both apartment and condominium. We looked at a variety of factors include site costs, other development costs, the pricing of the units, financing, and we did some independent feasibility testing. What I would say just to get to some of the basic observations, is that from the standpoint of apartment development, the rents that you need to achieve within north Macadam for concrete construction are above basically any product in the market that's in the Portland metro market right now, probably we're the closest product would be a museum place in downtown car any plaza in the Pearl District, but these rental prices to achieve financial feasibility for apartments would need to be above that. With respect to condominiums, we're much closer. And I think as reference has been made, I think the market for condominium development starting in the Pearl District has been stronger and condition -- than anyone expected. However, with the condominiums that are projected for the north Macadam area, we're yet taking this to a new level. If the pricing achieves top of the market rates, the developer can make an adequate but will not make an exorbitant return. Of course if pricing goes up substantially there's the ability for return, but that requires moving to yet a different level even than anything we've seen in the Pearl District. Let me talk just momentarily about the return on public investment. The work we've been done will not focus on the tax increment portion, that's because that's work the development commission has done. We've been asked to look at return on investment during the time period when tax increment is in effect off the table, and not available for payment of general fund operating expenses. I think the conclusion of that analysis is, and I would note that's not required for an urban renewal district, but that has been an interest and focus of the council with several recent urban renewal districts once you take property tax off the table, the major tax revenue source that are remaining transit and lodging tax, business license fees and utility franchise fees. The conclusion is that in the -- that overall the time period of the urban renewal district, there would be a modest deficit in terms of operating funding, when you full range

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of general fund activities, there would also be systems development charges if you were to add the two together, would you achieve a slight positive balance. There are also qualitative factors -- my time is up --

Katz: Keep going for a few more minutes.

Hovee: Let me talk about the qualitative factors we also addressed and the return on investment analysis. I'm going to would back to 1999 to the framework plan. What has happened I think has been a change in the last really in the discussions in the project development of the last now four years, has been a substantial ramping up of the total investment that was planned. We're basically seeing about 60% more public and private investment with the major increases in private investment than what was anticipated, and that's largely the result of the move to greater density, both with the ohsu and the housing development. If you were to compare that to what we had expected might occur without any public sector investment, what the district might do on its own, we're basically at five times the level of investment of what we could expect to see the private sector do on ice own if hit to try to figure out some way of covering the cost of infrastructure. And in this current economic climate, I think we've seen that would be fairly difficult. Some of the other benefits we've seen really going back again to the 1999 framework plan and fast forwarding today, to today, we started out with the 25-foot green way, we went to 100-foot and we're now at 125 feet. That's being committed with this development. In terms of housing, we're four times the total number of housing units that was anticipated in the absence of any public investment, and in terms of jobs, we're roughly two to three times. So I think this process has taken us a long ways, substantial increase in terms of the some of the broad public benefits achieving city goals, and i'll stop there -- stop there and be happy to take any questions.

Katz: Questions?

Francesconi: Just two. I want you to be a little more precise in two areas. How much higher than -- how much higher dot rents have to be, or -- for the purchase price of the condominiums or rental units above the pearl, for example? You said it had to be above, but how above?

Hovee: The pricing -- let me back up. The -- we relied on work that was done for n.m.i. By another market consultant that's about now a year old. The market has changed, and especially in terms of condominiums has moved up. But the market at that time was probably in the range of many 260 to \$280,000 per square -- 280 per square foot. We have a project that's going to break the death 300 per square foot level. The perform as that we prepared basically indicate to get to a point of acceptable market return you probably need to be somewhere in the range of 300 to \$ -- \$310 to \$315 per square foot. Assuming the economy and the movement we've continued to see continues to happen, that there's not price resistance, that the economy holds under us, that does not appear to be an unattainable goal. So I think with the condominium development, we're basically - - we're very close and we appear to be within a range of feasibility, although again, this is a high-risk game and the market can move for or against you. With respect to apartments, it's a much greater challenge. Museum place will be, for example, will be coming online with rents at about \$1.70 per square foot. Per month. Carney plaza is a little over \$1.90 a square foot. In order to achieve feasibility for market rate apartment units, we'd probably need to be in the range of \$2.35 to \$2.40 per square foot. That's roughly 20, 25% above what the market is today. That's a much tougher challenge, special he in the current economic environment with relatively soft market and higher vacancy rates for apartments. There may be potential to move up to that in the future, I think even the museum place and the carney plaza projects show there is upward movement in rents but we have to make a bigger jump to get to feasibility with market rate apartments than you do with condominiums.

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Francesconi: If the developers are able to get those prices, what are you -- what's a reasonable rate of return?

Hovee: Reasonable rate of return has been defined in two ways. I think n.m.i. Has indicated that they would consider moving forward with a rate of return in the range of 6 to 8%. A more typical rate of return on market rated housing would probably in the range of 12%. People have been doing deals for less because there have not been a lot of good alternatives in terms of investment. But I think we should -- other financial markets start to improve.

Francesconi: Did you do an independent calculation as to what you think the rate of return would be, not what they think the rate of return would be, assuming those prices?

Hovee: What we -- our conclusion was, we ran the assessment two ways. One is we ran it based upon what they -- what expectation of what rents they were looking at for what they termed current market rents, and actually we bumped up above that and we were looking at rents in the range of \$2.10 a square foot. That would achieve a rate of return of just about 5%, slightly over 5%. Which is below what n.m.i. Has indicated as their minimum threshold requirement. Within -- we ran it to achieve what we would expect to be a more normal return on investment to get to a broader ring of financial underwriting, and to get to 12% you'd need rents in the range of \$2.35 to \$2.40 per square foot per month.

Francesconi: Ok. Thank you.

Katz: Thank you.

Jerry Ward: I'm Jerry Ward, I serve on the urban renewal p.d.c.'s urban renewal advisory committee, representing Ctlh. Ctlh appreciates the short delay, Ctlh also appreciates the emphasis of this short review period on affordable housing, and otherwise. But Ctlh hopes that this council will also note and take action on traffic transportation issues, not being well addressed and met in the budget or the phasing. Livability of the new housing and of course our neighborhood existing neighborhoods around there beyond depends on a real vehicular traffic solutions that are funded. I'd like to point you to the board. You've seen the one on the left before, and the one on the right is new. It's somewhat like the photo in "the Oregonian." and it's interesting that when we presented this board five months ago to the left we indicated 12 -- 250-foot buildings in the whole macadam area. And the first phase that we're talking about we have 18 buildings that are 250 to 325. It's important to note that what does that do? That generates traffic. And counting on the trolley and the tram to solve it isn't going to cut it. I'd like to go to the traffic issues. There's no mention of the traffic remedies or timing or funding in the budget. The budget has no monies for macadam improvements, only \$2 million under t.i.f. Is designated, and that is under pedestrian bike improvements, not for road improvements. Other funds for future stages are unfunded and other source dollars not identified and not from the t.i.f. Vehicular transportation dollars for improvements to macadam and onto macadam are not being designate and funded while tram and trolley are being funded with t.i.f. And other designated funds. Ctlh strongly feels that the additional 37,000 trips from the south alone by macadam into north macadam, which now has 40,000 trips, will cause total chaos and failure on macadam and our neighborhood streets. Funding for vehicular traffic must be much more with remedies described now, and in -- and contrary to state land use regulations and the city's goals. It's not fair that t.i.f. Can be found for free rent for biotech firms. We have six-block backup proposed -- that -- your own traffic study says for Taylor's ferry and macadam and boundary and macadam and Corbett and Hamilton intersection and Parburden and Hamilton intersection that. Is total failure today. And you add those -- add 37,000 trips, that's not being addressed in the budget at all. Now you're going to ask me whether we -- how do we fund this.

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Katz: M-hmm.

Ward: I'm going to answer that. Reduce public money for the tram. And trolley. Have ohsu and l.i.d.'s pay for of their fair share. That's what should happen.

Katz: Thank you.

Francesconi: What we're also trying to do, we've asked for \$8 million out of the federal process? Order to help with implement, begin implementing the south Portland circulation study. And so we're very hopeful that we're going to get that 8 million, which will then be used for transportation infrastructure improvements here to help the neighborhood in addition to that 2 million that's already there.

Ward: That's appreciated, and commissioner russell said that yesterday. But \$8 million doesn't solve the transportation needs. Of just the bancroft and macadam interchange, odot was --

Francesconi: We're -- I agree.

Ward: Odot said that there was -- I talked to odot about it a year ago. And they said 350 to \$500 million, if they were to do it the way they needed to do it, if we're going to make connection to i-5 and macadam, and highway 43. So he said 8 million isn't going to cut it.

Francesconi: I'm not sure you want odot's solution here. I have to tell you. Anyway. We're working on it is what i'm trying to tell you, and we've identified 8 million to help. It's not going to cost that kind of money. I've heard in the \$32 million range. But we're working on it.

Katz: Thank you.

*******:** I want to echo people's thanks --

Katz: Identify yourself for the record.

Caryl Waters: I'm sorry. Caryl waters, I live in lair hill. I'm concerned about a number of things. I again along with others appreciate the delay. I didn't -- i'm not sure, was there a date that said 8-13?

Katz: We're going to talk about that. I want to confer with p.d.c..

Waters: So we don't really know.

Katz: It would be either one or the other.

Waters: Ok. I also wanted to clarify commissioner Sten asked some -- good questions about the crews from terwilliger. Our views are gone, that's for sure, but from terwilliger, that belongs to the whole city. I wasn't sure I understood the response that you got, erik, and whether or not that was a satisfactory response. It seemed very mushy. I was listening with both ears and I couldn't understand it. Do you know what they said?

Sten: I think they're going to bring back some more info.

Waters: Ok. So you don't know that it's ensured. Because my -- I have concern with an issue of trust. The greenways have been cut down --

Katz: No. The --

Waters: The park -- i've heard -- numbers up there said 100, somebody else said 125. In any case, I know there was a three-acre park guaranteed, now it's a two-acre park abutting a busy street. It's just like, it's hard to trust, and it's been hard to trust through this whole tram issue. My real concern is even if those views -- even if those buildings are built so erik, as you were describing, little views through them, you aren't going to have a view. If you stood out in the middle of curry street, I live on first avenue, between those two streets, could you see one little, what they call in italian, a scorcho. But you're not ever going to have the spans again. You're not ever going to be able to see all of mt. Hood. You might see that one little piece that sticks up. You know what I mean? It's not going to do it. And I just want to finish by saying, I thought laura compos gave compelling testimony about lair hill. At first I heard of this \$8 million, commissioner Francesconi, that's

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encouraging. We've been waiting on this south Portland circulation study for many years. But we've got -- we've taken the tram, we're not happy about the tram, but that's a done deal. We've got the tram. We're losing all of our views. Not only losing our views, but getting it replaced by putting a cement wall in front of our neighborhood. It is this old neighborhood, it's kind of tried and tried to do the right thing and it doesn't seem to work. And the only money I see in the plan is \$2 million dedicated to a walkway, gaining access down to this new development, and it's a \$4 million walkway. So there's really -- I have some suggestions for saving money too. Cut the garage. Make private funds pay for that garage. That's one. I don't know what the garage is supposed to cost, but that's another suggestion for money. I'm sure there's lots of ways. That's what I have to say. A lot of what I had to say has been said by others.

Katz: Thank you. We'll bring Cheryl and Abe and Don back and -- to cover some of these issues. Go ahead.

Lynn Connor: Lynn Connor, 2211 Southwest First Avenue. In spite of what you might think from my past testimony, I am in favor of urban development. Today I'd like to make two comments, just on the public funding aspects of what's been discussed today. One, I have a concern that the public costs are being underestimated. Or indirect costs are not being considered at this stage. With the streetcar, the -- it costs x dollars. Have they considered what it's going to cost to operate the streetcar for a number of years? My understanding at this point is the current streetcar is not making money. I'm not sure. But -- so how are we going to pay for these additional costs during this period of development? And then secondly, I would like to suggest that we explore some more creative approaches to funding the public aspect. If the Indian Nation was willing to give us a ballpark in exchange for a casino, what about if we gave them between Ross Island and the Marquam Bridge for a casino and they might give us greenway development, parks, the streetcar, and all sorts of other things? Maybe there are some other approaches we haven't looked at yet.

Katz: Talk to the governor about that.

Connor: Well, you're pretty persuasive.

Katz: Not on this one.

Connor: Maybe if a lot of people talked, there might be options. Water taxis in exchange.

Marty Slapikas: I'm Marty, I'm a CTH neighborhood resident, formerly transportation chair and on the board of CTH. First of all, I'd like to thank you for the delay. I do believe this is an incomplete document as it was presented to the people that were reviewing it, and -- as it went forth here, and I'll hope to explain why. For the moment I'd like you -- like to direct your attention to this example of what I'm calling North Macadam's high density mixed use vibrant neighborhood residence. Take a look at it, and what you may consider is, instead of the Steeple Chase and the Ferris Wheel, the 26325-foot buildings you've allowed these people to live in. Transportation is certainly a concern to us, but keep in mind that not all of these people will be working at OHSU. And one of the things I found rather interesting to me, there's a lot of talk about work force linkages. Giving me the impression that this development as it currently is going forth is strictly going to be for OHSU employees. What -- I guess what my attitude is, what makes you think no one but OHSU related people desire to live there? This is what makes you think OHSU folks will want to live there? Maybe they'll want to live someplace else. So we still need access to the south portion of this neighborhood from Bancroft to Macadam. And Commissioner Francesconi, you talk about \$8 million for south Portland circulation study, nothing to my mind yet has been talked about in relationship so solving the -- to solving the problem of traffic coming from the south. Ask our own agencies are saying that's going to be a major, major source of traffic. Now, connectivity is exemplified in the slide by P.D.C. Where they have a streetcar representing downtown and north

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macadam and a tram from ohsu to north macadam district. But nothing coming from that district that goes to the south. So what am I recommending? You've already done it, you're holding up on one thing, you're holding up on looking at this agreement. But you're also -- i'm asking for additional funding for -- through the i.g.a. Agreements that Portland development commission is responsible to negotiate with various intergovernmental agencies. One of them is going to be the Portland development. This may be a way to solve some of those issues that are outside of the urban renewal area through these intergovernmental agency agreement. Finally, something that I was surprised about, mentioned yesterday at a meeting, i'm not that knowledgeable about this, but it expresses me that a medical facility with residences is going to be built on a brownfield, and it's my understanding that the capping has been -- is what was funded for, and not complete digging out of the brownfield area. I may be incorrect on this, but maybe somebody can respond to this later on, but isn't the federal regulations prevent people from living on residences that are only capped and not completely dug out?

Katz: Ok.

Slapikas: Very concerned about transportation, as always.

Katz: I know.

Slapikas: Thank you very much.

Katz: We know. Thank you.

Waters: Can I add one other thing?

Katz: Quickly.

Waters: In terms of transportation, the tram, let's face it, is really not public transportation. It is to serve ohsu people going down there and -- because there's no stopping in between, no interface with public transit. I don't know what the transit -- what transit commitments have you for in the district, but I would be very surprised if people in million dollar and up condos are going to be taking the bus and using the streetcar. So I just -- the traffic thing is a real issue.

Katz: Thank you. Let's keep going. We have people waiting.

Mark Edlen: I'm mark from Portland. I'm here to speak on behalf of economic development. You have a very tough job in terms of balancing public needs and public will. I empathize with that and having done a lot of urban development I also empathize with what this team is going through. I think we have a rare opportunity today, and we actually have a user that needs to grow, that needs to add jobs in the city. I'm concerned that without those jobs, without creating an opportunity for those jobs, without helping people like that enable those jobs to happen, we will not have the growth, nor will we have the property taxes, or the other related taxes to pay for the social things we need in our city. Like we have -- we have a very responsible employer here, a very responsible development team, I think embraces a lot of the sustainable concepts we look at in the city, as well as a lot of the urban development objectives we have. I would encourage you to please consider the opportunities and the possibilities. Thank you.

Katz: Thank you, mark. Go ahead.

Ann Bradwell: My name is ann bradwell, I lived in correspond cthl neighborhood nor 20 years. The problem that we've had for 20 years is traffic. Adding 10,000 or however many units and people and things in north macadam will add to the traffic problem, and I see no solutions or plans, or anything specific for dealing with this issue. Ohsu is still going to be up on the hill, and they're still going to want to get down, and they may not always take the tram. I don't know. But it seems to me that traffic is appalling. And the movement of traffic is appalling. And i'm very disappointed that you have no plans already for dealing with this situation.

Katz: Thank you.

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Kate Allen: Good afternoon. I'm kate allen, here in Portland. I come to you today under the director of the enterprise foundation in Portland. Enterprise in Portland works in partnership with the city of p.d.c. And the development community to support the city's social housing delivery system. On a -- I want to commend the work that's gone into planning the north macadam -- and the housing development strategy and acknowledge that the strategy is moving significantly in the right direction. Moment by moment. And i'm very appreciative of that. I would encourage council to adopt the housing strategy to guide the current and all subsequent development agreements. I'd further encourage council to assume that the public funding in the budget -- to assure that the public funding in the budget is adequate to meet citywide housing goals for families whose incomes is zero to 50% of median. 15ly, I would like to join others here in acknowledging the importance of aggressive acquisition of land in the district for affordable housing. And would offer to work with the team to identify funding further funding for those smart growth land acquisitions. Thank you.

Katz: Thanks. All right. Come on up. Let me run through -- cheryl? Have you kept track? Let me run through what I thought I kept hearing over and over again. The issue that was just raised, the acquisition of land for housing --

*******:** I could speak to that.

Katz: Why don't you just jot it down if you don't have it down here. The views -- I think gil talked about it, but you may want to do a little bit more explaining on that. The green buildings, the quote missing documents, the issue of changing the agreements during -- over time. The size of the greenway. I want to know who dr. New is, and does he really work up on the hill. And did he really say that, that's just kind of a personal intrigue. The garage, and the funding of the garage, the south circulation study, which we all felt needed to be addressed, will the traffic issue, combine that with the south circulation study. And the money for transportation, capping of brownfields, and anything else I missed. Ok?

Mazziotti: Mayor, don mazziotti. I think abe and cheryl can speak to these --

Katz: Move the mike so we can hear you.

Mazziotti: Many of these details better than i, but let me speak to the land issue.

Katz: The acquisition of land?

Mazziotti: Right. For affordable housing. Two years ago, or so, I directed that we proceed to acquire land as immediately as possible in north macadam, because we owned none then, but for the northern portion we own none now. We had no money to do that. The district is \$3.3 million in arrears, and that requires that we capture tax increment to retire that debt. We would like nothing more than to acquire land for affordable housing. The offer and the potential for use of smart growth funds for that purpose we will pursue vigorously, but until we have some increment to charge off our current budget, it's going to be very difficult to go forward. We do have agents looking for property, and we did get yesterday from the commission very clear willingness to proceed with condemnation should that be necessary, and -- in certain circumstances for affordable housing. We've spent a good deal of time with odot for the purpose of acquiring excess or surplus property that they were rumored to have. We did a complete property search for doing that. My point is that we were very much aware of the desirability of acquiring land as soon as possible so that we can keep the cost down on a square foot basis, because they have risen dramatically just in the last 12 months. I want to make sure that you understand that there has been a lot of effort, and it's great to hear the housing advocates will help us get smart growth funds for that purpose. We're ready to do that. On -- with regard to dr. New --

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Francesconi: Before you leave that, you've been helpful with parks, so that's the same idea. The idea is to use that money from tax increment in the first phase to buy the --

Mazziotti: Exactly.

Francesconi: To buy the park land. So that's the same principal.

Mazziotti: There are a whole variety -- commissioner Francesconi, I apologize for leaving out parks, but I --

Francesconi: No, no, I just wanted to reaffirm to folks that is the right principal.

Mazziotti: Exactly right. There are a whole bunch of deferred items that have to await the time when we have a bank account where we can begin to do the things that we want to do.

Katz: That was the kicker notion.

Mazziotti: Exactly right. And so --

Katz: Finish phase iii, and then where do you go, and that's a decision that will be made with the commission and with the council.

Mazziotti: Exactly. If I could move to dr. New, dr. New is actually an individual who is in the employ of ohsu, I think a vice-president, or at that level. He is jointly supported by funds from oecdd, ohsu, and p.d.c. His specific responsibility for p.d.c.'s piece of that is to promote the location of bioscience companies in the north macadam renewal district, private companies that will generate the increment that will follow on their investment development. Dr. New is a highly qualified individual who has started a number of companies, understands the industry and can speak well in that milieu. Whether he can speak well in other milieus, I can't attest, so I won't try. But he has been a very valuable resource for purposes of bioscience contacts and the like.

Katz: Ok.

Mazziotti: I'd like cheryl to speak to, or abe to speak to garage funding, the circulation study, and perhaps matt brown would like to speak to those as well as the other issues.

Katz: Greenway, setback.

Farkas: We could do trade-offs, but maybe i'll just -- you raised the issue of green buildings, I believe, is one of the issues?

Katz: Somebody raised them. I know we're all interested in it, and I know this --

Saltzman: I do have a question on that topic, which is the hotel. I guess I wasn't aware of this hotel.

Farkas: Very green hotel.

Saltzman: Who's building the hotel?

Farkas: Ohsu would be involved in building the hotel, and we've got representatives to speak to that. Burt --

Saltzman: The hotel is included --

Farkas: The hotel is part of -- one of the phase I objectives. It will be paid for privately, ohsu would be responsible for that hotel, they probably would work with a private developer to complete the hotel. It would be a tax paying entity.

Saltzman: Will it be covered by the green building language?

Farkas: Yes. The current policy calls for 75% of all the n.m.i. Buildings to meet at least green building certification into -- and to aspire -- way want the latitude for unusual designs that might not be covered under the green building policies ohsu will be working toward green building certification for all of their buildings, so anything having to do with ohsu will be working toward green buildings. The reason we say they'll be working, they hope to achieve it. We're aware in certain cases certain laboratory facilities do not now meet the existing green building requirements. There are people from ohsu who are here and can speak to that more.

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Saltzman: The hotel will be developed on ohsu-owned property.

Farkas: Yes. Or n.m.i. Those two may have an agreement between themselves, but it will be within the 31 acres.

Saltzman: Ok. Cheryl --

Twete: Missing documents. This agreement basically makes it through the alphabet in terms of exhibit to the development agreement, approximately two-thirds them were completed at the time we published a final draft of the development agreement, and those exhibits were made available to the public as well. The ones that have not been made available to the public are will works in progress. They need to be completed prior to the execution of the development agreement, however.

Katz: So the public will see those documents.

Twete: Yes.

Farkas: As for the changes in the agreement over time, I think light good wine, the agreement has evolved over time. If you look at the agreement as we were initially in negotiations, ohsu was looking at a large building in the area that was going to be largely administrative, I believe the building was going to have maybe 25,000 square feet of research space. Through the negotiation process, ohsu grew to evolve that commitment into a research clinical building which will have at least 100,000 square feet of research, which is wonderful in terms of spin-off capacity, and there will be quite a bit of research. I believe the amount of administrative space is relatively small, so from that point hispanic we think the agreement has evolved very favorably. The same could be true of the affordable housing agenda. Through the deliberations we ended up with a stronger position in terms of serving a broad range of public goals as well as providing additional capacity for ohsu to grow its research and clinical operations.

Twete: Greenway dimension, I believe council's very well aware as part of the waterfront plan that was done last fall, 100-foot average greenway setback is now required by the code. The plan also called for 150 feet greenway as an as inspiration, part of the overall vision for the district. Acknowledging that it might not be possible to achieve it in all places, but certainly to strive to achieve it in as many areas as possible. What the development agreement before you does is achieves midpoint, 125 feet average greenway width. We really won't know until the entire district is built out what the overall district greenway width will be. We could still very much be on target to hit 150 feet if there's a wider dimension at the north end of the district.

Francesconi: Can you explain why -- I think I understand, but i'm not sure the public does, as to why it's now going to be in public ownership as opposed to private ownership and how that came about?

Twete: I believe there are public concerns about the cost implications of that transfer of the greenway from the private to the public ownership. What may not be as well understood are the benefits to the city. And to the parks bureau for having full control over that property. The current zoning code does not require full public access to the greenway tracks, greenway setback area. What it does require is an easement for the trails, the two 12-foot-wide trails within the greenway. No other portions are required to have public access. So we believe that by the city accepting the donation of the tract, we're getting a much greater public benefit, we'll have more ability to manage and control the design in the implementation of the greenway, we'll have more ability to provide public open spaces within the greenway area, and ultimately to we believe to achieve all of the goals, including habitat, restoration, passive open spaces, as well as transportation.

Francesconi: And i've not been as successful on this on getting additional federal funding. I tried, but it was rejected. So this one got some work to do.

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Twete: I just have one last comment. The parks bureau's embarking now on a new greenway development plan for the district, which is a very exciting piece of work.

Katz: The design.

Twete: This is the design for the greenway. We'll be working closely with them to put together an implementation strategy, which will address how to pay for the greenway improvements, how to pay for the long-term operations and maintenance of the greenway, how to coordinate development amongst various properties within the greenway. So the real point I want to leave with you is that we don't have the ultimate buildout plan from a design standpoint and from a construction standpoint from, but over the next year, that will become clear, so we'll have a better understanding of the public and the private responsibilities.

Katz: And that is in the budget, and that is in the plan.

Francesconi: The plan's in the plan.

Katz: For those that have gone back five years with us, it was 25 feet, from 25 feet, it went to 50 feet. From 50 feet it went to 100. As inspiration -- as inspirational was 150, and average of 125.

Farkas: Quickly on the parking garage, the garage is going to be built on private property with private funds, or institutional funds between ohsu and n.m.i. There are no tax increment dollars in the parking garage. We don't know what the size of the garage will be. It will -- the parking garage is likely to be over 1,000 cars. It's also important to recognize this garage will be topped off by two towers, one would in all likelihood be a mixed income tower which will be largely affordable, the other tower could be student housing, it could be an ohsu function, so you'll have a garage that has multiple uses in addition to which the garage will have an active ground floor and in all likelihood retail.

Twete: Maybe I'll take the easy one next, the environmental brownfields question. Then we could ask matt brown to come up and respond to some of the transportation issues. Portions of this district are considered a brownfield today. Some portions actually have relatively clean environmental conditions, and with regard to the n.m.i. And r.c.i. Property, the -- those developers have done the environmental remediation that is necessary in order for the development to move forward. I do want to assure you and the public, however, that all development will be consistent with state and federal law in terms of what types of uses can be built under different environmental conditions.

Farkas: And as you're aware, we currently have in the river district the cap and cover method upon which there are parks and upon which.

*******:** Are residential units.

Katz: Views, or did you feel gil covered most of that?

Twete: I just have one thought to add. I know there was a lot of discussion last fall at council as part of the south waterfront land use plan approval process, and a lot of concerns were raised at that point in time. One of the facts I remember being stated by the planning bureau is that the views from terwilliger boulevard would not be impeded by development. In other words, the height of the boulevard is greater than the maximum allowed height within the district. And I also believe the planning bureau stated that law only allows the zoning code to protect views within public rights of way. Much of the land in the district is privately owned property, and the city doesn't have the authority to impose view corridors over publicly -- private property. There are, however, many design guidelines incorporated into the plan that do try to -- try to maintain as much of a view corridor as is possible in the rights of ways by requiring development buildings to step back off of podiums and many other tests in terms of the dimensions between the buildings to keep as much of that open advantage point as possible. One general comment I might make, in the

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financing strategy associated with the development agreement, it is true that not all of the project activities are fully funded as of this particular moment. But we are working actively to ensure that all the funding we have projected to be available will hopefully become available through federal, state source, local sources, land sale proceeds from both pdot and p.d.c.-owned properties. The reason we've put it forward is we believe it's an achievable plan, but it's going to take some time for some of those elements to come together, and we want to thank commissioner Francesconi and the work with jpac and metro to secure significant federal funding through the process through north macadam.

Katz: Just wanted to remind everybody, when we started the street car we didn't have the money for the streetcar either.

Francesconi: Or the east bank.

Katz: So if you commit it to making it happen and begin focusing your energies on it, it will happen. Matt.

Matt Brown, Portland Office of Transportation: Matt brown, project manager, Portland office of transportation. Sort of step back for one second, start where cheryl did at the beginning, which is to remind ourselves that we're talking about the first phase of a development in the south waterfront area. In thinking about that and thinking about the diagram that shows the tram connection, the streetcar connection coming down into this area, and I think it's been pointed out there are other connections that need to be made in the future, I think we would wholly agree with that. We need to be able to look to the south in how people will access it from the south and even to the east and to the southeast as we look to the future for south corridor light rail coming in and serving this portion of the city. So what i'd like to say is I think we're in agreement there that these are issues that we will continue to explore and push forward on terms of looking at how we access this district from the other points of the compass. A couple things I would mention is that we've been working for the last four or five months with many folks in the neighborhood as we began the tram process. And we've very much broaden that out to be much more than the design of the tram, but also to think about the other improvements that the neighborhood would like to see come along with that. Especially thinking about items like the south Portland circulation study, the pedestrian bridge connections, things like that. Part of the work we've done is developed a work plan that we've gained endorsement from our citizens advisory committee, which includes members of the ctlh neighborhoods, homestead neighborhoods, other property owners, and interests. One of the things i'd like to point out is that there are five issues that the ctlh neighborhood forwarded to us as their priorities, saying we'd really like to see these addressed as part of your process. One, the south Portland circulation study. They'd like to see that begin to be implemented. We've allocated separate from the development agreement, about \$100,000 to begin work on the prioritization phasing of that development and that is part of our tram process. So as we develop the tram design and bring that back to you in next january, that we also have a plan in place and more detailed plan in place for how we can begin implementation of the circulation study, and as commissioner Francesconi alluded to, we have other irons in the fire in terms of looking for additional funds, and bringing some funds to the table to begin looking at that. Looking at the macadam avenue corridor to the south, some intelligent transportation system management tools we can use to better manage traffic through that corridor, something that we've asked our signal section to look at. They've also asked us to preserve the community gardens along the gibbs alignment. I think we've taken that to another step, we'll just say why don't talk about preserving and enhancing, why not also look for other open space opportunities within the neighborhood as we begin to think about how the south Portland circulation study will play out in the additional space that's created in the neighborhoods.

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The pedestrian connection being another issue, we have again established as part of our work plan for the tram, we will begin schematic design for the pedestrian bridge on the Gibbs alignment, and we may look at other alignments as well. Actually Cheryl, can you take the picture down? If you look at the urban renewal area boundary, there are a couple fingers that come out to the west, one on Gibbs, one on Gaines, these are areas that have been identified in the past as potential pedestrian connections. We've had a few others identified, and we'll be looking at all those and trying to determine where the best location is for all those. But it's sort of the long-term vision for how you begin to reconnect Lair Hill to the water.

Katz: And did I understand correctly that you have several million dollars for that?

Brown: There's the -- we have \$2 million in the neighborhood -- in neighborhood improvements. Identified in the development agreement. That could go towards the pedestrian bridge, although we really haven't gone through a process with the community to identify exactly how those should be used.

Saltzman: I thought the pedestrian bridge was paid for. In this agreement. Is it not?

Brown: \$2 million will probably not be sufficient to pay for the pedestrian bridge. We'll probably have to find other resources.

Saltzman: You said \$2 million for neighborhood improvements. Is that \$2 million for a pedestrian bridge?

Brown: It could be.

Saltzman: Could be is not the same as --

Brown: Neighborhood improvements needs to -- the neighborhood needs to help us define what those improvements are. I don't think it should be our job right now, not having had a discussion with them about what the -- how that money should be prioritized. The part of what we're doing over the next six months is to work with them and kind of identify where that \$2 million should be used. The pedestrian bridge, should it be other improvements that they may identify that --

Saltzman: And if they decide it's a pedestrian bridge and \$2 million isn't enough, where is the rest of the money going to come from?

Brown: We're going to have to find it. One possibility we have another \$3 million in tier two of phase i. So if we begin to be successful in the district, we may have a source there. The \$8 million that commissioner Francesconi referred to as part of the mix it could be used for that as well. It was broadly defined so we could again prioritize it based on where the community felt they needed those improvements to be.

Saltzman: That's a little disappointing to me and I think probably to a lot of people in the neighborhood. I was under the impression this pedestrian bridge was a given. It sounds like anything but that, from the description I've just heard. We've already spent this \$8 million about five times in the course of this hearing. I'm disappointed in that.

Francesconi: I'm sorry commissioner, that's not accurate. If the citizens decide they want a pedestrian bridge, then we're going to build a pedestrian bridge.

Saltzman: So we're going to find, we the city are committing to find, if that's what they want, \$4 million to do it if -- of city funds?

Brown: To be clear, what I just described is about a \$50 million wish list.

Saltzman: That was my point.

Brown: So obviously we don't have \$50 million to do that. Part of our process over the next seven months is a process of phasing and prioritization. And matching that up with the funds that we do have available, and being realistic about what we can accomplish within the next few years. And that's where we hope to end up. Whether it's a pedestrian -- and I think the community needs to

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help us figure out whether it's pedestrian bridge or beginning implementation on south Portland circulation study, or some other kind of improvement.

Saltzman: But we are committed if in fact the community chooses a pedestrian bridge, to come up with city funds to pay for it, or could be federal funds we obtain, or state funds? In other words, the city -- it's a city obligation, not an ohsu or n.m.i. Obligation. Correct?

Brown: Right now, but we're going to continue to have that discussion and identify other funds. I can't answer that question right now. Part of the process of the next six or seven months is putting together that funding strategy. We have a couple irons in the fire right now, part of it is in the development agreement, part of it is under -- in our federal requests. We have other things we're working on, so we may end up with more than \$10 million to work with, six months from now as well. That we can allocate. So I guess that's where i'm headed. I don't have all the answers today.

Part of this process is putting together a realistic funding package. Rcac is immensely interested -- they wanted to see this development agreement delayed until we could come up with a way to fund this entire \$50 million package wish list they have. I think we need to work with them to say, look, this is a phased approach. We're going to have to do this over time. And part of this is in this first six or seven months, coming up with a realistic first phase based on what we can bring to the table.

Right now i'd say it's about \$10 million. It may expand.

Katz: Let me just add, historically if we ever wait -- if we waited until we had all the money before we did anything, nothing would be done here. So I think the community wants this bridge, but there may be other priorities. I thought when we did the marquam plan that was something that the community wanted, that's what they want, we'll find the money. Just like we're going to have to find the money for everything else.

Twete: I might add, as with many of the public projects, we're not able to achieve our full buildout in phase i, and we're looking at a phased approach to these improvements, such as with the greenway, such as with the neighborhood park. There might even be a way to work with a phased design for a pedestrian bridge to get the physical connection in earlier if this is what the neighborhood chooses. And more enhancements later on.

Francesconi: Pedestrian bridge is going to happen a lot sooner than the completed greenway, i'll tell you that.

Brown: One other is piece just to talk about. There's been some discussion about the fact that we have no funds to deal with improved access in the macadam corridor, and that's not true. There are \$8.3 million in phase 1 identified to begin to deal with macadam avenue improvements in and out of the districts. So that is directly addressing the issue of access from the south in and out of the macadam district. We have back in 1999 we did a study, we have a couple ideas that are on the table right now at a minimum that we think we can do for the portals in and out of the district. We're also working with odot in seeing if we can do something a little more aggressive, looking at direct access from i-5 into the district that may again help to alleviate some of the problems that people are concerned about. About \$5.8 million would come from the state. I think commissioner russell last night stated he's very confident as a transportation commissioner that the state will follow through and is very optimistic about our chances of securing that funding. So are there any other -- those are the major things that I had.

Katz: Let's get to the two -- I told mack g. that there are two resolutions we'll bring in at the time that we vote on the development agreement. So if there are any amendments to the development agreement today that we think we can all agree on, i'd like to vote on them today so that we can move the development agreement to second and actually adopt it on august 13th, which -- that would then close everything -- everything down.

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Leonard: Can we ask don about that time line?

Katz: That's why i'm doing this.

Leonard: My sense is that's too long.

Katz: If we can do it sooner, that's fine. What I didn't want is I didn't want us to come back, have another hearing, and then wait another week before we adopt something.

Leonard: And before you answer that, I have developed language, erik has developed language that has been negotiated with the metropolitan alliance for the --

Katz: In a resolution?

Leonard: Ready to go. Right now. That has been ok'd by the representatives of the alliance of the common good. Homer I believe has looked at it and is ok with it, chip lazenby has looked at it and is ok with it.

Katz: You've looked at it?

Mazziotti: I have.

Katz: I haven't seen it.

Leonard: We've been moving these things.

Katz: We don't have a resolution document.

Leonard: I can read it into the record and we can adopt it. I've got it written.

Katz: Go ahead.

Leonard: Erik has his language.

Katz: Why don't you read it.

Leonard: North macadam investors, l.l.c. Will make a good faith effort to select contractors who pay the bureau of labor industry's published wage rates unless paying a prevailing wage puts the north macadam investors at a competitive disadvantage as reasonably determined by north macadam investors llc.

Francesconi: Second.

Katz: Just a minute. You want --

Saltzman: Do you have a copy?

Leonard: I can make one.

Saltzman: Let me just see that one.

Katz: This is -- I don't need to do -- I don't need a resolution?

Leonard: No.

Katz: I thought mac g wanted it city wide.

Leonard: You had different people saying different things about different subjects.

Katz: Fine with me. Leave me out of it. It will be fine. Ok.

Leonard: We brought the principals together --

Francesconi: You committed, there may be something else you have to deal with.

Leonard: I did this with that group. This is ok'd by them.

Katz: Ok. You want this in the development agreement?

Leonard: Yes.

Katz: You're all right with that?

Mazziotti: I'm fine with that language.

Katz: All right. You want to put out your amendment? Then we can get rid of it all today.

Sten: That was the goal. Add language in section 9.17.3, additional housing units, if n.m.i. Develops more residential units in the project area, or on newly acquired land, than set forth in sections 2.2, 2.3 and 2.24, then new numbers is 36% of the additional residential units shall be affordable apartments, and new language, and at least 20% of these additional affordable

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apartments shall be affordable to households with incomes below 30% m.f.i. It places 20 with 36%, and requires that 20 of the affordable units be at 30%.

Mazziotti: Right. We can support that concept. As is the other amendment, subject obviously to our commission agreeing, because these are material issues, but we've been working for the last 24 hours with all the groups involved, and with leadership of the two commissioners and so i'll give my personal best on these two items, and I think our commission will live with them. This would greatly -- this would allow us to be certain we don't miss a construction season if we go past the august 13 date, mr. Williams informs me that it does jeopardize the construction window for his start-up projects, and that could delay us into 2004.

Saltzman: If we adopt these amendments today, and the commission adopts them -- is there any reason for us to hold up this agreement? I thought these were the issues we were delaying the agreement on. If we're reaching resolution today, is there any need for the city council -- to return to this if the commission adopts these amendments?

Mazziotti: Actually, commissioner, there is. The suggested -- you are not technically required to adopt the development agreement. What you are technically required to adopt is the i.g.a. Language or agreements between each of the respective bureaus which is yet to be finalized. So I would propose to come back to you on July 30, 31, for that purpose and then if there are any other outstanding issues which I sincerely hope there are not, that those be raised at that time. But this would allow us to take the language that you've offered in the way of amendments and forward those to our commission for their consideration. Because their window for consideration begins at the end of the month so that they get the documents in sufficient time for consideration.

Katz: The other thing is the public knows and heard that we were going to do a delay until they see all the documents and I'm not going back on that.

Mazziotti: Right and so there would be no final adoption of the agreement by our commission until the 13th of August and there would be adoption of the igas, hopefully by you by July 31st. And then assuming that the amendments that you've offered and any other discussion which might occur works, our commission can act on the 13th at their regular session and I can sign the agreement on the 14th of August.

Katz: So the 31st works for everybody then.

Mazziotti: Yes I think so.

Francesconi: Just one question on this amendment that I just saw, although I heard it discussed by Commissioner Sten. Does this create any readjustment of the expenditure of the tif funds?

Mazziotti: Commissioner, that's the obvious question it raises for us, because it's a new and much more difficult standard. We will have to trade off units that would appear. And so we have to seriously look at can we come up with the dollars because the subsidy will be significantly greater. We think we can do that. We've talked with Mr. Williams about it. He thinks we can do that. He's the horse pulling this wagon. If he doesn't make it, we don't make it. So all I can say is our best guess is we can make those numbers and we will do our level best to make the numbers.

Francesconi: But is it a change in phase 1?

Mazziotti: No, it's a change in the project post 2,000 unit production level being reached.

Francesconi: So it's a change in phase 3 we're talking about?

Mazziotti: We're pushing it out.

Farkas: It's a modification of the amendment that we talked about. It's a further refinement, but because it's out, what's very important in terms of getting this agreement launched is to keep the very fragile structure for that first phase intact. It does say that as we complete an additional 360

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affordable housing units which would be in phases 2 or 3, that a portion of those would be fixed at 0-30 as opposed to just 0-50%.

Francesconi: That's fine, I'll 2nd this one too.

Mazziotti: Commissioner, I think we can make those numbers. I think our commission will feel comfortable in hitting those numbers so long as we have some time to generate some tif.

Sten: I can say too I've had direct conversations with commission members who I think, to be blunt, were even with all the same realities we all are were not satisfied with the affordable housing numbers either. I didn't poll the whole commission, but I think there was a sense that pushing ourselves to get more aggressive as long as it wasn't in phase 1 was the right approach. I don't think this is being forced on the commission by any stretch of the imagination. I just want to put that in the record.

Katz: This is not an emergency. Would we adopt these amendments today, we'll have to have a second reading and people will have to testify on that.

Mazziotti: And we could simultaneously hear them at the same time the iga's are heard.

Katz: It would have to be, if we're going to get to August 13th, we have to deal with it on July 31st.

Sten: It's a procedural matter, but I didn't want to formally when we bring that back adopt a housing strategy at the Council level. There's no controversy around it, but I want to make it clear that the council policy.

Katz: You can do that in the -- if this is what they really want, after -- as an afterthought, after meeting with the two of you, then we can do this in a resolution form.

Sten: It a formality, but i'd like the council to adopt the housing strategy, so it's clear in the future this is council-level strategy.

Katz: We can do that in a resolution that I have to bring forward.

Farkas: Point of clarification on commissioner Sten's amendment, yesterday the commission -- commission adopted an amendment on affordable housing, which changed the affordability goals from 20% to 36%. That modified seven sections of the development agreement. Commissioner Sten's offering the recommendation. We do -- we accept it in concept. We need to look through the entire agreement to see what it impacts, and to make sure it's in conformance with the band of other sections in the agreement. Just wanted to put that on the record, so we'll do that work.

Sten: I assumed you would do that.

Katz: Let me summarize. We have two amendments to the agreement that we will vote on today. We will have a public hearing on those and then -- and then pass it on, adopt it. In addition to that, on that same day, I hope to bring in the resolutions that are reflected in this memo, unless I can talk them out of it, but I don't think i'll be able to. And so we'll close everything down at that particular time.

Mazziotti: And the i.g.a. Agreements as well?

Katz: As well. All right, let's move both amendments at the same time. Do I hear a motion?

Leonard: It's already been done.

Katz: I didn't hear a second. You guys don't even let me try to finish this in a logical manner. Any objections? Hearing none, so ordered. [gavel pounding]

Francesconi: I have one last question, and I was going to ask way at the beginning, but I didn't. I want to preface it by saying, we all hope this works. The testimony of eric coby, though, is these are high prices, we're trying to get back. Maybe it's my prior occupation. Maybe it's one project we've had recently that didn't go quite so well, but I just want to ask that if this scenario doesn't go the way we expect, what protections -- can you summarize what protections we have in this agreement for the public so that the public isn't holding the bag if this thing doesn't work?

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Mazziotti: Commissioner, the agreement contains gap Payments so that the developer, or developers, are obligated to provide us with payment for any gaps that occur as a result of their failure to perform. Notwithstanding market conditions. So we're really going forward lockstep. Likewise, if we fail to perform, we're obligated for specific performance to come up with those dollars to accomplish what we promised. But since we've interlocked the agreement and since ken rust has vetted the numbers and forecasts and helped us with the structure, and since our partners in this agreement have 40-plus million of dollars of cash on the barrelhead, we're reasonably confident that they have also vetted these numbers very carefully. Eric's analysis, which was a report we developed and worked with him very carefully, does believe that this is not an irresponsible investment. It has risk, as all do. This has more risk than most, because we're currently in a recession. We're helped tremendously by interest rates that are very low. Those have helped us on the one hand. Other than, the need to have a robust economy holds back the marketplace. On balance eric found that this is a reasonable project to go forward with at the profit margins, which were specified, which are not high.

Francesconi: My last question. You know, we've never had a development agreement, or a tax increment proposal, ever in the history of the city, that's required gap financing if the thing doesn't work. Isn't that right?

Mazziotti: That is correct. Basically we each held guns to each others' head and said "we have to do this and this is how we're going to do it."

Francesconi: Ok, thanks.

Katz: We voted already, homer, but just for the record why don't you come up and tell us you can live with the amendment. Then you don't have to come back july 31.

Homer Williams: Homer williams. Yeah, I mean we've had a lot of discussions over the last couple of weeks, but we can work within the confines of both of these.

Katz: Ok.

Williams: So the sooner we can get started, the better for sure.

Katz: All right.

Leonard: I realize we're not going to vote today, but i'd like to say that for me getting an agreement was important. I was less concerned about the nuances of what the language said than having the parties all say they can live with what it said, because for me there are two ways that you get people into decent housing. One is to subsidize it and the other is to give them a good job. The quicker that we move on this, the faster the shovels get in the dirt and the 30% unemployment rate in the construction industry will take a nose-dive.

Williams: And I hope a lot of people working on those buildings end up living in those buildings.

Leonard: Yeah. That's the key for me to moving this. So I appreciate, don, and homer, and the others that were involved. We had these small -- commissioner Sten, it started out as one- or two-person meetings that developed into 25- and 30-person meetings, because everyone was pushing in the same direction.

Katz: Since you two did such a wonderful job, i'll going to call reverend mo and call the two of you back together for the resolution on affordable housing and prevailing wage. So we'll do that. So we are going to delay. I mean, we're not -- we're not acting on it today. We acted on amendments today. The public will have -- what is it, two weeks? Hopefully those documents will be made available for the public to review and i'll make decision whether we allow any further testimony on the documents probably we should allow further testimony on the documents that

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they hadn't seen. That would be fair. And then -- and then we'll go from there. Ok? All right, everybody. Thank you. Let's take a 10-minute break so I can shift gears. [council in recess]

Item 803, 804, 805.

Katz: We're coming back to order. All right, let's read 803, 804, 805. Go ahead and read it.

Katz: Ok. Let's go back and revisit what we did last time we were together. We adopted almost -- we adopted a lot of the planning commission recommendations, correct?

*******:** Correct.

Katz: All right. We adopted new language for the uptown shopping center building, conceptually. We didn't adopt it in written form. I want to do that today. We'll have testimony on the new material. And I don't think there was any -- was there any other new material other than the --

Saltzman: Dove lewis.

Katz: We didn't get to dove lewis, we have to do that today, but from last time.

Joe Zehnder: Mayor, the only other material could be in response -- we've got responses to some of the other testimony that came up last time.

Katz: Oh, ok. Then we'll take new amendments today, and we'll open -- we'll hear it, we'll have testimony today. All right? And then we'll wrap up this package, if we can today, and then bring it back later on, because we're still trying to work on the other piece of the northwest plan that isn't quite all there yet.

*******:** Correct.

Katz: Ok?

Gil Kelley: Just to be clear for the audience, gil kelley, planning director, we're not dealing with parking today.

Katz: Right.

Kelley: We're dealing with essentially three issues reserved from your last meeting. Those are the north vaughn transition area and upshur triangle f.a.r. Development capacity, traffic capacity question, and some work we were directed to do along those lines. We're also doing at the question of the -- as you mentioned the uptown shopping area height massing --

Katz: We did adopt as a council conceptually.

Kelley: We brought back some language. We want to make sure you're clear about the language we brought back on that one.

Katz: Fine. Go ahead.

Kelley: Finally, we have in the memo that joe prepared some language and options for the dove lewis --

Katz: Dove lewis, north, the vaughn, the upshur.

*******:** Correct.

Katz: A lot of the other issues. Who do I turn to? Joe, go.

Zehnder: I'll lead us through these three remaining issues. First i'd like to talk about north of vaughn area, the --

Katz: I need commissioner Francesconi. This is related to transportation. So let's wait.

*******:** Sure, ok.

*******:** Shall we do one of the other issues?

Katz: Which one?

*******:** Either the dove lewis or uptown while we're waiting.

Katz: All right. Let's do dove lewis.

Zehnder: Dove lewis. For the record, i'm joe zender with the bureau of planning. One of the issues that's left over from the last hearing on the northwest district plan involves some

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amendments that were requested by the dove lewis animal hospital. The amendments that the hospital requested basically were to increase the allowed development potentials of their properties, and their properties are located in the transition area, in the northern part of the planned district. They've requested changes in the underground parking bonus. The requested changes in the ability to transfer floor area ratio f.a.r. Between sites, an opportunity that doesn't exist under the current code. They've asked for a modification of the affordable housing bonus to make it a bonus for any properties owned by a nonprofit. And they've asked for a map change to increase the base f.a.r. From 3-1 to 4-1. The cumulative impact of all of those amendments that I just described could potentially raise their f.a.r.. The f.a.r. And the properties affected from 3-1 all the way up to 8-1. That large an increase in the f.a.r. We feel is not consistent with the overall structure of the way we've treated f.a.r. In the plan in our attempt to step up from a lower heights and lower intensities near the neighborhood and increase as we go toward the north and east toward the expressway. Individually -- and we can discuss each of those different requested amendments individually if you'd like, but collectively we do not feel that they're adequately justified. However, of all the requested amendments, there is the request to increase the base f.a.r. From 3-1 to 4-1, is the most manageable. It's a very straightforward way to address the concern about the development potential of this particular property, and it's manageable in terms of its impact on the code and its potential impacts on the planned district. So we recommend not entertaining any of the amendments other than consideration of the 4-1 increase for that property.

Katz: Now commissioner Saltzman had another amendment.

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

Katz: Ok.

Saltzman: No, I mean that is my amendment, is to increase the f.a.r. To do the map amendment so that they would be in the 4-1 f.a.r. Zone.

Katz: That's what you forgot to add.

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

Katz: You're going to do that through a map amendment.

*******:** Correct.

Saltzman: So i'll move that amendment.

Katz: Ok. Before we vote on it, i'd like to have somebody -- just a second. Dove lewis. And I don't pick on you.

*******:** Madame mayor, I treat you like my mother, and I just thought you'd treat me like a son.

Katz: That may be, but I didn't pick on you. I get this email that said "why do you pick on me?"

*******:** Actually a card. My condolences.

Katz: It's not true. Identify yourself for the record.

Robert Simon: Robert simon. My address is on the list. I'm a volunteer for dove lewis. We asked for four things after asking for 40, which I thought was a compromise. Commissioner Saltzman's amendment is very, very helpful. I still need two things in order to accomplish what I really have as my program for dove lewis. One is need to be able to transfer my f.a.r. To spread it around so I don't have the opposition of the northwest neighborhood association, because of the buildings are too tall. So I want to be able to spread my f.a.r. Around if that opportunity arises. So I need to be able to transfer f.a.r. Within a very small area, so I asked for, in my request, the right to transfer f.a.r. Within so many hundred feet of an existing site. So it's basically lets us spread it out. Madame mayor, you indicated very specifically, you don't want monolithic structures in your neighborhood, so I came up with a new idea. Landmarks don't cut it. I'm not going to buy a landmark just so I can steal its f.a.r., that doesn't work. All i'm asking, if i'm in the same block,

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across the block, adjacent to each other, let me take f.a.r. And move it from one to the other. I just want to be able to move my f.a.r.. The second thing, I want to be able to park for my employees. You know what public parking costs. You know how expensive a parking lot costs. A below-ground structure is very expensive, \$30,000 a stall. I just need some way of recouping the cost of parking my employees. I got 60 employees. I've got students who are very -- who are residents in veterinary school. I need a way to park them. I need to be able to afford to park them. That's why I proposed underground parking bonus, but capped. Capped. One f.a.r.. Not unlimited, not grotesque. Not parking structure to the sky. One f.a.r.. That's all I need. I need 50 more stalls. That's what I asked for.

Katz: Thank you.

Simon: And the student housing, of course, if you look at our amendment, we propose very restricted nonprofit for academic purposes only. Not broad.

Katz: Thank you.

Zehnder: That's why I need it.

Katz: Ok. Let's respond to that.

Zehnder: The request to transfer f.a.r., the only place in the code where that provision actually exists now is in the central city master plan. And even there it's a -- you know, a useful provision, but a provision that adds to the unpredictability of what can actually be built on a property. And so neighborhood -- neighbors and other properties adjacent to receiver sites for transfer of f.a.r. Have found it to be problematic even in the central city. What would happen potentially on the site that we're talking about in the transition zone is a little bit opposite of just spreading around f.a.r.. It could allow the accumulation of all the f.a.r., a significant amount of it, on to a single site. So where you now have some -- you have a good deal of height that you could accomplish, you would now be able to transfer f.a.r. Off of another site on to that site and really accomplish filling up the building capacity as well and make a much more -- a much larger building than we had desired for this portion of the transition zone. So we would oppose the ability to transfer the f.a.r.. The underground parking bonus is only available in the district up against the interstate. So it's the far eastern portion of the -- of the area. The purpose of concentrating -- of not allowing that bonus elsewhere in the district is really to emphasize the residential bonus, which is the one that we want to make the most attractive because we really are trying to encourage residential development in this area, and also, once again, as a combination to try to manage the overall intensity of development that we're spreading around the transition zone. It would be one more f.a.r.. Website take that on top of a base zone of 4-1 f.a.r. Would create this island of 5-1 f.a.r., sort of more near the center of the transition zone. So we would be reluctant to combine all of those bonuses.

Katz: All right. I neglected to ask, does anybody else want to testify on this item?

Francesconi: What does this amendment do? My constant refrain here to vaughn street, does it do anything to it?

Katz: No. We'll get to that in a minute.

Francesconi: Ok.

Bischoff: Debbie bischoff. I wanted to add a couple more points, if I may. One is that the dove lewis, if they have different sites of ownership, they can transfer floor area ratio from one site to another. So that is allowed in the code today, so that they could have a smaller building on one portion of their site and have a taller building.

Katz: They can do that now?

Bischoff: They can do that right now. The zoning code allows that. Second, the neighborhood has also been really concerned -- I mean, we've been sensitive to the bulkiness of buildings, and

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that's been a big concern raised by the community, and that's why we're trying address that and not liberalize floor area ratio in this area.

Katz: Ok.

Leonard: If the zoning code allows the transfer of an f.a.r. Now, why did joe say that he would oppose the amendment to do what it sounds like the code already allows?

*******:** No.

Zehnder: The ownerships -- the parcels have to be contiguous, touching. I think what dove lewis has is two parcels, within those two blocks, but separate.

Katz: They're not adjacent to each other.

Zehnder: Right. Technically that option would not work for their particular situation.

Katz: I'll take a motion.

Saltzman: Already made it.

Katz: There was a second. Any objections? Hearing none, so ordered. [gavel pounding] all right, let's go back and start from the very beginning. Thank you. And commissioner Saltzman, thank you for working on this.

Zehnder: The first item refers to the f.a.r. Designations and zoning designations in the northern section of the plan district, the areas we've been calling north of vaughn, the transition area and upshur warehouse district. The planning -- the planning commission's recommendation for this area was based on a projected level of development and a traffic analysis that really maxed out the capacity of the transportation system and took a level of services really to the limit of what's going to be acceptable performance. The request for greater f.a.r. From esco and for rezoning from property owners in the upshur warehouse district and other zonings which were requested, such as the ones we just discussed, has led to a reconsideration on the part of pdot and planning and a heightened concern for the potential traffic impacts. So in response to that concern, staff is returning to you today with a recommendation that's much more conservative, that's more conservative than what came out of planning commission concerning the floor area ratio and the northern end of the planned district. Specifically we have two approaches --

Katz: You came up with a different approach?

Zehnder: Yes. There's two approaches that we'd like to present to you today. The first is just a more conservative version of what's already come out of planning commission, which would be to reduce the area eligible for rezoning to ex by not putting in place the comp plan designation of ex for the upshur warehouse district.

[Change in Captioner July 10, 2003 part 3]

at the last hearing you also heard testimony from property owners in the upshur warehouse district who proposed moving more quickly with rezoning throughout the whole district. Mostly that was focused around an issue, an immediate development issue with a couple of parcels located immediately adjacent to the transition area just north of thurman. After review of the issues that were raised in testimony with the applicant, staff would be able to support a modification of the transitioner. We would be able to redraw the transition area boundary to include those two blocks north of thurman, and treat them the way we're treating the rest of the area, rezone it straight out to ex zoning. This is a training that would solve the issues faced by these particular properties and we believe is once again although every increase in development capacity is -- is troubling to the transportation capacity, it would be within acceptable potential impacts. The second approach that i'd like to discuss with you, and this is in response to a question from commissioner Francesconi, would be for staff to explore a way to have new development in the northern part of the plan district pay for a portion of the transportation improvements that would be needed as a result of that

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development. So we reviewed a number of alternative ways to do this, including service -- s.d.c.'s, local improvement district, development agreements, and the like. And what we've returned -- returned to you today with is an approach that would use floor air ratio bonuses to accomplish that link between the impact of new development and the accomplishment of transportation improvements. First, we recommend in this approach that we set the base level of f.a.r. For the north of vaughn and transition area at 1-1 f.a.r. For commercial uses. We would set the same base f.a.r. In both of those areas. The upshur, we're talking about not doing changes under this proposal. We would allow f.a.r. To increase in these areas through payment of a set amount of money per square foot of additional f.a.r. So that would be the bonus fee payment. The payment that's would be received would go into a fund to be used to construct transportation improvements, the specific improvements the fund would be used for would be based on a pdot study that would identify the appropriate projects, it would identify the phasing of those projects, it would identify a funding strategy for completion of these projects. The increase in f.a.r. Available through bonus would be capped, it would be set at 1.85 to one in the north of vaughn area in the industrial area -- **Katz:** You get to the place where we want it, where we wanted to get to, but it you -- but you get it with money.

Zehnder: North of vaughn, yes. We actually get, in north of vaughn, to a place a little more than staff was recommending initially and planning commission, which was 1-1, but with money in this case.

Katz: I thought there was interest in one-eighth.

Zehnder: And in the transition area, the bonus would go up to 3-1, which is what's allowed in ex zoning. So we're just having you buy your way up to the ex zoning level. North of vaughn I don't know that I need to emphasize this, but north of vaughn limited is lower than the ex, that was that whole separate policy discussion. And in the transition area, it's limited to what's allowed in the e.x., 3-1. I want to point out that the city council that the proposal, this proposal lowers the f.a.r. Available to the c.n.f. Properties, which are in the transition area, but already zoned e.x. However, it's important to note that currently the zoning for c.n.f. Is e.x., would allow 3-1, but requires that that approval of f.a.r. Be conditional on the approval of a master plan. And the master plan is supposed to look at mitigation of impacts in a variety of other issues, so that even though it is e.x., the 3-1 f.a.r. That the c.n.f. Properties currently face is somewhat conditional. The difference with this particular proposal where it would be bonused is although it's lower initially, the base zone, it's a we have specific path to increase it up to 3-1, which would be simply a payment of so many dollars per square foot of f.a.r. That would be determined through the bonus. We believe this bonus approach would meet legal requirements. We think there's something we can do within Oregon law and our zoning authorities. We would base the charge per square foot of floor area ratio on an assessment of the traffic impacts of new development, so it is tied to what we think the impacts would be. It would also be tied to the associated costs of the major system projects, major new transportation projects needed to mitigate that traffic, and it would also be based on a look at the impact on the market value and developability of the land that would be subject to the bonus charge. We haven't yet developed specific code language to implement this bonus approached, but I wanted to present the concept today in response to commissioner Francesconi's question, and if city council is interested in this approach, we will return at a future hearing with the specifics of the language for your consideration. It's important to note that at the heart, or a critical piece of this is that pdot has to undertake this capital improvements study. We have to do that to document that these are the right projects and that they're linked to that development. And that that study

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currently is not funded, and so given pdot's position, it would be a challenge to implement this without identifying some --

Francesconi: Is pdot here? How much is that study --

Katz: Come on up, Jeanne.

Jeanne Harrison, Portland Office of Transportation: Jeanne harrison, Portland office of transportation. In talking it over we think it would take about a year to put a really realistic list of projects together, and we think it would probably cost in the range of 50 to \$100,000.

Francesconi: We'll do it. We'll do it. We'll find the money.

Zehnder: So -- that really concludes my presentation of these two approaches. One is just roll back the planning commission's approach, the other is to invent -- to develop this bonus approach to try to link the two.

Francesconi: Just one -- I think you've already said it, the bonus approach would apply to the hope upshur property?

Zehnder: It would apply to north of vaughn, to the transition area, and it would apply to any part of the upshur properties that you wanted to keep in the plan. So, for instance, we're suggesting under our roll back approach that you don't include upshur, but if you wanted to include it in a -- leave the designation on upshur, we could apply this bonus to that as well. So when properties were rezoned in conformance with the comprehensive plan, if they were going to go above 1-1 f.a.r. For office, they would also be subject to this charge.

Kelley: If the council wanted to go with that finger of e.x. On the upshur, that would be subject to the same provisions, the 1-1 and --

Francesconi: And the other people could still do office if they did the bonus, or not?

Zehnder: The other people --

Francesconi: The people not in the e.x. Area.

Kelley: Within the upshur triangle?

Francesconi: Now i'm hearing from other people that want to build offices --

Zehnder: If we roll it back it's a limited amount of office that can be done. It's an industrial zone. It's an unlimited headquarters office, but a limited amount of regular office.

Katz: Let me just tell you this. I'm sitting at a table, and gil is with us with other mayors and citizens who want to go, or at least let me be fair, who want to study the expansion of the urban growth boundary south of wilsonville. That crosses the willamette. And probably would end up at woodburn. As we keep fiddling around and shifting from industrial to commercial. So i'll support this, but it's going to have to be fairly limited. Otherwise I can't go back to the table and neither can dan and argue our position that no, you're not to go across the willamette to south -- and south of wilsonville to expand the industrial -- the urban growth boundary, farm and forest land for industrial land. I've said my piece on that issue. Ok? Can we have -- can I have a motion and a second and then we'll hear testimony?

Saltzman: I'll move the amendments.

Katz: I do hear a second?

Francesconi: What are -- is it the bonus approach?

*******:** We need to --

Francesconi: There were several different -- we want both of them: I would like the bonus approach.

Katz: The bonus -- that was what I was asking.

Kelley: And then with regard to --

Saltzman: That's what I was moving.

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Kelley: And with regard to the upshur --

Francesconi: And I think tad's ok with it too.

Katz: So you would include the upshur as well?

Kelley: You'd prefer the one where have you two blocks rezoned? As opposed to going with the planning commission? Upshur.

Zehnder: If we have a bonus system in the smaller boundary, I think it is a more conservative approach, and that's -- we are facing a transportation system challenge.

Katz: What would you recommend for the --

Zehnder: The one on the left. Where we just rezone that parcel, and make it all subject to the bonus provisions.

Katz: Ok. So they include that recommendation for the upshur property as well. There's a motion, there's a second. Let's open it up for public testimony. Come on up. We're going to do this very informally. We have three chairs, I don't care when you signed up. You're all going to be here anyway. And we're not leaving until you all finish.

John Bradley, Chair, NW DA Planning Committee: Thank you. My name is john bradley, i'm chair of the nwda planning committee. I'm here today and i'm going to ask for some liberties here. I'm here today to speak against the entire plan as currently envisioned. I think everyone has received from the nwda board a letter saying that not only will we not support this plan, but we will actively oppose it. What does the nwda gain by not supporting this plan? The industrial sanctuary will be preserved, we don't have to deal with the potential of 10,000 car trips through the neighborhood, and I will -- might add the residential part of the neighborhood, there's no chance of 125-foot tower, we will have no parking structures, we will have no parking meters in the neighborhood, the development in the transition area will do go on a case-by-case basis for rezoning, which is -- will arguably give us the finer grained structure that we have requested and asked for. And what are we losing? We're not losing too much. There's nothing in this plan that's specifically talking about, yes, a park will go here. There's very little about pedestrian improvements. There's no money for any of that. And so we're losing very little. And if I might diverge just a little bit concerning just a general philosophic statement here, we have tried very hard through this entire plan process and indeed as a neighborhood for the last two to three years to kind of tone down our emotionalism, tone down our volume, work with everyone toward compromise. And our reward for that seems to us to be a plan which has nothing for the neighbors in it. There's plenty for deep pocketed developers here, and that's all we're getting. We've tried to compromise over the last three years. 1999 we compromised with c.n.f. For their headquarters building. They even signed a document, and I think you've been provided with copies of that document, which specifically states that they will process with a master plan process to prevent piecemeal development. They've thrown all that over. And you're about to help them do that. We -- frank byrd worked for years on the process to get some sort of boundary going between nina and the residential area. That was hard-fought, everybody wanted something. We came up with something, we presented it, and now deep pocketed developers are here again, and all of that compromise has been thrown out the window. If you want to do something on vaughn, let's do something that makes economic sense, and that doesn't ruin the neighborhood. If esco really has a need for additional space to develop incubator space, then I am going to say the s word, spot zone it. Spot zone esco so they can become an incubator. You just did it for dove lewis.

Katz: I appreciate what you're doing, I understand what you're doing in light of the other half of the plan, which was the parking plan. If we can -- if we do something else on the parking, would you still take that position, that you just took on this --

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Bradley: I honestly can't answer that. You know, this was negotiated as an entire -- as an entire package, so I can't parse it out. All I can say is this plan, in its entirety, does much more harm to the neighborhood than it does good.

Katz: And you're rightfully viewing it as the parking actually the council voted, it was a 3-2 vote, and so you are seeing it now as a total plan in totality.

Bradley: Right. The whole plan doesn't work.

Katz: Ok.

Bradley: And it's sad, and if you look back at the history, in 1977, the nwda was the first to be here with the idea of a neighborhood plan, and the idea was to control development and present -- and prevent a very old neighborhood from being overrun commercially. And now here we are, 30 years later, and we're about to be overrun with traffic and commercialism again. And the neighbors just can't support that.

Katz: And I -- as one of the neighbors, if we don't change the parking piece, I will join you in the opposition on that. Because I tend to agree with you.

Bradley: I respectfully, mayor, there are other pieces here, and parking has subsumed so much time, we have no -- no one has looked adequately at what the impact of 950,000 square feet of office space on vaughn is going to be. No one has looked at how to adequately control the master plan, pick a number, the additional 750,000 square feet of office space, for c.n.f. You know, we have not been against development. We have been against development that's going to ruin our livability. We allowed c.n.f. To come through with their headquarters office, even though everyone knew that was not a headquarters. Their headquarters is in menlo park. We compromised there, and this is what we get. Thank you.

Katz: Thank you.

Francesconi: John, I understand your feelings on the parking and I won't even go there. In terms of vaughn street, down zoning c.n.f. And coming up with a provision, because what -- to actually improve vaughn street to increase the capacity is exactly what I think you wanted.

Bradley: But the reports i've read say that unless you come up with a big parcel of money, that it's not going to improve anything. It's going to be the equivalent of rearranging the deck chairs on the titanic. We're talking -- I think the initial report, the staff knows better than I do, but the initial report was talking about tens of millions of dollars. And will these bonuses that we're talking about here adequately cover that? I don't think so. And even if we do improve the intersection, what is going to prevent people from cutting through on 24th, and 25th? That's residents up there. That's open space up there. That's a school up there. What is going to prevent that? Studies already show that 30% of peak hour traffic on those streets is headed toward montgomery park. A reasonably small office structure. And we're saying that we're going to be able to control two, three, four more of those by just merely improving a set of intersections and opening a road? No one I talk to believes that.

Katz: Thank you, john.

Bradley: Thank you.

Mike Radway, NWDA Board: Madam chairman, my name is mike radway, I live in northwest Portland and I appreciate the opportunity to testify today. I am a member of the nwda board and a member of its transportation and planning committees and I want to second everything john bradley has said here today. And I want to say that from the offset that we're not antidevelopment. I myself am a businessman, I chair the board after \$45 billion bank that expends 10% of its income every year to build affordable housing. So I think our goals are similar to many of your goals. But we look at the totality of the plan, not just the parking section, although that's the hottest issue, and

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even without the parking, there are issues and three of them are -- two of them are issues that you're considering here today that are particularly important. The elimination of the c.n.f. Master plan requirement is a very significant, particularly when you add it to the proposed increase in the f.a.r. Of -- if its being considered. If you look at the city's own document here, they looked at the request to increase to 1.85, and they said ignore the request to go to 1.85, even at the 1-1 level, the transportation fall silts will fail. Well, we're being asked to choose between two options both of which under which we fail. Even with the proposal that has been made to authorize essentially the purchase of additional f.a.r., which is nice in concept, we have no evidence that the purchase of that additional f.a.r. Is going to address they're of the problems that would be rated at a 1.85 f.a.r. Or a 1-1 f.a.r. So I think it would be -- it would be irresponsible not to defer action on this until you get evidence from the city that actually allowing people to purchase additional f.a.r. Would alleviate the problems being created, both at the 1.85 level and at the 1-1 level. And so we would strongly encourage you to defer action on this until you get more information, and as John said, even without a parking plan, these issues are sufficiently important to us that they would change the character of our neighborhood and we would urge you to defer or oppose them if they have to come up in this fashion.

Katz: Thank you.

Steve Schell, ESCO: Mayor and council, I'm Steve Schell, representing esco. My address is 805 southwest Broadway in Portland. I appreciate what the northwest district association has just said, and the impact that these proposals have on them. But I believe with all due respect that they're sticking their head in the sand with regard to what happens at 23rd and Vaughn. The numbers clearly show that 23rd and Vaughn fails within the next 20 years. The question is, how are we going to solve that problem? There is one proposal in front of you, and that's the f.a.r. Bonus, and that provides a mechanism for the city to advance its share of the activity. Private money would be available under that f.a.r. Bonus to match whatever city and federal money might be available to improve that situation. It's going to require work, and it's a complicated process. And this process isn't done that -- the dollar figures are still uncertain and exactly what the resolution says are still very much uncertain. That's not worked out yet. But the f.a.r. Bonus we think has a chance of advancing the interests of all concerned. With regard to the question about changing Vaughn, Vaughn does need some changing. The fact is that a buffer is needed in that, and it hasn't worked on the south side. Providing this mechanism will provide that buffer. Esco thinks it needs that, and it will benefit the whole Giles Lake industrial district. So I don't think you can just ignore what the objective is here, and expect it to go away. Things are changing. There is a response needed. We don't have the money to carry it out. This provides one mechanism for getting that money. So I urge you to go forward with the f.a.r. Bonus. Let's see what the numbers are after the staff gets a chance to look at it. Let's see what the language is. I hope we'll have a chance to talk more about that particular activity. But for now it seems worth while to instruct your staff to go forward with perfecting this set of ideas.

Katz: Ok. We'll take -- is there any more testimony? Come on up. We'll take this motion conceptually until we get the writing. And Jeanne, I think the issue of how much money are we talking about is a legitimate issue. I mean, are we just doing this to feel good, or can we actually accomplish something that will help the neighborhood?

Francesconi: It depends on how high we set it.

Katz: I have no --

Francesconi: We can set it plenty high.

Katz: I need at least a ballpark figure of what we're talking about.

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Steve Abel, Stoel Rives, Attorney for CNF: Good evening, my name is Steve Abel, I represent c.n.f., I'm a lawyer with Stoel Rives. I'm going to restrict my comments to the buy-up provision. What I think of as a bonus buy-up provision. We at c.n.f. have not had the time, and I don't think Mr. Schell has either, had the time to really analyze what that provision means, and what it means economically for an ongoing business such as c.n.f. As we've talked about before with respect to c.n.f., CNF is a large employer in the city, owning a large chunk of industrial land, that's a valuable asset for the city and we take the ownership of that parcel seriously. When it comes to being an employer in this city. You already made a decision with respect to the c.n.f. Property to take a portion of that property and require rededication of parts of that property to public streets. C.n.f. is also obligated as a corporate citizen if it goes to develop to pay transportation system development charges. And now on top of that, if c.n.f. were to develop that property, would be paying some unknown number for this bonus buy-up if it wants to go above an f.a.r. Bonus of 1-1. All of that means this proposal requires significant study before it's adopted in any particular fashion. You don't have code language before you, you don't have numbers before you, and there is a study that has to take place, and unfortunately that study itself lacks funding. So there's a great deal of reason to be a little bit skeptical about whether this can be accomplished. I won't make comments about the program in terms of its legal status, I've got concerns about its ability to even exist in the framework of s.d.c.'s and a statutory provisions for both s.d.c.'s and l.i.d.'s. I don't know that this one fits one of the pigeon holes that's allowed by state statute. The last thing I'll say is I think you should be very clear on unintended consequences whenever there's a proposal for adoption like this. Remember what the bonus says, you can develop office at 1-1 without paying the charge if you will, to go up. Don't encourage folks to change the urban character by building it 1-1 if that's really not what you want in that location. As you take and you place the f.a.r. Restriction on and you have s.d.c. Charges, land value diminishes, people's expectations for the land diminishes, and if they're allowed to build it 1-1, at no charge, no extra charge, they may very well do that. And I don't think that's what's intended in that transition district. The final comment I'll make is that this is a new proposal that came up right before the 4th of July. I saw it for the first time earlier this week. It applies to all the transition districts, all the transition zone and all the property owners. They're not here tonight, I think some of them would have comments about what this means for their particular properties and their particular opportunities on those properties. So with that I'll conclude, and I think you'll make your choice, but it's one to take with great caution.

Katz: Did you hear me what I said, you're right, both of you are right for different reasons. We'll take all vote conceptually, we'll come back with the language and that will give the other property owners an opportunity to read the language that's drafted. We may get some information on the costs, and before we adopt it formally.

Abel: I understand that. Thank you.

Katz: Anybody else? All right. Come on back up. What's the council's desire to take this as a conceptual motion? Are you nervous about it? Do you want more conversation?

Francesconi: You can respond, and I appreciate Steve Abel's clients, it puts them in a difficult situation. The way I see it, when we did it piecemeal and we were warned by the neighborhood to not do that, then it put c.n.f. at an advantage compared to the other folks, as far as I see it. This levels the playing field. Now the amount has to be -- it can't be set so high that it acts as a barrier, and contributes to 1.1 in areas where we don't want it. On the other hand, it can't be so low that it's not meaningful to help redo Vaughn. And so that's why we do need in the interim to do some work on this, so we can figure out what the range is. But I'm still confident because by upzoning we're

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increasing the value so much of the land, that legally although I wish there was a lawyer here to answer this, that we're going to be ok by doing this. Because what we're trying to --

*******:** There is a lawyer in the house.

Kelley: Just hiding.

Katz: Can you respond to that issue? You cannot put this in front of the city attorney. They're going to fall asleep if you do.

Linly Rees, Deputy City Attorney: It allows me to yawn at will. It works fine. We've looked at this proposal, and it's a fairly new idea, and we've begun looking at where it fits into the scheme of s.d.c.'s, l.i.d.'s, we think there is a way to do this. But we're going to need a lot of time to work with planning staff and transportation staff to make sure it can be done and be set at a level that doesn't create legal problems as well.

Francesconi: Ok.

Kelley: We should also be clear that housing would be exempt from f.a.r. Requirement.

Francesconi: And the reason I want to try to do this is because I know how hard it is for us to have infrastructure in other parts of the city. If we could do something like this it would really work. This would be good.

Katz: Will we have a clue as to what we're talking in terms of making the transportation systems work, or --

Harrison: We have a clue. We've got a clue now that the proposal that came from the planning commission pushes the limit. What we didn't do in pdot is look at what potential mitigation would be needed to fix any -- what we were calling hot spots. We would need to go back and do both a modeling level analysis as well as a traffic level analysis to come up with a specific list of projects that addressed all the hot spots. The study that was done on behalf of esco only looked at c.n.f. And esco as the new areas and didn't look at the rest of the transition area, nor the upshur warehouse area. So we need to go back and redo that whole analysis. I think at the end of that time, we would have an idea of what the appropriate projects would be. We would want to look at multimodal projects, not necessarily just traffic fixes, because that's what Portland and the transportation system plan is all about, is multimodal improvements, not just increasing capacity. Both are needed, potentially. So I think we would have some answers, but in a short period of time I don't -- I can't give you specifics.

Katz: We have a couple of weeks, right? We've got a month.

Harrison: A thorough analysis would take more like six months to a year. A month is not going to give us any concrete ideas. Joe and I have been crunching numbers for the last week pretty intensively, so we can give you kind of a range of prices, we could give you a range of what that means in terms of what we think it would generate, in terms of dollars. But it's really a range, and our assumptions were pretty rough.

Zehnder: If I can -- the esco and part of their exhibits that they submitted with testimony has already estimated just for what they were asking for, \$8 million worth of projects. The there was also another list of \$20 million worth of projects. And pdot doesn't agree with that -- that those are the right projects or the right prioritizations. But we have done as jean said, some number crunching to see what kind of revenues & an approach like this might be able to generate, and if we set the bonus fee at approximately something like \$5 to \$10 per square foot of f.a.r., we could be generating 5 to \$10 million in revenues depending on the pace of development, and none of that is guaranteed, since this is pay as you go.

Katz: And it's to be split 50/50.

Zehnder: You know, i'm not sure what the --

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Katz: In terms of what's the responsibility of the property owner.

Zehnder: Correct. And the whole way the study would work is to find this most sort of effective combination of capacity projects and multimodal projects, and that's our 20-year capital program for northwest, and to have a price tag for that, and also have a funding strategy for that, and then to look to say, we could accomplish 10, 25, you know, 50% of that through the bonus system, or through the private sector funds, and we'd have to find the other -- the -- up to 50% or more to do it. Through federal funds or whatever.

Francesconi: If we could, I don't think we should adopt this conceptually unless -- could you do a little more work in a month? I think we should explore this and have you bring it to us in a month.

Katz: That's all right. We can do it either way.

Kelley: We'd come back I think august 27 so -- and we'd want to produce information before the meeting time.

Francesconi: I think that --

Kelley: A month or a little more --

Francesconi: Get it out to people ahead of time.

Harrison: I just was telling joe, i'm personally going to be on vacation one of those weeks. I probably would not be doing all of the analysis anyway. The problem is freeing up staff to do it. And the resources to do it, because everybody has other commitments. So it's -- it would mean something else would get delayed that we're working on.

Katz: For a little bit of time to get this resolved --

Harrison: We could bring more information back than we have today, we wouldn't be able to bring you all the information.

Francesconi: I understand. A range is all, just a range. Not the precise numbers.

Katz: I guess --

Zehnder: I just wanted to point out one more thing about both the first option we presented and this one, with the bonus. That they both are more conservative than what planning commission put forward, so in part we were trying to be responsive to the kind of issues that nwda was raising, and even though the north of vaughn f.a.r. Is higher, the removal of the upshur warehouse district removes much more potential development than we've gained through the increase at north of vaughn. So the net of what we had came out of planning commission and now is less in terms of traffic.

Katz: Ok. Is that all right with the council? Let's take the last issue, which is the bonus height option. For housing. If you recall, the council wanted to move forward on it. I insisted that we adopt rather strong language for the design commission. I talked with the chair of the design commission, he's fine with that, why don't you read it and we'll have testimony.

Zehnder: The proposed amendment would amend section 33.510.210 of the zoning ordinance and actually the commissioners you have copies of it, it's the blue page from your package, it would amend section e, subsection 1 and add the following sentence to say, although this subsection, this subsection addressed the bonus height option for housing, although this subsection allows the review body to approve bonus height, the review body may also require reconfiguration of the building, including reducing its height, and may approve all, some, or none of the bonus height requested based on an application of the criteria in e-3 below. And e-3 refers to the criteria used to judge a bonus height. We're also, as we recommended last time, recommending the addition of language to the section e-3 approval criteria to add this sentence -- criteria f, which would say, the

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approval of the increased height is consistent with the purposes stated in subsection 33.510.205a which is the purpose for height in the central city plan.

Katz: Why don't you read it.

Zehnder: The purpose statement, this is already in the code, this is as we testified last time, why we think the design commission already has substantial authority to regulate this, the purpose statement for height says that the maximum building heights are intended to accomplish several purposes of the central city plan. These include protecting views, creating a step-down of building heights to the willamette river, limiting shadows on public open spaces, and ensuring building height compatibility and step-downs to historical districts and limiting shadows from new development on residential neighborhoods in and at the edges of the central city.

Katz: In addition to that, we gave them strong language that there's more that they can do.

Zehnder: Correct. So with the addition of this language, we would recommend that the policy reasons for looking at this uptown shopping center site as a good infill site are still sound, it's a very well served neighborhood in terms of transit, it's the perfect kind of situation where we are trying to encourage infill development in a commercial district, residential development of such a site or infill development of such a site for residential uses could actually help bolster the market for commercial on 23rd and 21st some concerns of which we've already heard about. We think the policy reasons in both the comp plan and the central city plan for supporting infill are there, and this language can allow the design review process to take care of the impacts the building design might have on the neighborhood.

Katz: Ok.

Francesconi: You did a good thing to pursue this, mayor. Those are good amendments.

Katz: Let's have public testimony. On this language.

Laurie Holland: Commissioners, my name is laurie holland, I live at 2360 northwest westover road. Smack dab across the street from the proposed tower. My home is fondly and commonly referred to as the wisteria house. It was built in 1906 and at the time they planted a wisteria tree that has been the focus of several articles, landscape articles, greeting cards, it's been featured in a garden section, home and gardens of "the Oregonian." it has a 96-year-old wisteria tree. This proposed tower will essentially take away all the solar access to my property. And after consulting with an arborist, they are telling me the wisteria tree will surely die. The proposed tower is out of scale, and not in keeping with the beautiful architectural heritage and vision that I think our forefathers so carefully platted for us, and it earned the city the reputation of being a city of beautiful homes and sensitive to development. The proposed tower will not only block the solar access to my property, but to hundreds of other properties in the historic alphabet district, which is directly across the street. I can also personally testify that the traffic on westover road is at capacity, and I can't understand how the transportation division can't -- won't seriously consider what the impact this building might have. I witness countless near misses outside my property as pedestrians, bikes, and children try to make a run for it to go over to ben and jerry's and get an ice cream cone. There's a convergence there of so many driveways and streets, and i'm very concerned in the event of fire or evacuation, how emergency vehicles will be able to get to the property, access to the property, egress for the people in the event of an evacuation. The development site includes an unstable landslide area, and also it is in a moderately high earthquake zone. There's only one higher earthquake zone in the city. And I look to you as our leaders and I look to you for your vision. We hope that we will think about preserving our city for future generations, and the livability of our city. I see this proposed tower, because it is also in an area that is a gateway to Washington park, I see it as a cancerous black spot on our beautiful rose of a city.

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Katz: Thank you.

Holland: And I urge you to really seriously consider the implications that this tower will have on our beautiful urban area. Thank you.

Bil Hatch: I'm bill hatch, and I have some properties around Portland. Specifically one that's the four plex next to Laurie. And my structure was built in 1898. And I bought it about four years ago, and I spent eight months of my own personal time inside that place to renovate the whole inside. It's nice inside, and my tenants enjoy it, and they think it's a really nice place to live. And I'm really concerned more for my tenants than for myself as an owner of the property, that their lifestyle is just going to change completely there. They're going to have a concrete wall to look at now as a view. It's just intolerable. What am I going to say to those people if this thing goes through and they start construction? There's going to be a year's worth of construction outside their window, and from what I understand, there's going to be a 40-foot-deep excavation there for parking underneath this thing. I just couldn't believe it when I heard about this thing. I think there is a northwest resident, I used to live in one -- I have another four flex on Overton, I know that's going to be probably affected by this other part of the project. I just found out this evening too that I have a house, my wife and I have a house on -- in the Brooklyn area, on the ridge overlooks McLoughlin, I'll be looking straight at the towers across the river too. Anyway, my main concern is for the livability of the area, the traffic problem is another major concern, and I think solar access is -- I concur with Laurie on the solar access bit. I'm directly across the street from this thing, and it's just a blight as far as I'm concerned. I thank you very much.

Elsa Warnick: My name is Elsa, and I've lived in northwest Portland since 1969, currently live and work at 20th and Irving. I have e-mailed all of you the same email, and essentially saying, yes, to all the questions asked on the resident brochure which I received about visual blight, about the shadow patterns, about the increased traffic, all the issues I said yes. But the other thing I said, and I will say it again, because I don't even know how it got this far. It's the emperor has no clothes. All you have to do is look at the model. What are we arguing about? It's self-evident. I don't -- you can say numbers, you can see codes, you can say all those acronyms that I don't know what they stand for. It has nothing to do with the simple reality, the little boy pointing and saying the emperor has no clothes. Just look at it. It's utterly out of scale. It's like a monster in a movie. If I didn't know that I received this thing as the real scale model photograph and showing it in context, I would have thought it was a spoof about the big, bad developer in the village. It's so exaggerated and so self-evident, it has no place in its design, but primarily its scale in that setting. That's it.

Katz: Do we have a model here of this? Anybody else? John, come on up. Nwda supported this --

Bradley: Without you the bonuses. We do have a scale model. I believe it's in the office. There was a model around.

Katz: I saw a model floating around but I hadn't seen it -- there was something yellow in the middle.

Bradley: All I can say, Mayor, is that I have received more emails and phone calls than for -- against this project than any other project I can remember in the 10 years or so I've been involved with the neighborhood association. And to be honest, they're split about 50/50. There's about 50% of the people think that absolutely no development should go here at all, and the other 50% say, ok, but definitely not at 125 feet. And, you know, when you chat with them on the phone, they seem to -- they seem informed enough to realize that the shadow lines they're seeing are -- some of them are for December, in which the lines obviously the longest, they also seem informed enough to realize that a square yellow rectangle does have on a set of papers, does have a tendency to make

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the building look big, and yet they're still against it. A lot of people are very, very concerned about the traffic flow pattern in that area, which is as i'm sure you guys know, is already very peculiar to begin with when you have to drive through a parking lot to get down to westover from burnside. It's always been kind of a strange thing. Again, I think -- I know recently there's been a lot of pressure on the commissioners from the business community, and because of perceived inadequacies. And partially because of the economy. And I think everyone needs to realize this is a 20-year neighborhood plan, and that this isn't a short-term economic stimulus process. We have all the transition zone area to go ahead and build on.

Katz: Folks, you have a choice. The only reason I put in this language is because I don't think there was a desire to eliminate the bonus. So I need to hear from everybody else whether you're still on board with this language.

Francesconi: Could you just explain in lay terms for the people that just testified, what the amendment that the mayor proposed does?

Zehnder: Yes. The amendment would require the building to go -- the building already has to go through a type iii design review. So it's going to be reviewed by the Portland design commission. The criteria by which they are going to use to -- they're going to use to review the building include these criteria that we were just referring to about whether or not the height is appropriate. The kind of thing that the design commission is empowered to look at includes shadows on neighborhoods, and appropriate sort of scale transitions to existing historic and other residential neighborhoods, and the language that the mayor has -- is recommending also makes clear that the design commission in that review of the designs, the evidence they're presented, has the authority to reduce the bonus height, to rearrange the building, to recommend rearranging the building so that it fits more appropriately onto the site. So the issues -- if I could suggest that there's the ability to separate an issue of whether or not this is an appropriate site for housing infill development, which we think it is, whether or not it's an appropriate site for a tower of the type that is being illustrated by the developer and also illustrated by this brochure that you have, the accuracy of this, we can't speak to that, we think that is a decision that's best handled in design commission review.

Katz: Are there any examples by the developer, any architectural drawings of the building?

Zehnder: Yes, I believe that we do have some images that we have on power point that we showed last time.

Katz: No. This is not from the developer. This is from somebody who was opposing it.

Zehnder: This is from the opposition. We have some on power point if we can pull them up.

Francesconi: On a controversial 3-2 vote, weak design standards before these we used to defeat the avalon hotel, because it was too tall and too much shadow along the green way. That was weak standards that are not nearly as strong as these standards. I also see we have a prominent architect here who testified against this before, I take it by his ok with it now, is that right?

*****: Ok with the language?

Francesconi: Ok with the amendment.

*****: Yes, we're ok with the language.

Saltzman: The design commission could limit the bonus all together?

Zehnder: Yes.

Kelley: Correct.

Zehnder: One other point. The hillside neighborhood in a letter they sent to the commission, the city council has asked that early consultation with the design commission be required. There are two different means by which that can already be done voluntarily and the developer --

Katz: We want to require it.

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Zehnder: The developer promoting this project is going to take it to that process, and requiring it is just a bigger code issue that we don't need to get into.

Katz: Explain to the council what that means.

Zehnder: What it means is that early on in the development of this project, it's going to go to a public meeting, a public working session, noticed to the public at the design commission. So the idea is this, that part of what might be contributing to the design commission's reluctance in the eyes of some to do these kind of adjustments is that too much money has already been spent on the design of the project, and it's too late in the game. What this is going to do is get the project in early, while -- before the construction drawings are done, and it's going -- one is going to be able to make that argument that it's too far, too much money has been spent to do major changes. In any case, that probably should not be a legitimate argument that the design commission would have to listen to, but of course they do. So this gets them in early before too much money is spent too far down the road.

Katz: It gets appealed to us.

Kelley: Type three would be appealable to the council. I would suggest one further step which doesn't require action in the ordinance itself, but I think it's probably worthwhile, and I'm certainly willing to convey this message myself, but from the council to the design commission, because this -- we're talking about this in the context of one proposal, but we've written this into the central city chapter, and I think it's important for the design commission to hear from you that you want them to have this authority and to exercise it. It does augment the authority or make it more specific than they have now, and I think it's important for them to know that coming from the council.

Katz: You would recommend a letter signed by all of us.

Kelley: I think that would be good. Just having words appear in the code may not have the same effect as a communication directly from you.

Katz: I flag that -- flag that to mike, but I think that it probably -- if the council wants to go in this direction, probably wouldn't hurt. It could help. They're very nervous.

Saltzman: The design commission is a type -- it would be a type three process?

Kelley: Correct.

Saltzman: Would the appeal -- it would be appealable to us?

Zehnder: Correct.

Katz: You look at the final --

Francesconi: We're going to hear this case anyway.

Katz: And commissioner Francesconi is right, with -- with less teeth we turned it down.

Francesconi: Much less teeth.

Katz: We should have turned the whole thing down. But we --

Leonard: Commissioner Sten is right. We're probably going to hear this anyway if both sides do what appears has been done. The message I would send, if this is the process we use, is to earnestly try to come up with a compromise. Don't -- please don't put us in the position of having to decide what the fair thing is. If the neighborhood can sit down and figure out a compromise, you're going to be happier than if we get put in the position of having to decide.

Katz: And this one I think is the developer that's going to have to compromise.

Francesconi: I have a little different view. I just want a good design that works. That's really the right project. It's slightly what commissioner Leonard is saying, a little --

Kelley: The early consultation commitment is really important for that.

Leonard: Just the few issues that I've been involved with since I've been here, I know some people have been upset at the decision the council's made, and my message, what I've tried to

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communicate back is, do a better job at compromising locally, and figuring out a solution and don't just say no because you can say no. I see you shaking your head, john, i'm pleading you to please put on your bargaining hat.

Francesconi: You don't want me designing that building. Let's put it that way.

Leonard: That's kind of what i'm saying too. [laughter]

Katz: Yes? Come on up.

Lee Stapleton, NWDA: I have a comment about this whole process.

Katz: Grab a chair. Identify yourself for the record.

Stapleton: I'm lee stapleton, I live on westover and i'm also a member of nwda. I know you have a difficult job this. Is just one aspect of this plan. I supported very much the motion of the association about giving lack of support for any of the plan because of the problems and the unwillingness of some parties to compromise. As to this particular tower, which I have a particular concern about since I live very short ways up westover, one of the things about your proposed amendment, it talks about reconfiguring the building. That would suggest that we may suggest or the design committee may suggest it be farther south on the site. If you're going to do something like that, which would be maybe a great idea, maybe it should right be on burnside, where you have the trees behind on the park, and it's not probably affecting views. But I think you need to start thinking about the transportation in the area. 24th place is a one-way street for half the block. And right at the hillside. And I think several years ago you had the whole problem of dealing with westover at one time you were talking about closing off westover, so it wouldn't go by where cost plus and the levi store, it wouldn't connect to 23rd, it would just go down to everett. I think this is a good time to maybe even hold off on this kind of review and think about how you're going to revise the transportation in the area to deal with this kind of project, because if this goes in, it's not going to be the only one. Maybe twist might say the owner of twist say, this is great, we can now put a big tower up instead of having our little project right at the corner of 23rd and burnside. And it's going to affect the transportation. And it would be a great opportunity for something to be done that would really impact traffic flow and coordinate with the rest of the plan. And I think we're really missing a great opportunity. I think we all see like terwilliger plaza at the hillside going up, going up terwilliger, down by duniway park, that's at the base of the hillside. Maybe this is the -- this building should be at the base of the hillside. It would mean that maybe only one side of the building would have views, but they're not going to have necessarily good views in any rate. So if we're going to talk about the whole plan, let's talk about a little larger area, or a little -- maybe even improving the c.x. Consideration outside the boundaries of the uptown to include maybe from everett south to burnside, and not just -- and a little triangle that's benefiting a certain developer at this time. Encompass the whole area on maybe everything south of everett all the way down. Because there's a lot of apartment houses already. I think we're missing a really golden opportunity to study what that could do for the whole corridor, or whole area up there if you don't consider the transportation, you don't consider all the several more blocks that might be better used to create a better transportation alternative. And by allowing this to go in, you're virtually preventing any of that from happening. Because you won't consider -- you won't be able to, unless somebody comes and says let's vacate 24th place totally, and have all the travel in front of the elephant's deli and everything, so --

Katz: I want to ask jeanne about the transportation, because we didn't ask the transportation. Thank you. We are putting a large number of people in that area, and it is congested. What can you tell us?

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Harrison: That intersection where all the streets come together and the people are pulling out of the uptown shopping center has been a concern of the neighborhood for quite a while, and they've been working with our traffic investigations group to try to do some minor changes to make it better for pedestrians to keep the cars flowing the way they're supposed to. Probably some of you, most of you know I live in the area myself, and I can definitely say there's a lot of congestion, a lot of problems where uptown driveways are. We have not had an opportunity to look at this proposal or do any analysis for it, and generally speaking as a part of the design review application, the office of transportation does not require any kinds of traffic studies, other than very limited operational ones. So we don't really know what the impacts would be of this development at this time. And whether any impacts could be mitigated or not. I doubt that the office of transportation would want to undertake a new study of the area and look at 24th place again. We sort of feel like we got the best deal we could at the time when we made the changes to the circulation system. We also have a policies in our transportation system plan that says don't do anything to that area that increases capacity around the 23rd and burnside intersection. So it would be very difficult to do anything major to change it to make it operate differently.

Francesconi: But there's no legal requirement now that anything be done on a -- for this development, is there?

Francesconi: Are you suggesting we do something new?

Harrison: No, All i'm saying is we did not specifically look at the impact of this development as a part of our transportation analysis.

Francesconi: Because there's no legal requirement that we had do that.

Harrison: We did an overall modeling of the entire study area that -- the additional height, which apparently there's no additional f.a.r. Is that correct? So it's not a change from what we originally modeled. There are congested areas that show up over the 20-year life of the plan, particularly burnside.

Katz: So in your model when you did the model, you did include a building of that size.

Harrison: Right. We looked at the f.a.r. Potential for the entire area, including the c.x. Zoning for the site.

Katz: All right.

Saltzman: One other question. The design commission's purview, do they have the ability to look at where the building actually is on the parcel of property? Some of the suggestions lee just made about possibly moving the building farther west --

Kelley: I think this language allows that, and I think the early review makes that more -- that discussion more fruitful and possible.

Katz: It may also require reconfiguration. Jeff, are you listening? Ok.

Leonard: What is the opportunity for citizen input at that level, the design commission?

Katz: Jeff, come on up. They can testify.

Leonard: I just need to know they have the opportunity to come in and shape the discussion.

Katz: Jeff, do you hear the nervousness of not only the community, but the people sitting in front of you on this?

Jeff Joslin, Bureau of Development Services: It would be hard to miss.

Katz: Ok. Introduce yourself.

Joslin: Jeff, bureau of development services.

Katz: So you understand, we're going to write a letter, but you understand that they can't -- they shouldn't be pussyfooting around this particular issue, they need to take a very hard, strong look.

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Joslin: The commission will understand. A year and a half ago in Code Maintenance 2002 we revamped the language in these preexisting provisions to get more clarity and more force to this regulation. This new language does that yet more so, and at the time that our proposal in this area subject to this regulation that was prompted by this discussion comes before, we'll flag that aspect as well.

Katz: Ok. The design commission, it's a good commission at this time, and my hope is that with strong language from us they'll understand what our concerns in the --

Leonard: The idea of your amendment is to better reflect the community's concerns.

Katz: Yes.

Leonard: That they've raised.

Katz: There were arguments, they can do it now, and I said no, I want to see it in writing.

Leonard: Because frankly if we're going to get to a place where both sides are saying no, we're not going to deal with it, we might as well just deal with it right here and bring it and just deal with it. If we have some idea that this is just not some convoluted process that's going to have both sides go to their corners anyway, I just as soon deal with it. If the community is saying no, we want to be part of this, and create what is there, I think that's a great thing to do if that's what happens. But i'm not one to like to just have people spend a lot of time and energy and waste a lot of money to end up with nothing. And that's kind of what i'm sensing, is possible here. And I guess i'm just trying to send the message of, if the community truly wants to be involved in understanding something is going to be built and impacting that, I think this is a great amendment. If they're saying, no, no matter what, I just as soon have the proposal come to us and let's decide.

Kelley: I appreciate what commissioner leonard is articulating, and I think this amendment does help broaden the discussion possible at that future step. So it allows the opportunity for more argument and debate. On the other hand, we're hopeful that particularly with the early review, that some of that discussion can happen in a productive way early on.

Leonard: I'm looking for some nods from the community, that, yeah, we get it, we want to help shape this discussion, and we're not just going to say no.

*******:** I have two comments i'd like to make.

Katz: Identify yourself.

Carol Fortino: Carol fortino and I live at 2719 Westover. Every morning of the weekday I have cars backed up to my house, and we're talking about three curves. And that's to either lovejoy or burnside and 23rd. My question is, what happens to that street at the bank there? It is now going one way through the parking lot, I use that street a lot too. Because there are times when it's 15 minutes to get out of my neighborhood.

Leonard: I guess what i'm trying to say is, I think it's become clear to me and maybe i'm wrong, that something is going to be built there.

Fortino: I understand that.

Leonard: What i'm asking is, is the neighborhood's position nothing is going to be built there so there is no possibility for compromise, which then puts us in the position of having to decide, or are you comfortable with what the mayor is suggesting, where you have input and an impact on what ends up being built?

Fortino: I think there's something for compromise. I can't speak for everyone, I think john does a better job of that. But all of my neighbors are totally shocked by the height --

Leonard: I understand. The most frustrating thing in the world for citizens is to feel like there is some process where they have some input and then they get ignored, and what i'm suggesting to

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you is this is a process the mayor's suggested where you won't be ignored, that you will be heard if you're in there trying to make things happen.

Katz: It is possible they will have with this language, the ability to say no bonus.

Leonard: You have to enter it knowing something is going to be built with.

Fortino: For me, i'm comfortable with that. But I can only speak to myself. But I know there are people who are even more impacted than I am. But what happens to that street?

Katz: Thank you. Jeff, one more.

Joslin: I have one additional wrinkle I want to bring to the attention of the council so that we all have a clear understanding of other implications of these proposed amendments. This language is coming about through -- as part of the bonus provisions that are enacted as a result of the height bonus overlay that's being proposed on this portion of the central city plan district. The additional language would only apply if this particular bonus provision were made use of. For the 75-foot height bonus. Other bonus provisions can be made use of that are allowed by right that could allow a building up to 120 feet without this additional discretionary review. Just simply applied -- applying the approval criteria, the central city fundamental design guidelines, and no additional adjustment or application of this type of language. I don't know if this is -- if this has been explained before or not, but I think this is important to understand in that it's imaginable that project 15 feet shorter than what I understand to be 135-foot proposal that you've seen an elevation of, could come in with that height allowed by right without an opportunity to address the height issue, and as direct -- in as a direct way as you --

Francesconi: Have you talked to planning about this before just now?

Joslin: Yes.

Francesconi: What's -- now you've got to deal with this.

Zehnder: There's a -- the provision that's are in this -- the plan require that the residential bonus be used first. So our thinking was that by requiring the residential bonus of all those central city bonuses to be used first and capping the total amount of bonuses that can be used on any site at 3-1 would make the bonus that's being claimed or the height that's being claimed to be used at the bonus, the residential related one, the one that goes to these provisions.

Francesconi: I guess now we have to hear from the developer as to whether they're going to go through this process or not.

Saltzman: We have a letter from them.

Francesconi: They are? Is there a letter that says that? If there's a letter that says it --.

Katz: All right.

Kelley: We'll look at this issue and see if there's anything else we need to do. As joe explained, it would -- it's likely covered.

Katz: Commissioner Sten is right, we're beating a horse here. But it an important beating. See what you can do to fix that. Ok? All right?

Kelley: I think your intent was to have this provision more broadly applied.

Katz: Yes. Right. Yes. All right. I'm going to hold off on this until we come back. I think I want additional language. Ok?

Francesconi: Additional language in the amendment?

Katz: In addition to that. It's up to the council.

Francesconi: I just want to make sure that the developers are going through this process. The letter says during the design, we will be allowed -- they have a different understanding than jeff does. They're saying that they're going to go through it in this letter. What I want to make sure is

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that it goes through this process. So if we need additional language for that, then, fine. But I don't think we do.

Leonard: I think the intent of the mayor is that that exactly happened, the developer is saying, yes, we are going to do that, and I just want to make sure it's a meaningful process. It sounds like -

-

Kelley: I think all we need to check on is make sure it applies to other bonuses that might be used.

Katz: Right. That's the question that -- that was the issue that just was raised, that they may not have to -- they may not be required to go through this process for another bonus.

Leonard: But is it your intent to require that?

Katz: It says here, allow -- it's the 75-foot issue that you identified, I think. And that --

Zehnder: The residential bonus is a 75-foot bonus and the design criteria that we've talked about today would be subject to that bonus would be subject to those criteria. In the central city plan district, there's other bonuses that could be used, and there's provision that's automatically grant a certain amount of height bonus that goes along with getting those f.a.r. Bonuses that the reasoning being downtown, in the central city.

Katz: How about in this particular site?

Zehnder: In this particular site we're requiring that the residential bonus be used first, and what we believe is that's going to make all of the height bonus be used -- be subject to this provisions. I guess we need to double-check that if some other bonus was used, whether or not that becomes --

Katz: Thank you. That's what I wanted. So conceptually folks agree? That's what i'm afraid of, and I think last time we talked, i'm having a real hard time with this issue with staff, i've never scolded staff before publicly, but last time we talked I said I wanted it on the base. I wanted it on everything. Ok?

Kelley: Ok.

Katz: We come back when?

Zehnder: August 27, 2:00.

Katz: August 27, 2:00. Thank you. We stand adjourned. [gavel pounded]

At 7:30 p.m., Council adjourned.