



CITY OF  
**PORTLAND, OREGON**

OFFICIAL  
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **12TH DAY OF NOVEMBER, 2003** AT 9:30 A.M.

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

Commissioner Saltzman arrived at 9:35 a.m.

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

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

<b>COMMUNICATIONS</b>	<b>Disposition:</b>
<p><b>1310</b> Request of Charles E. Long to address Council regarding bigotry in the Portland Police Bureau (Communication)</p>	<b>PLACED ON FILE</b>
<b>TIME CERTAINS</b>	
<p><b>1311 TIME CERTAIN: 9:30 AM</b> – Create a local improvement district to construct street improvements in the Lents III Extension Local Improvement District (Hearing introduced by Commissioner Francesconi; Ordinance; C-10006)</p>	<p><b>PASSED TO          SECOND READING          NOVEMBER 19, 2003          AT 9:30 AM</b></p>
<p><b>1312 TIME CERTAIN: 9:45 AM</b> - Portland Development Commission Economic Development Activities and Successes Report (Presentation introduced by Mayor Katz)</p>	<b>PLACED ON FILE</b>
<p><b>*1313 TIME CERTAIN: 10:15 AM</b> – Create Community and School Traffic Safety Account (Ordinance introduced by Commissioner Francesconi)  (Y-5)</p>	<b>178028</b>
<b>CONSENT AGENDA – NO DISCUSSION</b>	
<b>Mayor Vera Katz</b>	
<p><b>*1314</b> Pay claim of Ann Wolf (Ordinance)  (Y-4)</p>	<b>178025</b>

November 12, 2003

<p style="text-align: center;"><b>Commissioner Jim Francesconi</b></p> <p><b>*1315</b> Authorize an Intergovernmental Agreement with the Oregon Department of Transportation to provide Federal transportation funds for preliminary engineering for the NE/SE 102nd Ave. Improvement Project from NE Weidler St. to SE Washington St. (Ordinance)</p> <p>(Y-4)</p>	<p style="text-align: center;"><b>178026</b></p>
<p style="text-align: center;"><b>Commissioner Erik Sten</b></p> <p><b>*1316</b> Authorize acceptance of the U.S. Environmental Protection Agency grant award of \$325,000 for the Portland Brownfield Showcase Program (Ordinance)</p> <p>(Y-4)</p>	<p style="text-align: center;"><b>178027</b></p>
<p style="text-align: center;"><b>REGULAR AGENDA</b></p> <p style="text-align: center;"><b>Mayor Vera Katz</b></p> <p><b>1317</b> Adopt the Ninth Amendment to the South Park Blocks Urban Renewal Plan to establish authority to acquire three properties in the vicinity of SW Montgomery Street and 4th Avenue, including by condemnation if necessary (Ordinance)</p>	<p style="text-align: center;"><b>PASSED TO SECOND READING NOVEMBER 19, 2003 AT 9:30 AM</b></p>
<p style="text-align: center;"><b>Commissioner Dan Saltzman</b></p> <p><b>1318</b> Authorize an agreement with Colwood Limited Partnership in the amount of \$160,000 to conduct restoration activities in the Columbia Slough Watershed as part of the Section 1135 Program of the Water Resources Development Act (Second Reading Agenda 1306)</p> <p>(Y-5)</p>	<p style="text-align: center;"><b>178029</b></p>
<p style="text-align: center;"><b>Commissioner Erik Sten</b></p> <p><b>*1319</b> Authorize application to the Department of Housing and Urban Development for HOME funds in the amount of \$500,000 to fund permanent housing for the chronically homeless (Ordinance)</p> <p>(Y-5)</p>	<p style="text-align: center;"><b>178030</b></p>

At 11:12 a.m., Council recessed.

November 12, 2003

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **12TH DAY OF NOVEMBER, 2003** AT 2:00 P.M.

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

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

At 2:59 p.m., Pete Kasting, Senior Deputy City Attorney, replaced Linda Meng.

<p><b>1320</b> <b>TIME CERTAIN: 2:00 PM</b> – Consider the proposal of the New Seasons Market and the recommendation from the Hearings Officer for approval of Comprehensive Plan Map and Zoning Map Amendments to develop properties located at 1924-1926 SE Division, 2543 SE 20<sup>th</sup> Avenue and 2024-2038 SE 39<sup>th</sup> Avenue (Hearing; LU 03-125469 CP ZC AD)</p> <p><b>Motion to adopt the Findings of the Hearings Officer, overrule the objections and delete condition number 1:</b> Moved by Commissioner Francesconi and seconded by Commissioner Saltzman. (Y-5)</p>	<p><b>Disposition:</b></p> <p><b>ADOPT HEARINGS OFFICER’S FINDINGS WITH CONDITION TO DELETE CONDITION 1 OF THE RECOMMENDATIONS</b></p>
<p><b>*1321</b> Amend the Comprehensive Plan Map designations and change zoning at SE 20th and SE Division and SE 39th and SE Lincoln at the request of New Seasons Market (Ordinance; LU 03-125469 CP ZC AD)</p> <p><b>Motion to amend the Ordinance to reflect the removal of condition number 1:</b> Moved by Commissioner Francesconi and seconded by Commissioner Saltzman and gaveled down by Mayor Katz after no objections. (Y-5)</p>	<p><b>178031</b> AS AMENDED</p>

At 3:07 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.

November 12, 2003

## Closed Caption Transcript of Portland City Council Meeting

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

Key: \*\*\*\*\* means unidentified speaker.

**NOVEMBER 12, 2003 9:30 AM**

Good morning. [ roll call ]

**Katz:** Let's start communications. 1310.

**Item 1310.**

**Katz:** Mr. Long, he used his three minutes and wasn't finished last week, so he's coming back to continue. Welcome, mr. Long.

**Charles E. Long:** My address is 402 northeast mason street. I wanted to discuss an article in the october issue of brainstorm northwest, which was -- had an extensive interview with a detective from the Portland police force, and it was troubling in the first place because it implied that he spoke for the police bureau and the mayor. And the police chief.

**Katz:** It was troubling -- let me interrupt you. It was troubling because very little of it was accurate.

**Long:** Yes. You saw it, then. He said some things in there that were very disturbing, including he referenced a meeting july 1 of the albina ministerial alliance, and the city of Portland and the police, discussing the consent agenda -- the kendra james killing, and he called those that spoke primarily african-americans, as freaks, and that's not a very complimentary word. And he also said that these people didn't have a right to be represented, that is heard, they weren't part of the responsible community. And that was troubling, and he also said that it was shocking to find out that mark kroeker was a christian, and that they should have had a questionnaire regarding his religious affiliation before he was selected police chief. That and other remarks were very troubling to me, and I think would be to -- to the community at large. And I think this should be brought to attention to the police chief and the mayor, which apparently the mayor has already seen the article. Thanks a lot.

**Katz:** Thank you, mr. Long. All right. Consent calendar, any items to be taken off the consent calendar? Anybody in the audience wanting to take off an item? If not, roll call on consent.

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

**Katz:** Mayor votes aye. [gavel pounded] all right. 1311.

**Item 1311.**

**Andrew Aebi, Local Improvement District Administrator:** Good morning, mayor and commissioners, andrew abby, local improvement district administrator. No remonstrances were received, and we have a new property owner with us who is one of the 8% who did not sign the petition in favor. We had 90% petition support for this l.i.d. Thank you.

**Katz:** Thank you. Anybody want to testify?

**John Miller:** Hello mayor, commissioners, i'm john miller. We have recently purchased a parcel at 104th and harold. One of the factors into this purchase was the l.i.d. In fact, the fact that the l.i.d. was in place really made the project pencil out for us. Without that, it would have been a real tough call for us to purchase the land, redevelop the streets, and build the houses and keep them within the market that we can sell them for in lents. We are a nonprofit organization, and we build houses mostly in north and northeast Portland, and we're spreading now a little bit, and lents is an area we really want to get active in. And this project in particular makes our project possible and so

November 12, 2003

we strongly encourage this project and future projects. If private sector initiatives are to help with the transition of development in the lents area, this sort of support, roads, infrastructure, things like that, could really help. We were at a meeting last night, and the question came up if we don't do these sorts of programs, how do the streets get fixed? And it would really be left up to private developers such as host. The problem is, in lents in particular, to develop the streets, build houses, buy land, and then try to sell at a price that the market would bear there, it doesn't pencil. So host strongly supports this. Thank you.

**Katz:** Thank you very much. Anybody else --

**Leonard:** I just want to say, in response to mr. Miller, he came in and met with me recently, john, is this your first acquisition?

**Miller:** Yes.

**Leonard:** They've done remarkable work in north and northeast, and now they're identifying properties in lents to do the same thing, which is probably I would go out on a limb and say the most struggling community in the city. So I really appreciate your work out there and look forward to working with you in the future. Thank you.

**Katz:** This has been going on now for quite a while, so they've been good neighbors in northeast, and I know they've been looking at some properties out in lents. So thank you. All right. This will pass to second. All right. Well, let's -- I don't think you're going to have much company, so why don't we go ahead and start our presentation. Item 1312.

**Item 1312.**

**Katz:** As I said to you about a month ago, we're going to be writing our own news stories about the successes in the work of our economic development agency. I also told you that it was my sense from all of the reports that we have that we're beginning to see an upturn in the economy, and one of the things we need to do is continue to work -- continue the work we're doing and be prepared for the next wave that we think we know what it will be and what we need to do. But today i'm very pleased to have invited p.d.c. to talk with us about the work that they're doing and what they see happening in the economy.

**Don Mazziotti, Executive Director, Portland Development Commission:** Thank you, mayor. I'm director of the Portland development commission. Marty harris will join us shortly, she was coordinating a manufacturer's meeting this morning. Just a couple of things before I give testimony. I think you have a written report which I encourage you to read, because i'm not going to plow most of that this morning. We also have maps and charts here that provide summary of our economic development activity over the past fiscal year and also have a map that denotes the location of the 10 urban renewal districts in the city. To give you a sense just to key you on that, we have a \$24 million budget for economic development inside those 10 districts. For the remainder of the territory, which is the white that remains in the map, we have about \$900,000 in general fund from the city's budget for economic development. The point of course is to simply point out the difference in resources available in various parts of the city, but what I thought I would focus on is something which unfortunately doesn't get a lot of focus, but deserves it, and that is the considerable amount of economic successes that we've recorded or experienced over the last 12 months or so. Basically during the 16 months between, say, july 1 of 2002, and october 31 of this year. We have seen a whole series of economic development successes that I think have not been widely noted but are important for you to know about. During that period of time, we can document about 2,000 jobs that have been retained as a result of our work and your work, and an equivalent amount of jobs which have been created one way or the other through expansion or location. As the mayor pointed out, we're beginning to see now a significant upturn in both contacts from prospects as well as discussion was site consultants who are the people by and large in today's world who one deals with for purposes of business recruitment. But I want to talk about those

**November 12, 2003**

successes quickly if I can, but I think it's important because these are the stories that you don't read about, but the stories that build the economy one piece at a time. The enterprise zone has been a very important part of our economic strategy. As you know, the program provides a tax abatement. We think it's been highly effective. It's largely structured by the state and then administered by those cities who choose to participate, and Portland has been participating since the inception, basically, of the program. And here's what's happened within the enterprise zone in the last 12 months. T.c.i. America, which is a biotech manufacturer of organic chemicals, which is used in pharmaceutical testing and production, currently located in river gate, decided to move forward with a renovation expansion of their facility as the result of our work and of this tax abatement program. They will retain the 26 -- 27 existing jobs, they'll add somewhere between 24 and 32 new jobs, basically doubling the size of the company's operation in the city. That's over the next year. Swan island dairy, which is a kroger company, was considering relocating to the puget sound area. We spent a great deal of time with them, and explained the program, and the company ended up taking advantage of it. That's kept 81 jobs in the city and added 19 more. Cardinal aluminum, which with which many of you are familiar, this company took over a locally failed manufacturer of fireplace and accessories, and they rehired the 62 employees from the former company and added 24 new positions. Again, taking advantage of the enterprise zone program. Oregon steel, recently they leased the former l.t.d. Copper weld structural tube facility. They shut down the facility, l.t.d. shut it down in february of this year, laid off all of the employees. We are working with Oregon steel on an enterprise zone application for the new facility, and we believe that program will result in a decision to restart it, operating under the name of columbia structural tubing, a new company is going to be created. They expect to hire 30 employees to start up and they expect to reach 50 employees depending on production levels by the end of this fiscal year. Team cycle, a shasta lake, california, cycle parts, through a referral from commissioner leonard's office, the company is working with us to qualify for the enterprise zone program. This will result in 80 new jobs toll the community. Tax abatement is not the only programs that are available. We have a number of programs that were out -- we're utilizing, quality jobs, deferred loan programs, remaining funds under the urban development action grant program. We're now applying for economic development administration funds for the first time in 15 years to assist businesses of one sort or another. And I think that you have provided to you today a list of those programs which we make available to companies. There have been some significant successes based on our existing programs. Thortax, brought through the mayor's office, a medical device manufacturer of orthopedic implants, they chose airport way over vancouver, the company has 84 employees, and projects a strong growth rate. We think they'll reach 130 people full-time by the end of 2008. P.d.c. Provided them with quality jobs program funding. Instrument sales and service, an after-market provider of auto instrument gauges, they qualified for the quality jobs program, they're located at 164th and airport way now. That retained 33 jobs, they added 10 more. Grand heritage hotels, an announcement was made just three weeks ago that they had been recruited from maryland to Portland, they bought the governor hotel, they're establishing their world headquarters in Portland in the renovated terminal building, and that will bring 19 management-level positions to Portland, in addition to the staff up at the governor and the rehabilitation of that facility. I guess the point that I want to make is, you don't hear about this -- these successes, but they're here and they're growing, and they're very significant to the community. They demonstrate Portland is not an environment that is impossible to do business in, in fact, to the contrary there. Have been significant improvements on the permitting side, thanks to ray and his staff, and folks. We've had a significant improvement in our ability to fund projects within urban renewal districts, and all of these successes really for every dollar of financial incentives, business loans, and so forth, that have been generated, about \$6 in private investment is -- has been created. So the return on investment here is very, very substantial.

November 12, 2003

And we measure that in terms of private investment made in the facility, and then also measure what are the impacts on revenues. And the impacts are substantially greater than you would anticipate. In the case of tax abatements, for example, for every dollar in tax exempted, we leverage about \$60 in private -- private annual investment in the community. Obviously they need to be sized to the exact situation. We maintain a pretty close control over return on investment to 10% or less. We're keeping track of those results and we think that much more can happen, and we'll be done. The biggest challenge that we have in this environment is identifying additional resources to do what we do on a daily basis, or on a day in and day out, but I want to just summarize what we have done in the last few months. The development commission staff has, with the participation of the ambassadors, the Portland ambassadors, and the regional economic development partnership, visited 447 individual businesses, made personal calls on site, discussion was 447 companies, that employ more than 54,000 people in the city in the last 16 months. We've explained to them our interest in their welfare, but also the programs available to help them expand, and obviously had discussions about retaining them in our community. 331 of these, incidentally, were small businesses with 50 or fewer employees. We provided loans to 41 businesses in that time period, about \$9 million of activity. That brought in \$51 million in investment on their part. We awarded 134 storefront grants in the last 16 months. Twice the number of the previous fiscal year, for a total of 1.5 million, and attracted \$12 million in investment to storefronts in Portland. We awarded the three enterprise zone contracts that I mentioned, and we assisted in recruiting two companies to the region and two companies locally, which brought 779 jobs and about \$65 million to the community. The point of all of this is that we believe there's a significant uptick in the economy occurring. We think a good part of it is due to the cooperative efforts that are underway between and among the jurisdictions to work together, rather than to poach on each other. We are missing two very important ingredients right now, which is a regionwide marketing program for which there are still no resources easily in reach. And as I mentioned, our work in the rest of the community outside the renewal district is limited by the amount of resources available from general fund. We now have spent all of our general fund for the entire year on development programs. I don't see that -- say that to plead poverty, but just to make you away of the fiscal situation. I'd like to answer questions, respond to concerns you have or hear what your point of view is, and any direction you might give us further. Mayor?

**Katz:** Thank you. This morning there was a breakfast on the industry's -- the industries that I know a lot of you had a lot of concern about, the manufacturing and transportation equipment to try to identify what we as a city, but as a region can do to assist them and to address the loss of jobs not only here in Portland, but on a national scale. I just need to remind you that about 3 million jobs were lost since the 1990's all over the country. And a lot of it was global and international economy issues, but what was interesting and what we know, but what we heard again from the industries themselves, is that they have a very difficult time to recruit people when they need to hire up. And the issues are involved not only with work force training, but also the perception of the type of industries, whether it's manufacturing, transportation, and quite frankly, even health services, all looking for a work force and having difficulty in finding a work force here and looking across the country, and they were looking for a work force in gulf states. So the question on the work force development issue was a critical one. You might want to address that, because it's not only business retention and recruitment, its how do we provide the industries with the work force that they -- they need immediately and then they need it in the long term.

**Mazziotti:** Mayor, we've done a good deal of survey work among all industries in the community, and I think -- I think i'm accurate in saying that work force issues are the number 1 concern that we encounter from existing companies. It isn't taxes, they're concerned about taxes, obviously, it isn't regulation. They're concerned about regulation, or permitting or the kinds of things that maybe over

November 12, 2003

the past couple of years you would say put it up on the board. And they are on the board, but number 1 is work force. Our manufacturing community in particular is concerned, as you describe, with an adequate supply of workers who are properly trained for the work that they have and expect to have in the future. Now, obviously a good piece of this is they've -- they, the manufacturing -- manufacturers themselves, have to develop training programs to train their own people. But in many cases, the training which is needed is for incumbent workers who are evolving from one technology to another, and in those cases, the cost can be very expensive, and also in those cases the opportunities are option -- or options for such training in other locations is very tempting. And if a company doesn't have to be in a given location and north carolina or california or utah offer training programs for their incumbent work force and can put substantial resources into it, it's something that works well with companies. And we know that. We watch it. We experience it. At the same time, if we want companies to expand, make expansion decisions here, we've got to figure out how to respond to the work force need. And, you know, this discussion -- I hate to acknowledge, but i've been working on work force issues since 1965. Manpower training development act and then through c.e.t.a., and on and on and on. And it's not like there's any silver bullet, because there isn't a silver bullet. What I do know, however, is that it does take state resources, which generally are far more plentiful than local resources, to help fuel this kind of reform and work force. And I think governor kulongoski is working on exactly that, attempting to develop sufficient discretionary dollars so it can be made available to the training vehicles that are local here to accomplish what we cannot accomplish alone. One. Two, I think the city has put a considerable amount of resources, especially cdbg resources, into training, and I think it would be wise for us to do a very serious check on, is that being delivered effectively, is it being delivered well, and I know, mayor, you sit on the w.s.i. board, and exactly that kind of review is under way. And that is absolutely needed. The third thing is, we need -- we, p.d.c., as your development entity, need to find out with more specificity what is, or what are the exact needs of those manufacturers who are having these problems. The breakfast this morning, just to give you a sense, we had 150 people at this breakfast. These are manufacturing people, largely metals and transportation equipment. We are going to survey them in detail, and they have said we want to be surveyed. And then begin to develop strategies to figure out what exactly can we do. One of the piece assist probably, mayor Katz, as you suggested, probably making the jobs themselves more interesting and attractive to the work force that is here. So they're not just, you know, dead end laboring jobs, the old stereo type of what work is, but, you know, the work that's being done today is exciting stuff, requiring great skill and intelligence and judgment, and I don't think kids know about that. I don't think that many of the incumbent workers realize there's a very good future in the kind of work that they do. So it's a combination of effort, and we are going to undertake a very significant -- serious survey to get as specific as possible and come back to you and come back to our commission, and to the state work force entity, and identify, here are the specific things that need to be done.

**Katz:** Thank you. Let me just add, and then i'll sit quietly and give everybody else an opportunity.

**Leonard:** No way.

**Katz:** Yes. Usually I wait until the very end. But I also have been in this business since the 1970's, and worked for a community college. Interestingly, we talk about demographics, and what we predicted as a community in those who love to study the demographic figures, is happening, and we heard about it this morning. Much more diverse community -- latinos, and russians, eastern european work force, and the challenges that any business has is because many of them aren't located in the manufacturing and transportation equipment. And the second challenge that we told many, many years ago that the work force is getting older. And the replacement of the work force



November 12, 2003

is really one of the issues that they're concerned about, which is why the training and the work force issues are critical to them now. Ok.

**Leonard:** The enterprise zone legislation talked about, I just want to say a couple things about that before I ask my question. Interestingly, in 1995 session of the legislature, I was in the state senate. I was one of nine democrats and there were 21 republicans. And the senator from coos bay carried this legislation. Specifically targeting attracting new course steel was the point behind the legislation.

**Mazziotti:** Didn't exactly work.

**Leonard:** Didn't exactly work. But the idea was to offer these series of income tax credits that you referred to to make it attractive for them to locate there. I remember sitting during the -- of course when there are nine democrats and 21 republicans, they didn't need us for a quorum. We didn't have to be there. They could possible -- we -- if we didn't show up they could conduct business. It didn't matter whether we were there or not. I remember listening to the debate and reading through some stuff, and the senator was saying, this bill, if it passes, will allow us to bring a company that will bring 220 jobs at \$52,000 a year to coos bay. And there was staggering unemployment when the rest of the state was enjoying the most prosperous times in our history. I thought, that's good. So I reached up to my green button -- in the senate you don't do that, you vote aye. I voted aye. And it failed. By 21-9 or -- it was just an overwhelming failure. And I remember gathering my stuff going back to my office thinking, that was odd. That seemed like a great piece of legislation, all the republicans ganged up on the poor guy and killed his bill. This group of businessmen, including the Oregon department of economic development said, why did you, randy leonard, a democrat from Portland, vote yes on that bill? And I said, because it created hundreds of jobs, it didn't seem like rocket science to me. And so I carried it the next day on reconsideration. And it passed. And then of course passed the house and the governor signed it. So I say that as a way to be able to make the case that I get these programs. Not only do I get them, i've fought for them when others have -- I was routinely criticized for getting this bill passed. So I understand the importance behind them. My concern is, and I think the examples you gave are perfect examples of why the bill was created. To do those kind of things. My concern arises from projects, for instance, in urban renewal districts, where we give abatements to an area that could be argued no longer to be a distressed area. And a project might succeed without the abatement. And the only reason we give the abatement is because of the analysis given to us by the developer. So obviously they'll make the case, I need this abatement or I can't do this project. As you recall in the brewery blocks, we had kind after check on that. And that is, at the end after the brewery blocks are completed, we'll get a, the council and you, a financial statement. And it will actually tell us whether or not it performed the way they projected, and if not, some of the abatement goes away. Is the p.d.c. considering adopting that kind of a policy for abatements specifically in urban renewal areas so we have some kind of a check and balance? I heard there was some discussion on the board, some interest in pursuing that.

**Mazziotti:** Commissioner, last november our commission, after staff analysis for the, I don't know, the preceding three or four months, on exactly this issue, that is the extent to which abatements are required to make things happen, which is the whole assumption behind it, but for the abatement, that's the analysis, we were asked to come back to the commission with changes in policy, or changes in the procedures which currently when an abatement application is made, and where we have a review function, and we're not approving the abatements, we're reviewing the abatements and providing you with information, we now --

**Leonard:** The proposed abatement?

**Mazziotti:** Yes. We analyze the applications now in the context of a required pro forma analysis that's done by our underwriters, and we both limit the number of years and the return on investment

November 12, 2003

that is allowed under the abatement program. I think it is fair to say that for some period of time abatements were given under the assumption that, well, the legislation allows 10 years, and allows 100% for this type of project, and therefore that's what you give. Well, the problem with that is not all projects require 10 years and 100% abatement to work. And so our current policy is, we'll give, you know, a three-year abatement if that's what is necessary to -- but for attract the investment. And in areas which are areas that clearly have sufficient demand driving them, abatements are far less in favor by developers at this point. Hearings officer here's my question. I get that part, and I remembered that discussion. We met with p.d.c. as a council last winter or sometime and talked about that. My point is this -- as good as an analysis is, and a projection, it is a projection. In other words, we might find some projects that in fact -- and all with the best intent with the analysis is done, project a certain level of return. If the market improves, if demand grows tighter, and -- or demand expands and the supply tightens, then we might find that a particular project that was awarded abatement given on certain factors, those factors have changed. So they're getting more rent than what they thought, and in the end all than it the analysis -- albeit the analysis was done in good faith, they're making a lot of money and not paying any taxes. Is the commission considering looking at that kind of this brewery block project --

**Mazziotti:** Going forward from that november action by our commission, we're all new abatements that we can track. We are tracking under exactly those terms.

**Leonard:** Excellent.

**Mazziotti:** On -- in some cases we think the city auditor is in a better position to track than we are, because in many cases it's confidential information that would cross-verify this information, but the ants is yes, we are doing that where we're allowed to do it.

**Leonard:** Great. I have been talking about this for a long time, so don and the Portland business alliance called me a couple days before an event in las vegas and asked me if I would sit in a sweaty room for two days with them talking to business folks. [laughter] and we did. And it was -- i'm -- I don't think i'm unfair in my characterization of the room, it was stuffy, not --

**Katz:** It's too bad I said I wasn't going to go. I'm so happy.

**Leonard:** Well, it -- what was rewarding for me was to be able to see the excellent work don does and that p.b.a. Did working in conjunction and putting together a portfolio of Portland, so when we have prospective clients talk to us, we -- one after another consistently said this is the best presentation we're having from any of the cities. This was a huge, 45,000 people, at this conference at the las vegas convention center. It was huge. And I was just so very impressed with the work that don did at the p.d.c., putting together this analysis so when a business came in they literally opened a book and pointed to a block and were able to describe the block and why they thought that business might fit there. So I know you guys are doing the absolute best you can.

**Mazziotti:** Let's hope we get some of those retailers.

**Leonard:** That would be great.

**Katz:** Thank you.

**Saltzman:** On the job training work force training, since you're such an expert on this --

**Mazziotti:** I wouldn't say expert. I would say a veteran.

**Saltzman:** What is it you saw in north carolina, you mentioned one other state, california, is it just money?

**Mazziotti:** It's a lot of money. There's a huge -- there's a money difference, but I think if you pull the development professionals that have been around along as I have, they would say north carolina has made work force training its stock and trade, and the centerpiece of economic development for 30 years. Starting back with, you know, I don't know -- when governor cabbot was there they have designed their entire program around work force training. They allocate a tremendous amount of money at the state level, and they secure federal funding toward the same purpose. And they

November 12, 2003

literally go out and recruit companies who they know have work force needs, and they're very, very effective at it. And I think that's the big difference. In Oregon, just to give you a sense of the resource scale, I was told by the governor's office a few weeks ago that the governor has now tried to consolidate and identify some discretionary dollars for work force training. That total is \$6 million. They informed us that this region will get \$1 million from that discretionary amount for work force training activities, which --

**Katz:** Moving it from one column to another.

**Mazziotti:** Correct. Really maybe 2 1/2 large manufacturing deals in our experience in terms of a package for work force training. And I asked, you know, we generate 65% of the economic activity in the state, we have 60% of the population, how does that exactly work, that 1 million and 5 million? I think it is a resource issue, commissioner.

**Saltzman:** Is it also -- I guess I can't help but wonder this, we've had as you mentioned the whole effort and work training has been an alphabet soup of federal laws and local organizations set up by the private industry council, is it also the delivery mechanism? I guess I was curious, I guess the mayor just alluded to some sort of an audit being done of the delivery of work force training, and I can't help but wonder if there's something awry in the way work force training is delivered and maybe it's not just in Portland, but are we really dealing with organizations that are effective in delivering work force training, or are we leading with organizations who are politically vocal and I guess in the same tone, if we're going to do an audit, have we ever done an independent performance audit of work force training delivery organizations to really get sort of that outside look? I mean, I know we can always form review groups, but if they're composed of the people providing the services, the answer is always going to be, we're doing a great job, we just need more money. That's the answer we've been hearing for 35 years, it sounds like. Are we doing any kind of independent assessment? Do you have any comments --

**Mazziotti:** I do have comments, I basically agree with your analysis in terms of the current vehicles in place are not working as effectively as they need to to be competitive, and I think the efforts are underway to improve that. The mayor sits on the executive committee that is leading this effort, and mayor, I don't know if you want to describe what's going on or not.

**Katz:** I think commissioner Saltzman hit it, it's the alphabet soup, and it's a constant changing of the ingredients in the soup. Federal laws keep changing, the creation of new boards, the creation of new guidelines, the creation of new requirements on the board. Add to that you've got the alphabet soups churning at the state level as well. If things aren't going well, you change the organization. We -- when I first started it was supply driven. Now it's demand driven. First it had more the governmental agencies on the board, now it has more industry representatives. So I think now we've got a far better direction, the board is looking at matching the notion of clusters with their one-stops. We have some very effective one-stops, but they're basically, you're looking for work, you come into the door, they help you, if there's a job that you qualify, you may get it. But when you have a recession and the jobs aren't plentiful, the likelihood of employment on a permanent rate is very little. We keep the data, but the numbers keep shifting because the dollars just are disappearing. A part of the proposal that don just said is money that we will be -- we were getting for w.y.a. is now being used for something else. So we're not adding any additional resources to help -- specifically the cluster industries, not necessarily the one-stops. The cluster industries, it's just not available. Tie that to the fact, and I know i'm not answering your question directly, but there are a lot of pieces to it, tied to the fact that they are -- the industries themselves admit they're not spending enough time in the high schools. In the high school the whole notion of the certificate of advanced mastery was to get students up to not only academic speed, but also professional skills, and that's been delayed. And then the community colleges have waiting lists, and because they don't have the resources they can't open up, or aren't opening up the classes to the full extent that

November 12, 2003

they need to be, especially, for example, in the health care services. So there are a lot of pieces that have never quite worked very well together.

**Saltzman:** I guess what I was wondering, if anybody's ever done an independent sort of performance audit of all the delivery --

**Mazziotti:** Not to my knowledge.

**Saltzman:** My suspicion is, and I'll admit my biases, I served on the p.c.c. board of directors for nine years, the community colleges, they get it. They know how to deliver work force training very efficiently and effectively. And -- but they're not getting all the dollars. They are often ending up saying, we don't have enough capacity, so our work force dollars are going to other delivery organizations that aren't as effective. And do we need an audit to give us sort of the political will to, you know, make those changes? I know there are a lot of political voices associated with how these dollars get spent, but somehow it seems we ought to be looking at that, and this is a pivotal issue in our economic development.

**Mazziotti:** It's absolutely critical, there's no question about it.

**Francesconi:** The governor is going -- doing an audit of the statewide and federal resources, as don alluded to. This is more at least traditionally is a state concern because most of the dollars are federal and state generated. And so lita cull I began is leading that effort, and they're trying to form -- trying to sort through these funding streams, and they've assembled teams of people to do this. I think we've requested here at this local level a work session on work force, and the idea of looking to see how the federal dollars are being used by our own work force board is something we ought to do in conjunction with the state. It's something that should be done, so I think commissioner Saltzman is right. While we're speaking of work force, another -- there's a lot of models out there that do work that we know work. And one of them is the marshall high school program that we had and now we don't have. I just happen to go to gunderson's last week, and they had their they're open for 112ers they'll hire right now. So they brought up the gunderson marshall high school model that they used to fund at \$500,000. They pulled the funding, gunderson did, during a downturn. But they're willing to put more money back into this thing. They had 18 of 21 students hired, and they stayed for five years, and they were the first ones to let go. But it's a program that works. So while we're doing the audits, while we're checking some things out, I guess a request I have is, let's just reinstitute the marshall program.

**Mazziotti:** They're reopening in january. So I think that it has legs, and I think it's going to have -- there's some traction on this and it's going to happen. But that's just one piece of a much bigger puzzle.

**Francesconi:** Are you done, commissioner Saltzman? Your idea, mayor, emphasizing good things, is a good thing to do. I want to compliment you on that. It's clearly indicated in the report last week the connection between fault of -- quality of life and our economy. And we do have a high quality of life in our central city and our city, and our investments that you are making that we're continuing to make highlight that. The issue of the schools, which wasn't addressed here, the s.a.t. Scores are going up as we have the report last week, test scores are rising in the elementary school level. So -- and we have a full school year, and we have money for at least three years that other districts don't. So speaking of work force, these are all good things to promote. The regulatory process under commissioner leonard, and with ray carriage is improving. The small business efforts are gaining some traction in terms of lowering s.d.c.'s, etc. And one of the best things is we have the staff at p.d.c. Under your leadership that understands economic development on both the local and a regional basis that has credibility with our regional partners. So there's a lot -- and we haven't talked about ohsu, the port, the p.s.u., all those good things are happening. And they're in your report, you just didn't have time to allude to them. The best thing is the construction jobs that are about to happen in south waterfront. On the other hand, we have to acknowledge our tax structure

November 12, 2003

is not sustainable, the land issues that you're working on continue to need to be addressed, and we do need some incentives tied to real jobs like we put the claw back provisions on the freightliner tax abatement before you were on the council, that we do need work force incentives to tie with private sector investment. So I think if we focus on those three things I just listed, and continue to do the strength that we've got, we can do this. We can move this forward under your leadership.

**Katz:** Thank you.

**Mazziotti:** I certainly agree. If I could just say one thing in response, commissioner, to your overview, it's very clear to me that if Portland wants to be a leader in the domestic economy in the u.s., we have got to administer to our manufacturing sector, which creates a supply chain that then creates more jobs that ties to exports. To do that, we need to upgrade our work force and focus on that -- this piece of moving the production upstream so we have higher value products, because the lower value stuff is all being produced in china, or fits not being produced in china now, it's going to be produced in china. And this ties back to the professions to creative services, to design, to industrial design, to expertise in manufacturing. And that's where we're beginning to, you know, focus our efforts, because we've got some enormous opportunities here with vaucher and with freightliner, who has made it clear that they're not only not relocating from swan island, but they have a campus planned that they shortly will be proposing to you and to the rest of the region. We have potential to build just an absolutely tremendous global economy here. But we've got to solve this problem of work force, we've got to solve the problem of design. We need expertise in both.

**Sten:** We kind of just got there. I think we're running out of time, but I think you've been doing very good work. I was just curious how you see both -- I want to give you a little freedom to talk -- there's a lot of both celebrating at times and finger pointing at times, and all of it has a bit of a self-serving nature. I'm not saying i'm exempt from that. I'm curious what you see as the kind of bigger picture issues that we need to focus on, and also just thinking more broadly, where are we going to be in a few years? While I completely agree with the base of manufacturing, I keep wondering about, I don't think we're going to buck that trend completely internationally, so where is this place going to be in 10 years and what does that imply for things like our taxes, what's driving business location, clearly our tax system is broken, but the actual taxes themselves are the issue, those kind of thoughts. What's the big picture?

**Mazziotti:** I've alluded to one, which I think we need to in general move our output, whether it's service output or manufacturing output, upstream. So that what we are producing, what people go to work to do is to produce products that have high value added, a lot of input of knowledge and skill into a product or service that will help differentiate us from other places. But also, frankly, help protect us from the loss of the commodity base that is moving offshore, and is going to move offshore. Now -- I know we're running out of time, but I was so impressed when I went to stuttgart to meet with daimler-chrysler, we met with the man third in charge of daimler-chrysler. The governor lead that effort. And what this guy told us was basically we are not going to build any new production facilities anywhere but china. This is mercedes. This is arguably the highest quality automobile on a mass production basis that's produced in the world. They're not going to abandon existing facilities but as far as new facilities I said how long is that going to last? What's the outlook? He said 30 years. Based on the labor cost advantage that china has, 30 years is how long they anticipate that advantage to exist. To the detriment of other economies, including our own. Well, the implications are pretty clear, that if that kind of mass production is moving offshore, then what we've got to do is focus on high value input, uniquely designed products that will compete in a global economy, and as a matter of fact, what he told us, in some ways he told us more than we knew about us, which was -- which is typically german also, we're -- alejandro avila laugh they've done their research. And he basically said we're looking at Portland as a potential global location for sophisticated engineering. And in effect, the freightliner facility that is here now

November 12, 2003

is in that business. And so he sees exactly what we ought to be seeing and looking for. This has implications for our school system, obviously, upgrading our work force, obviously, and finding the resources necessary to attract and build that kind of upstream oriented economy. And the neat thing about it is, it does connect to livability. Because the reason that companies are interested in coming here is because you can retain workers. L.p. made a decision to relocate its corporate headquarters to the center of the country based on logistics and time and lots of other things which made sense for them. But 160 of their employees say, we aren't moving. We're staying in Portland, Oregon. And so if our job is still here, that's great, and if it's not, we'll find other jobs. And it's -- it is about the desirability of being in the community. That's an extremely important value to any company that is located here or seeks to locate here. Because they can secure the work force. It's up to us to figure it out. At the same time, i've got to tell you, state and local taxes in Portland and Oregon, there's -- is the highest among the 10 manufacturing states that we studied in our competitive position report. We've got to tackle somehow this tax issue. And we also have to tackle the leakage of taxes generated by this economy to the state's economy where we don't see those dollars again. The leakage is huge, and I don't have to tell you that. And I don't know how to solve it, but I do know that it's a competitive factor. We've talked about labor force, and then there are some practical things. Our water and sewer costs are the -- we're the second most expensive city after seattle of the 10 region that's we studied. We're doing some big things, and we have to do some big things, but this is the practical stuff. The permitting, i'm convinced we're making huge headway there. The s-dot process that was initiated for high-level review is working well. But these are all piece that's we've got to align and work on. For that matter, the focus on affordable housing, we've got to have affordable housing here. We also have to have market rate housing, and work force housing. So all of these things really need to be --

**Leonard:** Do you have a position on skinny houses? Never mind.

**Katz:** Don't go there. [laughter]

**Mazziotti:** End of -- I could go on for hours about it obviously. I think we're on the right track, and I think we're seeing successes, and I think it would be real helpful if the community understood or if the voices or the vehicles for the voices in the community made it clear that not everything is bad here. In fact, lots is good. In fact, on balance, it's much better than elsewhere. And we're having a lot of success.

**Katz:** Thank you. Thank you, don.

**Leonard:** Can I ask one follow-up question? How come when you went to germany you took bill wyatt, when you went to las vegas you took me?

**Mazziotti:** I'll take a fifth amendment on that. [laughter]

**Katz:** Let me -- commissioner Saltzman asked the question about what's happening. Let me complete this, because both of us serve on mpac. Here's an issue that changed overnight. In december of 2002, the mp.a.c. which represents leaders in the regional economy, Washington and clackamas county, all decided we needed additional industrial land. We all raised our hand to say aye, that we were going to expand the urban growth boundary, and in Washington county, farm and forest land, because we needed additional industrial land. Today, just several months later, the debate is, we need to rezone the industrial land because it's not being rented, it's not being sold, and we need to provide more flexibility for more urban campuses. And it's -- it's like -- it's like a total disconnect. So we're going to keep adding industrial land, pressures are going to be placed on metro to release it for commercial purposes, maybe additional headquarters, and then we're going to be asked to increase industrial land again because we've lost it. This is -- this is just a matter of months difference, and I can hear my -- the voice -- my voice and the frustration that I have, because we need to be -- we need to be focused, we need to stay the course, we need to believe in what we're doing, and we need to continue the hard work that everybody's involved in. So I want to

November 12, 2003

thank don, it's not easy to keep added over the years -- to keep at it over the years, and he has, and the organization has, and so I thank you for it.

**Mazziotti:** And marty is doing a great job, and dave vargas on our development side, and andy on the housing side. Thank you.

**Francesconi:** You know, your point about we have to push quality up and become even better on the manufacturing side, push it upstream, because the jobs down at the low end are gone, not china, they're in india, but the chilling thing about that is that many of our kids especially in our poor high schools, can't get into the existing jobs because they don't have the educational. So without us supporting the school board's presentation when they were in before on their efforts to close the achievement gap, it's a chilling prospect as to what's going to happen here.

**Mazziotti:** It was chilling to go to italy and to meet with a small manufacturer who said exactly the same thing as the top guy at daimler-chrysler, which is, i've got to outsource to china. It's an opportunity for Portland, which is equidistant between the chinese market and era as our other countries. If they want to enter the western u.s. Market, and if they want to locate production facilities in china, this is a perfect place for them to locate sales and marketing and design staff here.

**Katz:** Absolutely. Absolutely. Thank you. All right. Thank you, council. We're going to continue doing this every month, and send the message that there are other issues and other win-wins in this community. All right. 1313.

#### **Item 1313.**

**Francesconi:** Speaking of win-win situations, there's a great group of citizens here. We presented originally to the council all the work we're trying to do as a community to reduce serious deaths and serious injuries --

**Katz:** I need another person here. This is an ordinance.

**Francesconi:** Portlanders know how important it is to address traffic safety issues. We've had some high-profile and sad deaths of bicyclists in our community right here. So there's also been an issue on lack of resources for enforcement, for education, and for engineering, the three e's of helping address the solution. And so we -- with mark here's leadership and brant williams' leadership, they spent a lot of time lobbying at the legislature for increases in fines for speeding that would allow us to increase primarily enforcement and engineering solutions. So we brought to the council before creating this -- a traffic safety commission that's been doing very good work, and they're represented here. So I want to thank mark for all the work they've done, the police bureau for being under mike's leadership for being terrific partners here, and I also want to thank the school districts, the trauma nurses, the neighborhoods, the pedestrian and bike supporters for their help. So brant is here to introduce this, and we have some good news. Go ahead.

**Brant Williams, Office of Transportation:** Thank you, commissioner. Brant williams, director of the Portland office of transportation. Traffic safety and neighborhood speeding continues to be a significant problem with citizens. It's a concern of citizens in the community. As the commissioner alluded to, on average we have somewhere between 40 and 50 fatalities a year regarding traffic. Citizen surveys continue time and time again to indicate that this is a major problem with -- and that citizen was like to have more resources and more efforts put to dealing with traffic safety and making sure that our neighborhoods are safe. Unfortunately, budget cuts have created problems with funding for enforcement efforts, also neighborhood speeding as far as our traffic calming program has virtually been eliminated. School safety capital program has been eliminated, and we would like to see this trend changed. This past july, as the commissioner indicated, the council formed the Portland traffic safety coordinating council, and charged this council with coming up with a financial strategy for looking at traffic safety and improving traffic safety in Portland. The ordinance before you looks at three separate items. First one is to establish a community and school

November 12, 2003

traffic safety account that would be used for traffic safety purposes. The revenues that would be generated that would go into this account come from house bill 2759, which raises the traffic fines throughout the state. We anticipate that there will be somewhere around \$2.5 million that will come to the 70 each year that would be -- come to the city each year that would be allocated for this fund.

The second item this ordinance does is direct the coordinating council to provide an annual recommendation to the city council on how best to spend the funds in this account, and we would anticipate that it would be balanced between engineering, enforcement, and education. Some of our preliminary discussions indicate that probably a good balance would be 40% for engineering efforts, 40% for enforcement, and police efforts, and 20% for education. The third item directs city staff and the Portland traffic safety coordinating council to work with Multnomah county --

**Katz:** 40% for enforcement?

**Williams:** That's correct.

**Katz:** 40% for traffic?

**Williams:** Engineering.

**Katz:** And 40% --

**Williams:** Excuse me, 20% for education.

**Katz:** I think you said 40.

**Williams:** Sorry about that. The third item directs city staff and the coordinating council to work with Multnomah county and the state of Oregon to try to make the most out of this \$2.5 million that we would basically dedicate to traffic safety in that we could -- we might be able to leverage an additional \$2.5 million out of the fined increase that's both the county and state would realize from this particular house bill. The benefits for devoting this amount of money towards traffic safety are significant, and of course we would highly support the council move in this direction and support this ordinance. We have a number of folks here today that would like to speak to this ordinance, and I would like to introduce them. We have two groups of folks who would like to come up. They're members of our coordinating council. The first group will include the presiding circuit court judge, dale koch, courtney willton, the business manager for david douglas high school, brian winchester, director of Portland public school student transportation office. The second group will include katherine sharlow, lynn lutri with a.c.t.s., which is the acronym for alliance for community traffic safety in Oregon. And lastly lily fitzpatrick trick, the chair of the sweeney transportation committee. So i'd like that they come up and provide a few comments.

**Dale Koch, Circuit Court Judge:** I'm just here on behalf of the circuit court here in Multnomah county to add our support to this ordinance. We are very supportive of this. We appreciate the city's leadership in this regard. We're looking forward to continuing to work on using this as a way to improve our relationship with the Portland police bureau, and the traffic safety efforts. As you know, the structure of courses in the state of organize, we are the municipal court for the city of Portland as well, so we're the ultimate home for about 100,000 traffic citations each year that get issued here in Multnomah county. So they're mostly from the city of Portland. We're very hopeful that these resourceless in fact increase the effectiveness of enforcement efforts, the community education efforts here in this community, and we look forward to working in the same relationship that we all worked together with our local public safety coordinating council right now and finding the best use for these funds. Thank you.

**Courtney Wilton, David Douglas School District:** Courtney willton, david douglas school district. I strongly support the strategy of creating a traffic safety account. We know traffic safety improvements can reduce traffic speeds, congestion, and collisions around schools, making it safer for kids to get to and from school. We also know that these improvements often result in more students walking and biking to school. Schools are asked to create opportunities for kids to increase their daily physical activity. Both national and statewide initiatives identify safe routes to school as



November 12, 2003

a successful strategy to accomplish that goal. Whether our students are walking, biking, skateboarding, riding the school bus, taking transit, being driven by an adult or even driving themselves, improved road safety around our schools keeps them safer. David Douglas school district is glad to participate in Portland's new traffic safety coordination council. We look forward to developing recommendations for these resources to improve neighborhood and school traffic safety.

**Bryan Winchester, Director of Transportation, Portland Public Schools:** Good morning. I'm bryan winchester, director of transportation for Portland public schools. Thank you for this time. I also want to express my strong support for creating the community and traffic safety account. On any given day for Portland public schools, we have 50,000 students attending our schools. Over 18,000 of these students receive transportation. We have 265 buses on any given school day on the highway and roads of our city. Of that, in a year, 1,500,000 logs are -- miles are logged annually, so traffic safety is a large portion of my job and Portland public school's focus. We've been working with the office of transportation to identify safe routes to school, bus zone, loading zones for parents, where they can pick up and drop off. We've been working in crossing areas, safe crossing routes in communities for the neighborhood schools. And Portland public schools is glad to participate in Portland's new traffic safety council, and we're working forward to developing recommendations for these resources to improve school and traffic safety. Thank you.

**Katz:** Thank you. Judge, I don't recall the language of the legislation. Does that prohibit you from reducing the traffic fines?

**Koch:** There were some part of the fine legislation increased the base fines and then also reduced the judicial discretion to reduce the fines. So --

**Katz:** You can't reduce the fines anymore?

**Koch:** We can't reduce them to the same degree we could before. It really -- all of that is basically amounted to just about doubling what will now be the base fines for most traffic violations.

**Katz:** The public is going to be very happy to hear that.

**Koch:** My court administrator will be getting lots of calls about that, i'm sure, as will i.

**Katz:** Keep going, -- karla.

**Lillie Fitzpatrick:** I'm lillie fitzpatrick from southwest neighborhoods incorporated, chair of the transportation committee. I'm also chair of the hayhurst neighborhood association. So i've been dealing with these issues for a couple of years now. And I was -- as I was listening to the fellow from p.d.c. Talk about job creation in Portland, he's right, there's a high level of satisfaction in living in Portland. But as you know, as we -- as the southwest neighborhoods accept more infill, we're -- our livability has been compromised by speeding, lack of sidewalks, lack of safe crossings, and lack of enforcement. Particularly around schools is what i'm working on. At the brightle mile elementary, 84% of the parents that live within 15 minutes walk of the school say that traffic safety is a concern to them. And that that compromises their ability to walk to school, or allowing their children to walk to school. Southwest neighborhoods incorporated, and the neighborhoods in the southwest, enthusiastically participate in this traffic safety coordination council. As we work to improve neighborhood livability with school traffic safety and neighborhood traffic safety. Thank you.

**Catherine Ciarlo:** catherine ciarlo, bicycle transportation alliance. We're very supportive of the strategy to create the community traffic safety account, and I think one of the reasons, mayor, is exactly what you said -- this gives the city a chance to directly connect the revenues that come from speeding and other traffic violations to very positive concrete programs in neighborhood that's really make a difference, and give the city a way to say, this is a good thing, not a bad thing. In the past four years -- in the past year, as you know, four bicyclists have died in crashes. Three of those four involved drunk drivers. This is the kind of thing that this strategy will help address. At the

November 12, 2003

b.t.a. we hear regularly from our constituents and from other potential cyclist that's they would bicycle more if it felt safer. And actually this has been confirmed by a city of Portland survey recently that said 64% of Portland residents would walk or bike daily if they felt safer. So these are not small numbers. I know I don't need to tell you all that it would be better for the city to have more people walking and bicycling, it leads to better health, better air quality, more connection on the neighborhood level to other people around you. The exciting thing about the strategy is that it will help us make very focused, concrete improvements. As I mentioned before, it will give us a way to communicate back to people about what the city is doing for them. And those include more enforcement, they include the kind of engineering projects that really do make it feel safer and actually be safer to walk and bicycle in the city. And they include education programs for bicyclists, for pedestrians, for motorists, both adults and kids. So we're very excited to be a part of what's turning out to be really an innovative and very strategic approach to tackling kind of a pervasive problem. One of the most pervasive problems in the day-to-day life of a Portland resident. So thank you.

**Katz:** Thank you.

**Lynne Mutrie:** My name is Lynn, I'm with the alliance for community traffic safety. Our mission is to reduce fatalities and injuries and the severity of injuries resulting from crashes -- vehicle crashes throughout Oregon. We work with communities and individuals to solve the traffic safety problems by providing resources, technical training and education. In Oregon, the number 1 cause of traffic related death and serious injury is speed. Followed by driving under the influence of intoxicants and improper use of seat belts and child safety seats. Crashes resulting from these as with all crashes are usually preventable. I have a -- they have a massive impact on the aspects of our lives, including health, safety, and neighborhood livability. 40 people were killed in 2002 in Portland. And these are -- were killed due to traffic crashes. 16 people of those 40 were killed and 255 seriously injured due to speed. 10 people were killed and 82 injured due to driving under the influence. 11 were pedestrians, five of those were pedestrians crossing at intersections or crosswalks. In addition to the physical and emotional toll taken on crash victims and their families, there's financial impact. Each traffic fatality costs an average of a million dollar in lost productivity and the costs associated with crash and death. Each crash injury costs an average of \$50,000 in loss productivity and medical bills and rehabilitation. The majority of these crashes are preventable. With my experience with communities throughout Oregon, I've seen that it takes a balanced approach of education, enforcement, and engineering combined with a strong community commitment to make the community streets safe. A.c.t.s. is happy to participate on Portland's new traffic safety coordination council, as they develop recommendations to use resources efficiently and effectively to improve community and school traffic safety. Thank you.

**Katz:** Thank you. Before you come on up, anybody else want to testify? Come on up.

**Williams:** I'd just like to make a quick comment. I have the privilege of being able to cochair the coordinating council with chief fox worth, and the partnership that is created by the council and the work that both commander Garvey and Mark Leer have been doing is just extraordinary, and just really appreciate the effort that both of them have done and I think commander Garvey has a few comments to share.

**Mike Garvey, Portland Police Bureau:** I'm with the Portland police bureau, traffic division. I'm here also representing chief Foxworth today, who is triple booked, as many of us have been lately. So I thank you for your time. Basically this is for us, an extraordinary position to be in, because it's a clear example of really true community policing as well. But we have been able to join together with a variety of segments within our community to address some of the issues that are continually coming out on our city surveys with regard to concerns to our citizens. It's also -- we're also in a position where we've had a chance to do -- be involved in a variety of studies. Basically help

November 12, 2003

funding of these types of programs helps in making a city safer. There are cities across the country where traffic fines have gone back to deal specifically with the safety of that city through programs such as the one we're proposing to the council today. As you know, we have a unique structure, by the way that traffic fines are instituted in our state because of the breakdown doesn't necessarily come back to the community where the citation has been issued. In our city, as you know, the first \$35 goes to the state unitary tax, the next \$20 goes to justice services, mainly jails, \$1 goes for medical services at those jails, and then whatever is left out of the fine is split between the state and the city. So by the time we're done there's not an awful lot there. However, with the increases in fines, we do see additional revenues coming in, and those are the revenues we want to target for traffic safety. It's our recommendation that some of those dollars will go towards our electronic enforcement opportunities such as photo radar red light cameras where we've had remarkable successes. Additional with the tremendous support from the community with regard to this program, we think we're going to be able to much better target our approaches of traffic enforcement, we're also going to be able to look at a lot of intersections and locations where engineering may in fact make things much safer. And reduce the need for us to go out and enforce things going on at those intersections. And certainly education is a big piece. All the way across the board. Whether you're looking at teaching kids to write bicycles safely, or we're looking at programs so that we get to the root of what's causing some of the d.u.i.i. problems and we stop that, there's a sigh k regardless, it's a broad range approach, and I think it's a targeted approach which is what we need rather than looking at things randomly. I want to tell you it's been a -- really a privilege and a pleasure to work with the broad group of individuals associated with this program, and that your support for us to continue doing this really great work will be very much appreciated. And we're open to answer any questions you might have. Thank you.

**Katz:** Thank you, commander. I have a very quick question, I don't know if you will be able to answer it. How much additional resources will the county jail system get?

**Garvey:** Well, I think let me just give one example. And that is that with the -- we've deployed our photo radar advance more frequently, and so we've gone from about 700 citations up to maybe 3,000 a month. Out of that, the county gets anywhere from \$15 to \$20 per citation. So if you do the math, it is -- the figures are pretty staggering. Out of all those citations, the additional \$24 to \$ -- 24 to 27,000 citation as year, the state gets \$35 a piece. So the figures are pretty substantial with regard to the additional citations we're writing just with those programs. I don't have the exact dollar amount, but extrapolating that out, you can see the numbers are quite great. One of our interests would be to go to both the state and the county and look at how they might be able to provide some financial support back so that we can continue to institute these programs, since they're the ones that are really -- they're the benefactors from these programs, yet the community where they're occurring is not receiving quite the benefit that they are. We have found, by the way, where we deploy consistently, we reduce speeds dramatically. And we have found that by reducing those speeds we're seeing in those different areas a substantial decrease in critical crashes.

**Williams:** Our best estimate from house bill 2759 is that the county would receive somewhere in the vicinity of \$1 million of additional revenue due to the bill. The state, through the unitary assessment tax would look at receiving somewhere in the vicinity of \$1.2 million of additional revenue.

**Katz:** Thank you.

**Saltzman:** So is one -- I asked the question this week, the state legislature now allows Portland to have more red light photo enforcement locations, and it's envisioned this fund could go to pay for the additional equipment at those additional locations. Is that correct?

November 12, 2003

**Garvey:** Yes. We would be looking at funds from this account to be specified for the expansion of the photo red light program. We would be looking for funds in this account to pay for our photo radar costs as well at the current time.

**Saltzman:** You mentioned in your testimony that you said programs that go to the root of driving under the influence? What -- what do you mean by that?

**Garvey:** When you're dealing with -- we have diversionary programs now, and we would like to strengthen those. And we would like to look at how we can, for instance, provide additional education in the schools and so forth so that we break the cycle before it starts. And what we found is, you know, when somebody is out there and they are drinking and they're driving, usually there's a whole bunch of issues that have built up in their personal life or whatever that have led to that kind of activity. And we're looking at what are question going to do that's successful so we stop the sigh k -- cycle.

**Saltzman:** Totally fishing here, but it seems to me, maybe you can verify this from your own experience since you're out there in the front line, but most people that get arrested for driving under the influence already have a suspended license. Is that --

**Garvey:** Some do, commissioner. I mean, we've got chronic offenders and then we have first-time offenders as well. And it's kind of -- it varies all the way across the board.

**Saltzman:** Any thoughts on how you can make having a license suspended mean anything?

**Garvey:** We've done a pretty good job with towing vehicles where we have suspended operators that we've stopped and cited. That's I think having a very good impact. Because the sanctions that the city has placed on those individuals are financially pretty substantial. So I think we're going in the right direction with that. But we would be looking at additional programs with this type of funding.

**Saltzman:** Thanks.

**Katz:** Do you have anything else to add?

**\*\*\*\*\*:** No, I do not.

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

**Francesconi:** Well, Portland is appropriately known as the leader in multimodal transportation. But now with this effort we're going to be a leader in safety. So people will use the system. That's what katherine was talking about. We can have the best system, but if you don't feel comfortable walking or biking or using mass transit, it's not going to be used. So the taxpayers' investment is not being fully taken care of. And that's what we're trying to do here. When I first heard the numbers 40 to 50 fatalities a year, I thought they were wrong. But that totals about 500 over the last 10 years, which is more than the homicides we've had in the last 10 years. It's close. But it's right about the same level. So what this commission can do is actually help target the money spending wisely, then we need to track this so we need to show that it's declining. So the mayor on the crime issue and the gang violence issue, we brought together the federal government, the local folks, we resources is to target this problem so that people really do feel safe because they are safer. And so that's what we're looking to. And you need to keep pushing us as you have to make sure you have the resources, the expertise and that we back you on the strategy. But you can Washington -- we can do this. Aye.

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

**Katz:** Mayor votes aye. [gavel pounded] thank you. 1317.

**Item 1317.**

**Katz:** Ok. We bring this to you because we are always in the business of looking at opportunities and making necessary adjustments to our urban renewal districts.

**Connie Lively, Portland Development Commission:** That's correct. I'm connie lively with Portland development commission. I'm going to get the maps set up so you can get oriented.

**November 12, 2003**

What's available to be passed out to you is a redevelopment analysis of the three blocks we call the montgomery blocks. This was produced a few months ago, and it was adopted by our commission as a guiding document. And today is one of the -- we're asking you to address one of the implementing actions within that document. The proposed 9th amendment to the urban renewal plan will add three properties to the list of properties that can be acquired by p.d.c. in the south park blocks area. They're located between 4th and fifth, southwest mill and harrison and are part of the so-called montgomery blocks. With combined with properties already owned by p.d.c. and others, there's a potential to create a three-block redevelopment project called montgomery blocks. The three properties are currently the site of the hair I -- harrison court apartments, the jasmine tree restaurant and the value inn hotel between fourth and fifth. I'll show you on the map. This is fourth avenue, and the p.d.c. office building, city office building is down here. This is currently the jasmine restaurant. Next door is the harrison court apartments. This is the value inn motel. These are the three properties we're considering acquiring. Across the street is the urban plaza. And this is the p-cat lot. It used to be the old water bureau building. It's currently used by Portland state. It is part of our montgomery blocks redevelopment strategy, but it doesn't involve any position. We've been working for the past year to strengthen the partnership with p.s.u. and jump-start creation of a university district neighborhood in this area. Partnering with p.s.u. and developing a vibrant district is a high priority for p.d.c. P.s.u.'s growing research and work force training issues can support economic development goals. Our goal for this area is to knit the university with the rest of the city. So it could grow not into just a student enclave, but a neighborhood with a mix of jobs, research facilities downtown workers, students and residents. A district where people can study and live, work, and recreate, and better utilize the area's assets. The area is vastly underutilize, but it has good bones. The transit service is among the best in the city with the streetcar, the busiest bus stops in the tri-met system, excellent freeway access and possible light rail extension. The campus itself offers continuing education classes that serve the community not just the students, and it offers educational and recreation facilities. There are several class a office buildings, the park blocks, pocket parks, easy access to downtown jobs and entertainment, and finally, there are quite a few underutilized parcels that are ripe for redevelopment. Some of them owned by p.d.c. and p.s.u. and some of them privately owned. Like museum place, the redevelopment of the montgomery blocks could cat lies development of the private locks blocks around it, creating a more reasonably - - reasonably priced alternative, and appealing to young urbanites, faculty and staff of p.s.u. To kick off the partnership, last fall p.d.c. acquired the carpool parking lot which is behind the jasmine tree restaurant, and 42% of the p-cat block in exchange for \$5 million. The -- p.s.u. needs it for the engineering school. With those properties in hand, we just complete add redevelopment analysis to determine what could work on the site given the constraints like zoning, the streetcar, light rail, and market acceptance. Our goals include bringing some nonstudent housing to the area, bringing more services that provide the -- to serve the neighborhood like pharmacy, restaurant, cafes, grocery, etc., creating a multiblock project similar to museum place to activate the area, and accommodating the streetcar and light rail in the new development. What emerged in the redevelopment analysis you have in front of you is a recommended development program for each of the three blocks that combines into a three-block project with a good balance of public benefit, market acceptance, financial feasibility and urban design. The three blocks have the potential to bring more than 850,000 square feet of new development to the district, valued at \$97 million. If half the uses are taxable, the assessed value of the district could rise from \$1.5 million to \$50 million in 10 years. It's not necessarily the blueprint for what will actually occur on the blocks. As with museum place, the actual program will depend on developer interest in the area, public funding available, the market forces, and opportunities that could arise. But the recommendations define the public's aspirations for the area. What we're recommending is on the p-cat block, a nine- to 10-story office academic

November 12, 2003

building with a combination of uses for Portland state and other uses. At one point we talked about p.d.c. sharing some office space in that building, and developing it jointly with p.s.u. There may be some issues with that, but it's a thought that we're exploring. For the middle block, which is the one with the jasmine restaurant on it currently, we're proposing middle income condominiums for work force housing. And each of these would have ground floor retail. The third block is where the st. Michaels church is exists currently. Where the value inn is on the block, if you combine it with the st. Michaels parking lot, have you room for a development that could be used for affordable housing rentals. If we were to acquire the harrison court apartments, they're currently 26 units of open market housing that are lower income, and we would replace them before we -- we would relocate the current tenants and replace the units, somewhere probably within the district. And that's the site we foresee the replacement housing going. We need to get the archdiocese cooperation, and they seem interested in redeveloping their site. And using it for a mission-driven use like that. So I think there's an opportunity there to join forces. Our next steps are beginning our redevelopment -- our next steps for redeveloping the blocks are requiring the parcels -- acquiring the parcels, so that's why we're here today. We've been in discussion with all three owners of the properties. We've been pursuing negotiated settlements. One appears to be a willing seller. One has since listed his property for sale, so he's also a seller, though I imagine it will come down to price, of course. And the third expressed an interest in keeping their property, but said he wouldn't oppose the condemnation if it came to that. What this opens the door for is for more discussions with the threat of condemnation as a tool for us. It sometimes helps with the negotiations because of the associated tax benefits. The ninth amendment allows to us acquire these properties and our -- the planning commission on october 8 recommended approval of this ninth amendment. If you have any questions, i'd be happy to answer them.

**Katz:** Questions?

**Saltzman:** I guess will this is in many respects foreshadowing another debate we may have having on condemnation. I understand it can have favorable tax benefit, but it can also be brought to us in the specific -- why do we need to granite in this point at this forum?

**Lively:** There are two steps required in order to condemn property. The first one is to amend the urban renewal plan to include this in the plan as a list of -- the list of properties you may want to acquire. And then the second step is, we go through our negotiated settlements. If it appears that we do really want to pursue acquisition of the property and the property owners are truly not willing, we can invoke another condemnation resolution that actually makes the finding that this property is for -- is to be condemned. And that second step would come later after we've negotiated and tried to reach an agreement on the price. This first step is before we even can offer --

**Saltzman:** I guess my point was, I mean, my concern is I guess i'm -- i'm generally not in favor of condemnation. Andful, however, there is a tax advantage to a seller, and it seems to me there has been a situation at least once on this council where we've dealt with this issue, it can be brought to us as a package for that specific property. Rather than sort of giving you blanket authority to condemn in this situation, three properties, which we don't know whether the sellers receive -- whether this is advantageous or tax beneficial -- .

**Lively:** It's not really blanket authority at this point, it's the first step toward authority to condemn this just brings it into the -- it identifies it as a property that could be condemned. We do not have condemnation authority until we do a condemnation resolution further down the process.

**Katz:** Then it comes here.

**Lively:** No, it comes to our commission. It does not necessarily come to the council. If you --

**Katz:** I need to double-check that.

**Saltzman:** I guess i'm troubled by the condemnation aspect. Is that something you could live without at this point? In this amendment?

November 12, 2003

**Francesconi:** While you're thinking, can I respond for just a second? Here's the problem. I would be opposed to that, taking it out. Here's the reason. We've got to be very selective on using condemnation, and there's got to be a very strong public purpose. But the problem is I've seen property owners in other urban renewal districts get 30% more than the assessed value because we don't have the threat of the ability to do it. So because if it's not -- you've got to use the card extremely rarely, and we've only done it that I can recall once or twice. If the card is not in the deck, the owners know that, and you get more than 30% of the assessed value, which is taking the public's money.

**Lively:** Right.

**Francesconi:** That's the issue.

**Katz:** Do you want to answer that question?

**Lively:** Yes. That's true, that when we have this card to play, that we are by law required to offer fair market value. If we were just p.d.c. coming without condemnation authority, I do think that a lot of property owners feel, well, they can hold out for something better -- something more lucrative than fair market value. Under threat of condemnation, we have to offer fair market value, and if it's -- if the price is in dispute, it goes to court and there's a settlement on the price. But it sets the upper limit for us generally by using condemnation.

**Saltzman:** Every property seller in the world wants to sell at more than fair market value. If I sell my house, I want to sell it at more than fair market value, and probably 30% above that is not an unreasonable asking price, and probably I could probably get that for my house. So -- hasn't p.d.c. Condemned property in the past and it's sat vacant still after condemnation?

**Lively:** I'm not aware of any. Sometimes we buy in advance --

**Saltzman:** Particularly in that part of town.

**Lively:** Jefferson street project, jefferson block where the new safeway just went up, we actually acquired that in 1998 without having a clear idea of the safeway was going to go there. But we knew we wanted higher development, sometimes it's not until the program sorts out that you know exactly which piece is going to go on which block. But -- in that case generally in my --

**Saltzman:** Did we use condemnation?

**Lively:** We used the threat of condemnation. In fact, we generally always approach our negotiation was the threat of condemnation as -- in our pocket.

**Leonard:** So do we.

**Katz:** One second.

**Leonard:** On another subject.

**Katz:** All right. Are you finished?

**Saltzman:** Yeah.

**Katz:** Ok. Any other questions? All right. Anybody else want to testify on this item? If not, it passes to second. All right. 1318.

**Item 1318.**

**Katz:** Roll call.

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

**Katz:** Mayor votes aye. [gavel pounded] 1319.

**Item 1319.**

**Andy Miller, Bureau of Housing and Community Development:** Good morning. Mayor, commissioners, i'm andy miller, i'm the housing program manager at bhcd. This is an ordinance authorizing a grant application to h.u.d. For \$500,000 competitive grant to fund new affordable housing developments specifically targeted to the chronically homeless. I think our bureau has been before many of you individually, and you as a council in recent weeks to talk to you about what we're trying to do to address chronic homelessness here in Portland. This is an opportunity to

**November 12, 2003**

apply for a fraction of the funds that we need to develop new housing that will specifically house those folks who have been on the street and living in homeless shelters for extended periods of time. This is a new national priority, it's clearly a local bureau priority, and now a city priority. So we're hopeful that we can obtain these funds to get us started on the development of the housing that we need to address this critical problem.

**Katz:** Ok. And there's nobody left in the audience. Questions? Roll call.

**Francesconi:** Keep up your hot streak on this most important issue. Aye.

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

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

At 11:12 a.m., Council recessed.



November 12, 2003

NOVEMBER 12, 2003 2:00 PM

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

**Katz:** Present. All right. Let's take 1320 and 1321.

**Items 1320 and 1321.**

**Katz:** Linda?

**Linda Meng, Chief Deputy City Attorney:** Sorry. This is an evidentiary -- this is a hearing on the record. I'm sorry. This is an evidentiary hearing. Pardon me. This means you may submit new evidence to the council in support of your arguments. This evidence may be in any form such as testimony, letters, petitions, slides, photographs, maps, or drawings. If you haven't given the council clerk copy of the evidence you plan to submit you should give it to the council clerk after you finish your testimony to the council. Any photographs, drawings, maps or other items you show to do council during your testimony should be given to the council clerk at the end of your testimony to make sure that it becomes part of the record. Order of the testimony. We will begin with the staff report by the bureau of development services for approximately 10 minutes.

Following the staff report, the city council will hear from interested persons in the following order.

Am I doing this right? Pardon me. Sorry. Ok. The applicant will go first and will have 15 minutes to address --

**Saltzman:** How long have you been with the city attorney's office?

**Meng:** I am here at the last minute and reading this. I apologize.

**Katz:** That's fine. Go ahead.

**Meng:** The applicant will go first and have 15 minutes to address the council. After the applicant, the council will hear from individuals, are or organizations who support the applicant's proposal. Each person will have three minutes whether you are speaking for yourself or on behalf of an organization. Next council will hear from persons or organizations who oppose the applicant's proposal. Again, each person will have three minutes. If there was testimony in opposition to the applicant's proposal, the applicant will have five additional minutes to rebut testimony given in opposition to the proposal. The council may then close the hearing, deliberate and take a vote on the hearings officer's recommendation. If the vote is a tentative vote the council will set a future date for adoption of findings and a final vote. If the council takes a final vote today that will conclude the matter before the council. I would like to announce several guidelines for those presenting testimony in participating in the hearing. These guidelines are established by the zoning code and state law and are as follows. Number one, any testimony in evidence you present must be directed toward the applicable approval criteria for this land use review or other criteria in the city's comprehensive plan or zoning code which you believe apply to the decision. Number two, the staff will identify the applicable approval criteria as part of their staff report to the council. Number three, before the close of this hearing any participate and may ask for an opportunity to present additional evidence. If this kind of request is made, the council will either grant a continuance or hold the record open for at least seven days to provide an opportunity to submitted additional evidence and will hold the record open for an additional seven days to provide an opportunity for parties to respond to that new evidence. Number 4, under state law after the record is closed to all parties, the applicant is entitled to ask for an additional seven days to submit final written arguments before the council makes its decision. Number 5, if you fail to raise an issue supported by statements or evidence sufficient to give the council and the parties an opportunity to respond to the issue, you will be precluded from appealing to the land use board of appeals based on that issue 37. Number 6 if the applicant fails to raise constitutional or other issues related to proposed conditions of approval with number specificity to allow the council to respond the applicant will be precluded from bringing an action for damages in circuit court to challenge the conditions of approval.

November 12, 2003

**Katz:** Thank you. All right. Statements of conflicts of interest by the council. Ex parte contacts by the council? Anybody want to challenge our silence? Ok. Staff report.

**Kate Green, Bureau of Development Services:** Thank you. Good afternoon, mayor Katz, commissioners. I am kate green with the bureau of development services. I am going to be presenting the hearings officer's recommendation.

**Katz:** Please speak up. Your voice is very soft.

**Green:** I am going to be presenting the hearing officer's recommendation for the land use case 03-125469. I will be providing an overview of the proposal and the requested reviews, a description of the applicable approval criteria, and a summary of the hearings officer's analysis. The applicant, new seasons, proposals to redevelop a project site which is located at southeast 20th and division as outlined here in blue. The project site is presently developed with a single story commercial building and parking around the perimeter. And to the west is a duplex building. In order to accommodate the proposed re-re development the applicant has proposed several changes to the zoning of the site. The existing zoning shown on the left currently includes residential and commercial zoning. The applicants have requested a comprehensive plan map and zoning map amendment for the portion noted in the red here to change it from a single dwelling residential zone to a neighborhood commercial zone. They have also requested a zone change for the portion of the property shown in purple. From its current r-single dwelling residential zoning to neighborhood commercial as well. The portion in the purple has a comprehensive plan designation of neighborhood commercial, and the portion in the red has single dwelling residential designation. The approval criteria for these comprehensive plan map amendment are 33810050 of the zoning code and for the -- excuse me -- for the zoning change, the approval criteria are listed in 33855050.

The comprehensive plan map criteria require that there be no net loss in potential housing units that could otherwise be developed on that portion of the property, again shown in red. Therefore the applicants have also requested a rezone of another property located at southeast 39th and lincoln. They propose to channel 8 zoning on that property from single dwelling residential to multidwelling residential, and this would be a zoning map amendment and in conformance with the comprehensive plan. I have referred to these two different sites as the project site, where the proposing the redevelopment and the housing site was the lot I just showed you where they are proposing to provide additional housing units. So back at the project site, again, going through the requested reviews, the applicants have also requested an adjustment to reduce building setback along southeast division frontage. 9 property line along that north property line has a jog in it. And to accommodate the building line they proposed, they have requested an adjustment to reduce the portions noted in orange, the setback from 10 feet to zero feet. And the approval criteria for that are listed in the zoning code 33805040. Going into these approval criteria a bit more in-depth, the comprehensive plan map approval criteria require that the change be consistent with the goals and policies of the comprehensive plan. And that, as I have noted, there be no loss of potential housing units. The zoning map approval criteria require that the proposed zone be that most appropriate if there is more than one corresponding zoning designation for the comprehensive plan december tigidard nation. And that there be adequate public services to accommodate that zone change. The adjustment approval criteria require that the proposed development be consistent with the purpose of the regulation and the character of the area, or mitigate for any impacts. Looking back at the project site area, the site is located in the hosford-abernethy neighborhood with ladd's addition to the north, residential use along division and the clinton neighborhood area to the southwest. The pattern that you see here is the comprehensive plan designation for all the commercially zoned properties in that area. The lower portion of the project site is noted in orange, and that's the area that the applicants have requested the comprehensive plan change to. As you can see, the area has some commercial nodes and the surrounding area is all, and the balance of it is residential. The

November 12, 2003

hearings officer found that the proposed neighborhood commercial designation is equally supportive of the applicable comprehensive plan goals and policies as the existing single dwelling designation. He found that the proposal is supportive of urban development, redevelopment, and housing goals, though the hearings officer did recommend a condition to control access into and out of the site and along southeast 20th avenue. The hearings officer also found that the project would add and increase the mix of activities along southeast division, which is a major transit street. Found that the proposal is generally supportive of the hosford abernethy plan which seeks to have jobs and services close to the residents of the area. And he also found that sidewalks would be required along division as well as the southeast 39th project or housing site, and those would be consistent with the pedestrian policies. Further, he found that the proposal would not result in a loss of housing units provided a condition is placed on that housing unit -- housing site. Regarding both the zoning map amendments at the project site, the hearings officer found that the neighborhood commercial 2 zone is the most appropriate rather than the neighborhood commercial 1 zoning designation. Since it's matching existing pattern in the area and will allow uniform redevelopment of the site. He also found that public services are adequate to accommodate that change. Looking next at the housing site, which is in the richmond neighborhood, the pattern that you see here represents the comprehensive plan designation to have higher density, multidwelling development along this corridor of southeast 39th and the project or excuse me, the housing site noted there in the blue would be consistent with that corresponding zone. Likewise, public services are adequate to support multidwelling development at that location. Looking next to the adjustment back at the project site, the hearings officer found that reducing the setback would create an inviting facade to pedestrians and transit users along the street and that there is sufficient width along the street to accommodate that setback and accommodate pedestrian improvements. So in summary, I have all the proposals before you on this one slide. The hearing officer's recommendation is that he recommends approval for the comprehensive plan map amendment and zoning map amendment for the project site from neighborhood commercial -- excuse me -- from attached residential to neighborhood commercial with corresponding cm-2 zoning with the condition that delivery truck access be limited to entering the site from division and exiting on southeast 20th, and that a sign be installed to direct traffic, leaving -- or excuse me -- delivery truck traffic leaving the site to head north on 20th towards division. So that would change that portion of the site. The portion noted in purple is the zoning map amendment. He recommends approval for that from residential to neighborhood commercial as well. Changing that to the cm-2 designation. Looking at the housing site, he recommends approval of the zoning map amendment there from single dwelling residential to multidwelling residential with the condition that a minimum of eight housing units must be constructed on that site when that site has new development occur on it. So that would change that to the r-1 designation. Regarding the adjustment, the hearings officer also recommends approval of the adjustment of the project site, reducing the setback for a portion of the building from 10 feet to zero with the condition that the building permit reflected this similar dine for that portion of the building. We do not have a definitive plan for the entire redevelopment of the site. So that concludes the hearings officer's recommendation and my presentation. Please let me know if you have any questions.

**Katz:** Thank you. Questions by the council, if not let's hear from the applicant.

**Katz:** You have got 10 minutes.

**Brian Rohter:** Good afternoon. My name is brian rohter. My address is 5320 n.e. 33rd avenue, Portland, Oregon, 97211. I am the president of new seasons market. My family is one of the Portland families that owns the company. With the exception of what we believe to be one minor change I am here to speak in support of the hearings officer's recommendation regarding our request to further development and reopen a grocery store at southeast 20th and division. First I would like

**November 12, 2003**

to take a few moments to tell you about new seasons market and to describe our plans for the property. We opened our first store in february of 2000. We currently have four stores in the Portland area. Our stores offer a broad selection of grocery products and health oriented items. We employ approximately 650 people. Our management team has over 20 years of experience successfully operating stores in densely populated urban areas. For example, there is a new seasons market at southeast 12th and tacoma in the sellwood neighborhood and we have a store at northeast 33rd and killingsworth. Both of these stores have earned excellent reputations in their communities and are gathering places for neighborhood residents. We expect to continue to open stores in areas of our city that have been abandoned by the large grocery chains. I believe that you are all aware that in addition to the site that we are discussing today, we are working towards opening a market in north Portland at the corner of interstate avenue and Portland boulevard, adjustment to the max line. It's my understanding this would be the first significant commercial investment along the interstate corridor in many years. One of the methods we use for identifying neighborhoods to consider for locating new stores is to listen to requests from residents 37 over the past two years we have heard regularly from people who live in southeast Portland that they want a new seasons market in their community. We are aware that this area recently had three grocery stores permanently close. Because my family lives in southeast Portland, I also have personal knowledge of the needs of the community. We performed our market research. We studied the population density, the demographics, the traffic pattern and we confirmed that the shopping center at the corner of southeast 20th and division would be an outstanding site to open a new seasons market. This property has a history of commercial use. The buildings and the shopping center previously were leased by two tenants, both of whom had been there for many years, a grocery store and a laundromat. Both stores are now closed and the center is abandoned. We are confident that reopening a grocery store in this center will have a minimum impact on the surrounding area. Based on our experience with our other stores in urban Portland, we knew that we could best meet the needs of our customers by maximizing the amount of retail floor space without decreasing the available parking spaces. To accomplish this goal we have purchased a residential property immediately to the west of the shopping center. A duplex currently is situated on the property and our intention is to remove the duplex to allow us to expand the size of our store. At the time we made our purchase the duplex was occupied by one tenant. We assisted the tenant with relocation costs and she has vacated the prompt. We have worked closely with the hosford abernethy neighborhood association to identify a location where the duplex can be moved. Although there is not a signed agreement we believe we found a suitable site and the duplex will be moved to another piece of property in the immediate vicinity. We have committed to the perspective buyer we would deed the building to him at no cost and contribute to the relocation expense. We had working to finalize his permits. I would like to point out that the comprehensive plan map amendment that we are requesting, which has been recommended for approval by city staff and the hearings officer, is simply to rezone the store's parking lot which has been operating under a nonconforming use status. The existing building which was an operating grocery store until march of this year is zoned appropriately for its use. The zoning request that we are making for the duplex property is consistent with the comprehensive plan for that lot. I would like to describe some features of the remodels store. The footprint of the building will be approximately 25,000 square feet. This relatively small size puts it in the lower to mid range of other full service grocery stores in Portland. The building's first floor will be our retail area including our standard extensive selection of grocery items, a full service meat and sue food department, a full service deli, a seating area for about 50 people, a bakery and a supplements department along with the full service pharmacy. We will be adding a two-story, 14,000-square-foot addition along division and a 5,200 square food second floor to the south. The addition to the north will house the store and corporate offices and

November 12, 2003

the addition to the south will contain the store warehouses. The remodeled 37,000 square foot building will retain most of the original 18,000 square foot structure and similar to our store in the concordia area he will build a fully enclosed loading dock. This will minimum euthanasia nuisance to neighbors. There will be parking for about 70 cars and because of an unusually high percentage of our customers travel to the store on foot or by bicycle we will provide parking for 42 bikes. The architectural design will break up the mass and the bulk of the building by using a variety of materials and roof lines which will make it appear merely as a collection of smaller structures. The existing concrete tilted-up panels will be reused to form part of the facade of the new building. The concrete and concrete block that could not be reused will be crushed and fill the foundation of the duplex. The store will be oriented more toward Division Street and brought as close to the street as zoning will allow. The plans call for a double door entry, a 450 square foot ornamental planting garden and a covered plaza for outdoor eating. The division street building facade will have many windows to maximize the connection to the street and the neighborhood. There will be a net decrease of eight to 10% of the site services and for landscaping we will screen the parking lot from the street, a storm water planter will collect run off from the roof and treat nit an environmentally sensitive way. To the east of the store an extensive walkway and large enclosed hallway will invite pedestrians and outdoor store sponsored community friendly activities. Consistent with the historical use of the site we will have vans of trucks of various sizes to make daily deliveries to products of the store. I want to emphasize that virtually all of he's vans and trucks are already in the neighborhood making deliveries on southeast hawthorne, southeast division, southeast 21st and southeast powell. We have told p-dot we want our delivery trucks to enter and exit the site from 20th avenue which is a designated local service truck street. We have shared our information about the frequency of deliveries and the size of the vehicles. We have arranged for various size trucks to come to the site while p-dot staff were present to actually model the ingress-egress methods. We are continuing to work with p-dot to develop a plan to accommodate the larger truck deliveries. We are in full agreement with the recommendation that the exit from the parking lot to southeast 20th avenue have a sign appropriating right turns by delivery trucks because this will prevent unnecessary truck traffic cutting through the neighborhood to powell boulevard. We commit to enforcing this rule with our vendors. Primarily for concerns about the safety of pedestrians in our park lot we are not in agreement with the hearing officer's recommendation prohibit be our delivery trucks from using southeast 20th avenue which as I already stated is a designated local truck service street. Our council will address the issue shortly. Am I out of time?

**Katz:** I don't think so but -- we will give him -- keep going.

**Rohter:** Ok. I would like to point out the extensive community involvement has occurred during the plans for this store. Our process and our plans have been complete and public and transparent. Immediately after announcing our plans we contacted the representatives from hand, the neighborhood association, to share our information and to answer questions. Our entire project team was present at a well-publicized neighborhood meeting attended by over 100 people where we displayed renderings of our site and floor plans. We invited a neighborhood representative to join our project team at the preapplication meeting and she d I have met with people owners of other businesses in the neighborhood. I have met with the land use chair of the neighborhood association, others I have attended numerous meetings. We have given my phone number and email address out and I have received over 300 messages from neighborhood residents and have responded to each of them.

**Katz:** You are wonderful but you only left your attorney a minute. But I will give you -- with approval of the council we will give steve two minutes and we will give anybody else on the other side two minutes as well. Steve, grab the mic.

November 12, 2003

**Steve Pfeifer:** Thank you, mayor Katz, members of the council, Steve Pfeifer, address at -- it's new.

**Katz:** Maybe we will give him three minutes.

**Pfeifer:** Northwest corner. Portland 97204. I only have one, one issue to bring to you today and it's one Brian reference. It has solely to do with condition number 2 and if I could call your attention to page 30 of the hearings officer's recommendation. Where we have two conditions, only two, only one of which we have a concern about. It's in the middle of the page or rather in the middle of the page, condition number 1. Delivery truck access serving the project site shall enter via Division Street and exit via 20th and the remainder has to do with barring access out of that curb cut which on your drawing on the east side the bottom of the drawing is 20th. There will be a no right turn southbound on 20th to Powell or thereabouts in an effort to keep trucks off the neighborhood. We have no problem with that. We also obviously have no concern about leaving that, making that be our exit point for trucks moving in and out. We do have a concern in not being able to use 20th in a left turn southbound movement off Division because, first of all, in the transportation system plan, that reach of our frontage is actually designated as a local service truck street. That's designed by definition in the transportation system plan to accommodate adjoining local businesses which very much is us. Secondly, we would like to use that street for that sole purpose, not going south of that curb cut but just coming off Division to enter in that location particularly with the larger trucks, to keep those trucks out of the parking lot where we are going to have pedestrians and bicyclists moving around. The largest of the trucks we will deliver which is the less frequent delivery, in tests we conducted on the site with p-dot makes it clear those trucks would have to cross the center line and swing out into the oncoming lane to make the movement left bound into the parking lot if we were left to use the Division Street curb cut. It's a tight movement for them so in an effort to maintain that movement and in an effort to keep the parking lot free of that kind of traffic, some of which must occur during the day, I would simply propose that that first sentence in condition number 1 be modified after the word "shall" to deleted enter via Division Street and simply instead say "shall exit via southeast 20th." what that would do is let us use that local service truck street for entry and let us use it for exit but maintain again the no right out southbound to Powell for any trucks whatsoever.

**Katz:** Ok. Thank you.

**Leonard:** Did you make that presentation to the hearings officer?

**Pfeifer:** Commissioner Leonard, actually it came as a bit of a surprise to us. We included in a letter, the testimony was presented, actually the hearings officer as I recall raised the issue with us and I presented him a letter in the open record period after the hearing pointing out just what I have said that's a local service truck street, we do need that access and, yes, we did. I think in this case, commissioner, one of the reasons I think Greg was probably a little more willing to put that condition in play is because he did the unusual thing of making this a recommendation on the zone change and adjustment to you as opposed to final decision that would have to be appealed. In other words, all of these items are recommendations and so ultimately, I think he knew we would all get our chance here today, nothing would be a final decision at his end and at least I would like to think what's one of the reasons he put it in there for debate.

**Leonard:** Was there any opposition to this from anybody?

**Pfeifer:** Not, not testimony that I recall below. The testimony we heard from some of the neighbors we fully appreciated is that southbound, no southbound movement through the neighborhood. This didn't come up. And I would urge you to have Jamie come up from p-dot. We have worked with them extensively on site. They are very aware of it and they will offer you their opinion as well.

November 12, 2003

**Francesconi:** PDOTs concern is there is a problem here. And jamie can explain it with this condition. How it's going to be executed. So the thought might be to let p-dot work with the developer as part of this before there's the permits can be issued because they can present, I think, a better plan if also working with the neighborhoods. There's a concern from a traffic safety as well as just the mechanics. But jamie can explain it whenever you would like, mayor.

**Katz:** Let's proceed with the hearing and then we will bring p-dot up here.

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

**Katz:** All right. In support of the request. For the zone change.

**Katz:** Come on up and if you can address some of the issues on this particular case. Ok.

**Anne Matlak:** My name is anne matlack at 2414 s., e. Tamarack. Half a block away from where all these proposals. I have been looking forward to this happening. I think it would be great to have that larger grocery store there. I really support all their recommendations. And I just think it's been really difficult not to have a grocery store there when you don't drive. There's no place a regular grocery store to go to. And I just think having a nice, large grocery store is not going to impact traffic any more than what it is on division right now. I think it will be a lot easier for pedestrians to get to the grocery store. I'm all for it.

**Katz:** Thank you.

**James Adair:** My name is james adair. I live on 1541 s.e. Maple street in ladd's addition. I just came out to support new seasons. I think it's a great business and really represents the Portland value system in a way that no other business really in the town does, by my estimation. And i'm really looking forward to having them there. So far because of them, they have reached out to our neighborhood in such a way that the only reason I am involved in the neighborhood, i'm pretty new to the neighborhood and that's because of them. They've been a catalyst in my becoming involved with neighborhood politics. So i'm -- one other business -- what other business would do that? I wanted to come out and demonstrate my support for them being in the neighborhood. I think they're a force for good and they're going to be, they are going to be a real positive addition to the neighborhood.

**Katz:** Thank you. I'm laughing because it's a force for good as opposed to a force for evil.

**Adair:** Correct. What are the alternatives? Right now it's just an empty warehouse, and it could be a huge national corporation instead of a local company that supports local people. Takes really good care of their employees, and takes -- the president is available, lives in the neighborhood.

**Katz:** Thank you.

**Francesconi:** They want to sign you up for their ads. They're right back there. They're ready for you.

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

**Katz:** Go ahead.

**Eric Peterson:** My name its eric peterson. I live at 21st and clinton, a block and a half away from the grocery store. I have lived there for 14 years now. I bought a building at an auction from the state so it was in pretty poor shape when I got it. I have run my sculpture business out of there, which is sort of sketchy to begin with. I have watched that grocery store for the last 15 years, and it's always been barely scraping by and relatively, people drop their old furniture off there and other garbage, and it's barely being kept along over the last 14 years as i've been there. The proposal is that, you know, they're going to plant essentially 52 trees around the property and get rid of the drain water on the property and so forth and so on. So I think it would be considerably better than what is there now. I'm also involved with the moving the duplex to my property. So when that duplex gets moved, the resident, the people that would be living at it there would be living at it two blocks away. So you wouldn't really be losing much in the way of residential housing. And all in all, it's much better. And it's all being done with private money. So it would be something that

November 12, 2003

would fix the neighborhood up and wouldn't cost the city anything. It would just be allowing it to happen.

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

**Katz:** Who wants to start?

**Cecil Reniche-Smith:** My name is Cecil R. Smith. I live at 2428 S.E. Ladd Avenue. I am just a few hundred yards from the proposed market. I can look out my front window and see what is now a 78 can't lot. I believe, given my location, I am going to be feeling a lot of impact of increased traffic, increased parking, and, you know, frankly, I don't care. If it means getting a great grocery store and new seasons is a great market, it's a great public corporate citizen, I'm willing to deal with that. I lived in Sellwood when they built the Sellwood store. And experienced the increased traffic, experienced the increased parking on the streets. It was touch and go in the beginning but the store worked very closely with the neighborhood, and worked it out. Tacoma Street has been much improved since the store moved in and a lot of it had to do with the store moving in. They have been working closely with us in this neighborhood, in Ladd's addition and Hosford Abernethy to do the same thing. Frankly, when I heard they were opening, I did a ridiculous little dance of happiness. For all the reasons that everyone else has already said. But particularly because it is such a good corporate citizen of Portland. There are very few companies that you can look at in this country and even in this city and say, wow, you know, these guys do a good job for where they are and they are going to do a great job. The traffic on Division is bad. That intersection is bad. It was bad before New Seasons came. I am hopeful that with New Seasons coming and with them working with us, we are going to be able to fix that intersection and fix that traffic some.

**Katz:** Thank you.

**Lindsey McBride:** Good afternoon. I submitted my testimony by email so perhaps I will just read it to you quickly and put it on the record that way. I'm a nine-year resident of the Ladd's Addition neighborhood and I participated in four different community meetings involving New Seasons and their project coming to Southeast Division. For the following reasons, I think they are going to be a great addition to our community and to this surrounding neighborhoods. I think they will serve as the anchor development driving improvement and investment on Southeast Division that will attract and reinvigorate small store fronts and independently owned businesses. I think that New Seasons will provide a critical service that our community needs because we have lost two grocery stores in sort of a mile radius of my house, lost two grocery stores less than 12 months. I think their design and their plan for the property fits within the scope and the size as required by the city and as approved by the hearings officer. I think the store is certainly within walking and biking distance for the majority of my neighborhood and the surrounding community. I think their investment is going to improve the property which really needs some enhancement, additional street trees that were already referred to and we really look toward improving the environmental impact that has been caused by buildings at that location. I think that this store will drive urban development and economic revitalization by offering 130 jobs at this individual location. I agree with Cecil. I think they're on outstanding neighborhood and outstanding business citizen, and I welcome them to my community.

**Katz:** Thank you.

**Linda Nettekoven:** I'm Linda Nettekoven. I live at 2018 S.E. Ladd Avenue. I am on the board of the neighborhood association and I expected to have a letter in my hand to read you this afternoon. Given an email glitch I will just hope that that letter reached you even though it did not reach me. And let you know that as other people are indicating, the neighborhood association has been very active in trying to work with this development process, trying to bring everyone to the table, and there are folks that you will hear from later who have a slightly different vision for Division Street in terms of the scale of development happening in the area in particular. And what in size of this



November 12, 2003

particular development important tends for other places along the street. We have been trying to make sure everyone's concerns were heard in this situation, and addressed as much as possible. I wanted to go on record again to say what an incredibly positive process we have had working with the owners of new seasons market. You hear again and again from people who are angry with the folks that are doing development in their neighborhood, and I wanted you at least to have this positive opportunity to add to the mix of things. Our basically our letter spoke to do technical aspects of the proposal in much the same way weighed addressed them in the earlier testimony before the hearings official so that will stand. Basically we were supporting the effort as presented.

**Katz:** Thank you.

**Moore:** That's all who signed up.

**Katz:** Anybody else in support of the project who didn't sign -- well, well. All right.

**Leonard:** Calling out the big guns now.

**Katz:** Heavy artillery.

**Susan Schneider:** Good afternoon, commissioners and mayor. My name susan schneider. I live at 1517 s.e. Holly street in ladd's addition. And I would just like to add that as someone who lives a block south of hawthorne but in ladd's addition walking is such a critical part of how our neighborhood works. Our ability, we can walk to the movie, we can walk to most of the kinds of services we need, and grocery store is a critical piece of that and we lost our little grocery store in the center as you have heard. And so for that reason I would like to add my voice to others and say, we wholeheartedly support this proposal.

**Katz:** Thank you, susan. All right. The other side.

**Katz:** Anybody else?

**Moore:** That's all who signed up.

**Katz:** Anybody else want to testify that didn't sign up? Ok. Go ahead.

**\*\*\*\*\*:** Ok. I have written testimony as well. Mayor, commissioners, good afternoon.

**Katz:** Good afternoon.

**Pedro Ferbel-Azcarate:** I am pedro, 8512 s.e. Eighth avenue. I co-own two businesses along southeast division street. I am also on the board of directors of southeast uplift where I represent the seven corners localization initiative. This is a coalition of businesses and neighbors in the seven corners area of hosford abernethy on southeast division. I served on the land use and transportation committee of southeast uplift representing this community group. I might just say there's a diversity of opinion surrounding this case in our neighborhood and lots of people choose not to bring their voices to city council because they don't want to appear divisive. I want to make it clear this is a about appropriate land use in our city, not how we feel about new seasons market coming to our neighborhood. I am sure there is common ground and I am hopeful that we can all share it. My written testimony cites many titles of the city of Portland's comprehensive plan. To demonstrate the proposal will adversely impact the neighborhood, due to its size and automobile orientation, further my testimony asks council to respect the wisdom of our neighborhood plan. As I cite a key housing objective that should guide this land use decision that was not addressed in the hearings, hearing officer's report. Division street has been in the past and struggles to be today a thriving main street with locally owned small businesses on a major bus route with the healthy sprinkling of residences. However, as you can see from the applicant's site map their building lot and footprint are big as a city block and represent an anomaly along division. The nonconforming use of parts of this building and parking lot were a result of incorporating a block of ivan street and parts of a fragile residential zone back in the 1960's when they were planning for the mt. Hood freeway. The proposal calls for rezoning and subsequent removal of the historic house at 1924-26 division in order to create an even larger footprint for their store. 78 parking spaces and 660 additional car

**November 12, 2003**

trips a day, neighbors are already concerned about traffic, safety, noise, and that they won't have a place to park. Further, bicyclists and pedestrians are concerned that division street will become an even greater safety hazard than it already is. Finally, the entry orientation in the applicant's site development plan is toward the parking lot and not toward the main street. All this evidence suggests that the auto orientation of the development may go beyond the cm-2 designation to "provide services for nearby residential areas," and be "small scale with little impact." the impact on the character scale, and safety of our neighborhood is addressed in comp plan titles included in my written testimony. As far as the proposal to change the zoning of the house, in order to remove it for the sole purpose of increasing the square footage of their proposed development -- can I ask for additional?

**Katz:** Council? Will we give him an additional two minutes?

**Ferbel-Azcarate:** Thanks. So as far as the proposal to change the zoning of the house, I would point to two comp plan titles and then go to the hosford abernethy action plan policy two, housing. Significantly objective 2.7 identifies this zone in particular as one that has been adversely affected by commercial development and reads very clearly "protect the fragile residential area founded by powell, 11th, division, and 21st from further commercial or industrial encroachment." the site in question falls within this identified area. Comprehensive plan section 3.6, neighborhood plan, states "maintain and enforce neighborhood plans that are consistent with the comprehensive plan and that have been adopted by city council. Similar policies in the comprehensive plan include 4.1 housing availability and 4.10, housing diversity. The plan was adopted by city council in 1988. I would ask council to consider these points in their determination of whether the approval criteria has been method for this land use case. Thank you.

**Katz:** Thank you very much.

**Ferbel-Azcarate:** Can I add something about the new proposal that the lawyer brought up? Actually, if you check the hearings recommendation page 18, policy 6.23, bicycle transportation, I think we have to consider these alternative modes of transportation when we're making these decisions about the flow of trucks as well. And there's actually a testimony here that speaks to that intersection of 20th and division.

**Katz:** My apologies to you. Since you are the only person who is not supportive, you have some additional time if you need to make some additional points.

**Ferbel-Azcarate:** I would reread perhaps that policy statement.

**Katz:** Don't reread it us to. Do you have any other additional points you want to make?

**Ferbel-Azcarate:** No. Again, I just want to say a lot of people choose not to come to city council because they do want to welcome new seasons so these questions about land use and transportation and approving of the comp plan, these are things that a lot of folks just don't want to deal with but they are within the comp plan and in the action plan of the neighborhood association.

**Katz:** Thank you.

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

**Katz:** Ok, steve. Why don't you come up. You have a rebuttal. Five minutes.

**Pfeiffer:** Actually, I don't have anything to add.

**Katz:** Ok.

**Pfeiffer:** I agree with pedro. There were opinions of all flavors at the hearing. And we all leave you with one thought as you well know, this is a policy choice in the map case. These are not hard and fast, black and white standards you operate under generally. And we will be called upon to make an interpretation, you will.

**Katz:** Thank you. Let's come back and deal with the traffic issue. P-dot, why don't you come on up. Go over, she doesn't have a mic.

November 12, 2003

**Jamie Jeffrey, Portland Office of Transportation:** Jamie Jeffrey with the office of transportation. We reviewed the recommendation and felt that this is typically something that, if it was placed on a zone change comp plan amendment, condition, it's something that, in looking at the way the trucks, the best way that the trucks should need to access the site, the one that will provide the fewest safety impacts, neighborhood impacts, things like that, at this point in time, p-dot does not have a final recommendation on what that might be. In fact, the number of different routes that could be used for the trucks to access the site has tradeoffs in all ways. So if a condition like that sits on a comprehensive plan map amendment zone change amendment, what could end up happening is, if it doesn't work for all the way through the future use of the site, then, the case has to come back before the council to determine something like that. So we felt that it was, that we did have a way to deal with that piece of it outside of the zone change piece of approval. Another thing, piece that is important to note is that the property that is subject to the zone change if you take the existing building the way it is, the south end of the property, which is all parking lot, is the piece that is looking at zone change, as well as a piece up in the northwest corner. If the building were to stay as is today, and new seasons or another grocery store were to move into that building, the truck access issues would be still something that we would have to figure out and deal with. So the zoning in one sense doesn't necessarily, doesn't necessarily totally apply to the truck issues that are out there today. We would still be dealing with those. And so what we would proposal is that we be reviewing this prior to building permit approval, and be working with the applicant and the neighborhood to resolve what the truck access scheme should be.

**Francesconi:** So would you prefer -- excuse me, commissioner Saltzman, would you prefer eliminating condition number 1 completely or would you prefer the amendment suggested by Steve Pfeiffer which says they exist via 20th?

**Jeffrey:** I think certainly the t.s.p. and the policies for truck access because this site has frontage on 20th, the t.s.p. would support allowing trucks that access this site to use at least that portion of 20th. I think because it is a policy question, it may be appropriate to leave that there. I think because our policies would be direct those trucks to use division to access the site to and from, using 20th as appropriate, so it in my opinion it probably doesn't need to be a condition on the zone change itself.

**Saltzman:** Isn't that a lot more safe to have the trucks not cutting throughout parking lot where you have people walking?

**Jeffrey:** That's certainly one of the tradeoffs, yes. That is a tradeoff.

**Saltzman:** It seems common sense to me 20th makes more sense.

**Jeffrey:** 20th has issues with truck maneuvering as well. And the movements that they have to make, they have got to do some backing into the site through the intersection. So there's definitely tradeoffs. You know, to where people are moving. The safest movements that could be made by the trucks and that's why we don't have a clear cut answer at this point. We are continuing to work with the applicant to get all the information we need and to be able to make a decision on what we feel is the best.

**Katz:** What you are really saying is you want to disconnect the zone change with the traffic pattern until you have had time to thoroughly review it and you don't necessarily see the one being supportive of the other at this particular time?

**Jeffrey:** Yes. I believe we feel that, you know, p-dot feels that this is typically something we wouldn't recommend having on a comp plan amendment, zone change. Because the nature of the traffic movements can vary through time, and it just seems like a small piece to have to come back to council on for, you know, a fairly large review.

**Saltzman:** The recommendation itself is a small piece?

**November 12, 2003**

**Jeffrey:** Yeah. The condition of trying to designate with the truck movements is a pretty small piece in comparison to a comp plan amendment, which is usually pretty big decision.

**Saltzman:** Ok.

**Leonard:** I'm not real clear. Are you saying you are recommending we eliminate the entire condition or just the portion that steve pfeiffer?

**Jeffrey:** I would say we would, we would be comfortable with eliminating the entire condition at. At the same time having the piece of it that talks about placing signs is not a problem.

**Leonard:** Can't do you that anyway?

**Jeffrey:** But we can do that anyway in the building permit. So we have other avenues for that. You know, another thing when you are thinking about a comp plan amendment is, this is going to be set this way for all the future, until someone comes and wants to change it again. And if somebody were to come in in the future and level the site, prays a building up at division, there may not be any access at division. Again, we still have t.s.p. policy support for which direction the trucks should take to get through the city to the site and away from the site. So I think we have enough strong backing there to support giving them that direction and working with them in that direction. And our experience with the new seasons representatives so far has been very positive in that light. They've been interested in making things work as well, and they do appear to be sensitive to the neighborhood impacts with that.

**Katz:** Thank you. Further questions?

**Francesconi:** Thank you. I'll move we adopt the findings of the hearings officer, overrule the objections except that we are going to delete condition number 1.

**Saltzman:** Second.

**Katz:** Ok. Discussion? Roll call.

**Francesconi:** Pedro, I think you are ready right that -- we have to make our decisions based upon appropriate land use in our city, not how we feel about a particular applicant, even though we feel great about this applicant. But when you look at the comprehensive plan and the purposes that we are trying to accomplish, this zone change does better accomplish that in a variety of areas. It really does help the neighborhood. I just, I walked southeast division around three years ago with the citizens with the business folks. I think, I don't know if you were part of it, yeah, you were. And they were, this is, having a larger employer even though it's a bigger footprint will help feed the smaller businesses that are there. And it's a walking neighborhood. It's going to add, it's just what this neighborhood needs. And then the added benefit, which we are not supposed to consider, that it's such a terrific employer, and citizen purchasing locally and all those kinds of efforts, employing locally. This is just what division street did-needs and they did it, it was nice, the testimony was really wonderful today. They did it with no public money. I mean, it's the private seconder working in a very hungry neighborhood, you know, wanting this to happen. This was really wonderful today. You got the right to do what you did. But this is a good thing for the neighborhood. It's going to be a great benefit for part of town that pays a lot of taxes and deserves this benefit. Aye.

**Leonard:** Just completely coincidentally I was out a block away from the site yesterday talking to the business on the corner of 20th and division about their murals. We started talking, they pointed out where the site was and the owners of that small business were as commissioner Francesconi said, excited about this project and what it can do for the area. I think this is a great example of a company working well in a community that benefits everybody. Aye.

**Saltzman:** Well, this is, this part of division has a lot of eclectic additions but it's a pretty dilapidated piece of property and I think new seasons will very much fit in with the eclectic mode. As one of the witnesses in favor said a lot about new seasons represents a lot of Portland values.

November 12, 2003

And that's why I think they're such a great place. I think they will make this neighborhood, this stretch of division really fantastic I think many of the neighbors feel the same way. Aye.

**Sten:** Well, from a land use i'm going to vote aye. On a personal note, I think new seasons has done a really amazing job of tapping into not really the market but a sense of what people would like to see in a store which is local products, ties to do local communities, and that's why I think they're actually able to open stores successfully at vacant places that the market has abandoned because they actually understand Portland and understand that the formulas that are causing these kind of properties to abandon are dead wrong. Nobody would touch Killingsworth and 33rd for decades. And I go shopping there a lot. It's just a booming place and it fits real well. I think it's actually pretty safe to say has bumped up the local businesses' receipts because people are going to the other places. The rib shop there does a lot more business than it was doing in a similar location before hand. I think it actually is very rare you can bring in a big business and not fear that you are stampeding the little businesses but this is one of those cases where I really think it will work out well. That's not a land use argument. That's a cudor to new seasons and it was a while ago but I used to live on 17th and Brook Library and I wish it was there then and i'm glad ice there now. Aye.

**Katz:** I appreciate the testimony with regard to land use issues and the neighborhood plan since we had other conversations here on this council with regard to the same issues. But I do disagree with you because I think the use of this particular property for the grocery store is, especially in a community like Hosford Abernethy that I represented in the legislature and walked door to door several times before I left the legislature, it is, it is a very quaint neighborhood. People tend to walk or bicycle and as somebody who doesn't drive to go grocery shopping, I appreciate what it means to be able to walk to a grocery store close by and carry your bundles home without having to take a bus or, in the case of folks who drive, without taking the car. That is part of what makes Portland the way, a city should be. So I support the grocery store. Thank you for being such a good corporate partner. Aye. Ok. 1321. Roll call.

**Item 1321.**

**Moore:** I'm sorry. I did not read the title a while ago.

**Katz:** You didn't?

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

**Katz:** A little history I should have shared with you. The legislature redistricted and that's how somebody from northwest got across the river to represent Hosford Abernethy and the rational was bus 17 went across the river straight to the neighborhood. So it makes perfectly good sense you should have a grocery store without driving. Aye.

**Moore:** I'm sorry. I believe we need to fix the language in the ordinance for the condition that was made.

**Francesconi:** Oh, yes, the change in the second ordinance.

**Katz:** Why don't we just amend it.

**Francesconi:** I'll move that we amend the ordinance to reflect the removal of condition number 1.

**Katz:** Ok.

**Francesconi:** In the land use designation.

**Katz:** All right. Do I hear a second?

**Saltzman:** Second.

**Katz:** Any objections, hearing none, let's vote as amended.

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

**Katz:** No more history. Aye. Thank everybody and we stand adjourned.

At 3:07 p.m., Council adjourned.

**November 12, 2003**