



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **10TH DAY OF MARCH, 2004** AT 9:30 A.M.

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

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

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

COMMUNICATIONS		Disposition:
205	Request of John Stanley to address Council regarding solutions to the problems of homelessness (Communication)	PLACED ON FILE
206	Request of Todd J. Kurylowicz to address Council regarding morals and politics (Communication)	PLACED ON FILE
207	Request of John F. Haines to address Council regarding things that are not our choice - the human factor (Communication)	PLACED ON FILE
208	Request of Gil Frey to address Council regarding the Memorial Coliseum, a gift to the city - a servant to the community (Communication)	PLACED ON FILE
209	Request of Joe Smith to address Council regarding the Memorial Coliseum, a hub for transportation (Communication)	PLACED ON FILE
TIME CERTAIN		
210	TIME CERTAIN: 9:30 AM – Adopt a process by which development review delays can be resolved, especially when they involve multiple City development review bureaus (Ordinance introduced by Commissioner Leonard)	PASSED TO SECOND READING MARCH 17, 2004 AT 9:30 AM
CONSENT AGENDA – NO DISCUSSION		

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Mayor Vera Katz

211	Reappoint Barbara Warren-Sams to the Urban Forestry Commission for a term to expire December 30, 2007 (Report) (Y-4)	CONFIRMED
212	Accept contract with 2KG Contractors, Inc. for Fire Stations 5, 13 and 42 remodel project as complete, authorize the final payment and release retainage (Report; Contract No. 34507) (Y-4)	ACCEPTED
*213	Amend contract with Hennebery Eddy Architects, Inc. for completion of architectural and engineering services for the remodel of Fire Station 28 (Ordinance; amend Contract No. 33921) (Y-4)	178233
*214	Pay claim of Dainard Paulson (Ordinance) (Y-4)	178234
Commissioner Jim Francesconi		
*215	Issue a Revocable Permit to the Water Bureau to install, monitor and maintain underground water monitoring devices in a portion of Washington Park (Ordinance) (Y-4)	178235
*216	Issue a Revocable Permit to the Clackamas County Service District #1 to construct, operate and maintain a municipal sewer line within a portion of the Springwater Corridor (Ordinance) (Y-4)	178236
*217	Authorize agreement with Regional Arts and Culture Council to provide Arts Administration for the Old Town/Chinatown 3rd and 4th Avenue Improvements Project Public Art (Ordinance) (Y-4)	178237
*218	Grant revocable permit to Jake's Famous Crawfish/McCormick & Schmick to close SW Stark between 12th and 13th Avenues on March 16-18, 2004 (Ordinance) (Y-4)	178238
*219	Accept grant and authorize Intergovernmental Agreement with Tri-Met for \$136,000 to provide funds for the CarpoolMatchNW project and Interstate Corridor marketing and outreach efforts (Ordinance) (Y-4)	178239

Commissioner Dan Saltzman

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<p>*220 Change project manager and provide time extensions for contracts with seven professional, technical, and expert service firms for real estate and related environmental services as required in support of Combined Sewer Overflow and other capital projects (Ordinance; amend Contract Nos. 33424 through 33430, 33478 and 33479) (Y-4)</p>	<p>178240</p>
<p>City Auditor Gary Blackmer</p>	
<p>221 Improve Collection and Foreclosure Process to correct inconsistencies (Second Reading Agenda 201; amend Code Sections 5.30.080 and 5.30.130) (Y-4)</p>	<p>178241</p>
<p>REGULAR AGENDA</p> <p>Mayor Vera Katz</p>	
<p>222 Declare Council support and interest in the further evaluation of the conversion of Memorial Coliseum into a major community athletic and recreation complex (Resolution)</p>	<p>CONTINUED TO MARCH 17, 2004 AT 9:30 AM</p>
<p>223 Approve the application of Gateway Arbors, LLC for a ten-year property tax exemption for a transit oriented development project (Resolution) (Y-4)</p>	<p>36201</p>
<p>224 Approve the application of Irving Street Properties, LLC for a ten-year property tax exemption for a transit oriented development project (Resolution) (Y-4)</p>	<p>36202</p>
<p>225 Approve the application of Ventura Park Plaza Apartments, LLC for a ten-year property tax exemption for a transit oriented development project (Resolution) (Y-4)</p>	<p>36203</p>
<p>*226 Compensate employee Don Kniefel based on settlement agreement (Ordinance) (Y-4)</p>	<p>178242</p>
<p>S-227 Adopt the 26th Amendment to the Downtown Waterfront Urban Renewal Area Plan and extend the expiration date of the Plan from April 24, 2004 to April 24, 2008 (Second Reading Agenda 183) (Y-3; N-1, Leonard)</p>	<p>SUBSTITUTE 178243</p>
<p>228 Accept a contract for \$1,470,000 with Gresham Ford for the purchase of 70 Ford Crown Victoria police sedans (Previous Agenda 184)</p>	<p>REFERRED TO COMMISSIONER OF FINANCE AND ADMINISTRATION</p>

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Commissioner Jim Francesconi

229 Revise number of Golf Advisory Committee members (Ordinance; amend Code Section 3.86.010)

**PASSED TO
SECOND READING
MARCH 17, 2004
AT 9:30 AM**

Commissioner Dan Saltzman

230 Support the United States Congress and the President to restore the Superfund tax on petroleum and hazardous chemical manufacturers in 2004 (Resolution)

(Y-4)

36204

Commissioner Erik Sten

231 Authorize the City Attorney to intervene and participate in the Oregon Public Utility Commission review of the application of Oregon Electric Utility Company to acquire Portland General Electric Company (Resolution)

(Y-4)

36205

At 11:01 a.m., Council adjourned.

GARY BLACKMER
Auditor of the City of Portland

By Karla Moore-Love
Clerk of the Council

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

March 10, 2004

WEDNESDAY, 2:00 PM, MARCH 10, 2004

**DUE TO LACK OF AN AGENDA
THERE WAS NO MEETING**

March 10, 2004
Closed Caption Transcript of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

MARCH 10, 2004 9:30 AM

Sten: Good morning. The mayor is out this morning. So karla would you please call the role.

Francesconi: Here. **Leonard:** Here. **Saltzman:** Here.

Sten: Here. Mayor is absent this morning so we will begin with communications number 205.

Item 205.

Sten: Go ahead. You have three minutes.

John Stanley: Just waiting for some attention.

Sten: We'll start the clock. Your time.

Stanley: Start it. Ok. Six months ago I was here and you were discussing a solution to the homelessness problem. Obviously these people need a place to sleep. I don't know if any of you have ever slept on concrete, but it's very bad for you. It kills you. So i've come up with an idea. There's tons of parks in this city. All i'm asking for is five of them on rotation so they don't get destroyed, five parks, can step up security, you guys love spending money on that anyway, so you can step up security in the designated areas, an autonomous time zone from 9:30 at night until 8:30 in the morning. They'll be in a park, camping. So if you switch up the five places once a month, yeah, they'll have to move once a month, but it will give the places time to heal, it will keep these people out of the business areas. It's pretty simple. I don't know how long we got to work on it, but, I mean, come on, dude, it's not that hard. But unfortunately, the inaction and apathy of the council makes me sick. I'm not being personal. I'm being real. You know, it's disgusting. I don't think that you guys even understand, so I don't blame you. I think you're ignorant to what it's like, and I don't expect you to understand, but at the very least I expect compassion. If you're going to be here representing us, then act for us, not personal business interests. Thank you very much.

Item 206.

Sten: Not here. 207.

Item 207.

John F. Haines: I've been listening to the news, and I find it disturbing. This is a compass. It doesn't help as far as direction of the youth. This is a phone book. And it's used to find sources for us to help people as far as to find as far as information out for themselves. It can be used as far as to find jobs, both government and -- but resources as far as -- are trampled upon, people take resources out of the city. There are people as far as in "the new yorker" in the year 2000 that aren't a full map. We fall as far as within perplexed, and I don't know. New york is clumsy, as far as the people that put this out. As far as a student in grade school, and high school, I believe that was sent on, as far as for reunion with my people as far as in grade school, which is going to be 2005, when I looked at the list, my name wasn't on there. I went from seventh grade into -- into high school with the help of people as far as psychologists and other situations. This is a map as far as of Oregon. And it's a pretty big map. I'm just wondering regarding as far as how vast people are getting as far as of the results of different proposals. I mean, it is huge. It's not just Portland. As far as social security, it comes out of baltimore as far as back.

Sten: Mr. Haines. Your three minutes is up. Can you give us your last couple thoughts?

Haines: Pardon?

Sten: Your three minutes is up.

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Haines: Ok.

Sten: Thank you. Number 208.

Item 208.

Gil Frey: Thank you very much. My name is Gil Frey. I'm from Milwaukie, Oregon, born in Portland. Portland's my home. And I'm going to read a couple letters and then a bit more material. This letter is from either a Kim or Linda that rode on the Freedom Train in the Rose Festival Parade of 2002. "People line the streets. It's a typical Rose Festival Parade in Portland, Oregon. The clouds linger above just waiting for the right moment to burst open and drop their bounty. The Freedom Train is now moving. Once through the Memorial Coliseum it hits me -- there really are people who care about what we as members of the armed forces have done and continue to do in the name of peace. As we approach the crowds, people rise to their feet. Men remove their hats and children salute. From the crowd I hear both men and women saying thank you. It is I who say thank you to them. Without the support of our families and communities, our deeds would feel somewhat trite. It was very moving and almost brought several of us to tears." Then another letter from a veteran in Newberg. He writes "this letter to inform you as a veteran and life member of the American Legion I'm very upset with the operation of the Veterans Memorial Coliseum and the complete conflict of interest with the Trail Blazer Management set up causing the Coliseum to be neglected in favor of the Rose Garden or whatever. If the Coliseum is destroyed in favor of a parking lot for the other thing, I will make sure it makes the Legion Magazine vet voice and go to every legionnaire in the U.S. On the Memorial Coliseum is this plaque. "this Memorial Coliseum is dedicated to the advancement of culture opportunities of the community and to the memory of all veterans of all wars who made the supreme sacrifice to preserve us for the inalienable rights of life, liberty and the pursuit of happiness, to live in the hearts we leave behind is not to die." Then we have a comment here from another veteran where he says "the Memorial Coliseum, it's not a cash cow, it is a Veterans Memorial. Treat it with honor it deserves." In the last two days I've received a resolution which the Council is apparently going to be acting on rather quickly and potentially it was today. So I've written my own resolution. Declare Council support and interest in the further evaluation of the Memorial Coliseum as it relates to a functional memorial and a special events facility so that it will continue to serve all existing customers and to maintain and improve the facility for the benefit of the city, state, county, and country. Whereas in the fall of 2000 it was announced -- owe.

Sten: Mr. Frey, your three minutes is up. You'll have an opportunity to testify at length on that if you'd like.

Frey: This is my own whereas recommendation, and you will have a copy of it in the material which you already have.

Sten: That will be terrific.

Frey: Everything I have here, you have a copy of.

Sten: Thank you.

Frey: Thank you very much. Whereas because of many --

Sten: Mr. Frey, you got to wrap up. It's not fair to the other speakers.

Frey: I am real quick.

Sten: Ok, perfect.

Frey: Whereas the Memorial Coliseum was enabled to become an -- enabled to become an immediate success and remain that way for 35 years.

Sten: Thank you very much.

Frey: Thank you very much. Can't do much in three minutes, but we are looking at a million -- a million dollar project, and maybe hundreds of millions.

Sten: You did in a lot of three and we have it in writing as well, so thank you very much.

Frey: Thank you very much. There's 40 pages of material. I hope you read it all. Thank you very much.

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Sten: Number 209.

Item 209.

Frey: We're on the same side, by the way.

Joe Smith: Joe Smith, Portland. I've lived in the same house in Portland for nearly 31 years. I care deeply about the future of our city. I appeal today for taking a holistic approach to the future of the coliseum with two views. Our transportation system and realizing the potential of the east bank. The success of any modern city is tied more tightly to the viability of its transportation system than to any other single factor. The ease of getting people to, people and products to, through, and back and forth within the city dictates everything from economic growth and prosperity to the temper level of its citizens. We call Portland the city that works. 30 years from now there will not be a single city in the world that really works, that lacks a rapid, high-speed, capacity public transportation system, both in and out and around the town. And we don't have one. Right now you're wrestling with improving max and the bus system. But anything you do with the downtown mall hits the wall of the biggest reason Portlanders still and will drive to work or play. As long as only surface transport is available, they think they can and usually actually can get there quicker and easier by car. Cars beat buses. And max is just about maxed. Simply because it's on the surface. Any effective public system must get off the surface. In other words, any city that truly works 30 years from now will have a subway system. And American cities are failing to recognize that. There are over 150 projects worldwide, either building or improving subways. Only three of them are in the United States. You're also looking through the river renaissance at revitalizing the east bank. I've been an active participant to show how much can be done to make the east side of the river a vital, living, playing, working area. Anything done there starts with addressing the existing transportation mess, both highway and heavy rail. Two of the three proposals from the advisory committee submitted 20 months ago, the athletic center and the hybrid option, all fail to see the coliseum as part of the bigger picture. The third temperizes in the short-term may be the most sensible use, but in the long run the facility is perfectly located to be the linchpin, both for a viable public transport system and the vitalization of the east bank. It should become a transportation center and a dedicated permanent museum and memorial to our veterans. We need a multi-modal terminal connecting bus, light rail, both surface and subway, and heavy rail. We also need a high-speed heavy rail system to Seattle and California, and any high-speed rail cannot cross the Willamette. There must be a terminal on the east side. The coliseum is perfectly located to provide all. Furthermore, by joining our main transportation center a veterans memorial we would hugely increase the awareness of our citizens to the legacy of veterans. Schools could take field trips to see both history and how a modern transport system works. By including space for shops for catering to the travelers would benefit all. I urge the council to take this holistic view.

Sten: Thank you, Mr. Smith. Before we get to the consent agenda, I wanted to introduce students visiting us on a field trip to study local government. Welcome, everyone. Any items to be removed from consent? Hearing none, does the audience want to remove any? Roll call.

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

Sten: Aye. That brings us to item 210, our 9:30 time certain.

Item 210.

Leonard: This ordinance has been in discussion for some time, well before I got here I should say. Blueprint 2000, innovation partnerships and other recommendations over the years have made a specific recommendation that is encompassed in this ordinance that would allow the Bureau of Services Director to intervene on permits that for whatever reason were languishing. We developed a process here that I'll have Ray and the other describe that isn't precisely what was recommended, not as probably clean as what was recommended, but does involve the process where the interested Bureau heads will, if you will, be put on the spot, if a permit is being held up, so that there will be some discussion and ultimately Bureau of Development Services Director can take action to speed a

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permit up. One of the things that I think all of us agree is important is to make sure that when we're trying to locate a business here, there's some certainty in the permitting process. And this ordinance is an attempt to live up to that, and also to, as I said earlier, incorporate those two recommendations from blueprint 2000 that most people have recognized needs to occur. So, ray, i'm going to turn this over to all of you.

Ray Kerridge, Bureau of Development Services: Good morning. I'm ray kerridge, b.d.s. Director. I'd like to make a couple of introductions, if I may. At the end we have cindy catto. She's a member of the drac committee representing the a.g.c. Then i'd like to introduce tomasina gabriel. She's the chair of the drac committee. On my right is bob euland who is the neighborhood representative on the drac committee. And to my left gil kelley. What i'd like to do is spend a couple of seconds giving you the history of this ordinance, and then hand it over to thomasina who will go through the mechanics of it very quickly. Then cindy will talk about how this is going to impact the contractors. And bob will have the perspective of the neighborhoods. And finally have gil talk to you about the perspective of the other development directors. In blueprint 2000 it became apparent that we needed a more effective way of dealing with delays in the permit process. They could be caused by somebody just getting hung up in the system or maybe there was an apparent interpretation or conflict between bureaus or maybe a conflict between actual regulations within the bureaus. This theme reappeared in the innovation partnership report in 2002. In 2003 city council gave the responsibility to bring forward a solution to this problem in the regulatory improvement work plan, and concurrent with this the city auditor also included a recommendation in his order to the bureau that we come up with some kind of a process. So that's the overview. That's why we're here. We see this as another -- a confirmation of b.d.s.'s commitment to having a permitting system that's the best that it can be, and for dealing with and for addressing city goals. With that brief introduction, i'd just like to hand it over to thomasina to talk about the mechanics of this. Thank you.

Thomasina Gabriel, Chair, Development Review Advisory Committee: I know ray announced me, but in case you need it for the record, i'm thomasina gabriel, chair of the development review advisory committee. Do I need to give my address or anything? No, good, ok. Probably the easiest way to understand in sort of a 30,000-foot level perspective of this resolution is to look at in your package the flow chart that was provided to you. This was really truthfully the way we all went through this process. We tried writing it down first. And putting this in narrative form was a lot more difficult than looking at a picture. So basically what this does is if you look at the bar at the bottom of the page, you'll see it's a relatively quick process. There's, in the first bar, three days, which would really be the time when the applicant has gone through as many of the processes that he knows -- he or she knows about, and has been working with staff, and for some reason, and it could be a number of reason, there's at least a perceived delay in processing the permit. At that point the applicant, or even a staff person, a process manager or anyone can sort of raise their hand, call a contact person in b.d.s. That's assigned this task and say, I think there's a delay, can you help me find what is happening? And then have that staff person go to all of the involved parties on any bureau staff and find out what's happening, what may be causing a delay, and get back to the person who's made the phone call and said, here's what I understand, and, yes, there is -- no, there isn't a delay, everything is proceeding as it's supposed to proceed, be patient, or here's what's happening in case you didn't know. They could say, the reason there's a delay because there's something you haven't done that people need you to do -- file an appeal, submit responses to checklist. Maybe the applicant didn't understand that people were waiting for them. Or, yes, there's a delay, and there's something that we need to further do to sit down and talk with you. If that's the third case within another three days, there would be a meeting set up with the staff people that have been working on the case, as well as their supervisors, so that there's another level of management that is involved at that point to see if there's something that can be creatively decided in terms of speeding up whatever

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the -- the delay is. And when i'm talking about speeding up here, I want to back up a second. This is not about circumventing existing processes. It is not about taking something out of an adjustment process if that's what's required. It's more about making sure everybody at the table understands what's needed to be done and how quickly can it be done. Resolution may not be, like you get your decision today at this meeting, the decision may be you have to file your adjustment, the process is 90 days, here's what you need to do, here's the people who can help you do it. If there still isn't a resolution of the delay, which could be a change in the time that the permit is going to be processed or a new procedure that may be the applicant didn't know about, if that doesn't get resolved, then the director of the bureau of development services can call the other bureau directors and ask for a panel meeting for sort of the next level of decision-makers to get involved and see if they can meet and decide what is a potential resolution. You've got to live with this, you can withdraw and not do this project, or here's a pathway to get to getting your permit processed. That's sort of where the specific case ends. What also is put into this is the ability for then the bureau directors or staff to take this on as a systemic improvement and bring it back as part of the annual regulatory reform conversations. Maybe they discover something that needs to go through code maintenance or any of the other processes we've started to put in place for an ongoing improvement of the system. So that's pretty much this process. In about 3 plus 3 plus five days an applicant understands and knows what his pathway is to get a permit and then systemically we have an ability to discover things that aren't necessarily working, maybe not only for that case, but for others. That's the process. I want to make a few more comments before I turn this over to my colleagues on the development review advisory committee. I do want to say that the way we went through developing this resolution I believe provides a model for how the development review advisory committee can work with the other development review bureaus. We took this on because it was assigned to us as part of the regulatory reform tasks. We have the ability on the development review advisory committee to have all of the interests at the table presenting their point of view. That's one of the reasons we're all three of us sitting up here today to give you an understanding of who's on this committee. In addition to that to have the opportunity to work with the other development review bureaus so that really we start carrying out in real time what blueprint really always wanted to do, which is to have a very responsive, predictable and accountable permit system that assists all the interested parties and primarily applicants who need to carry out the city goals and policies that you all approve.

Cindy Catto, Associated General Contractors: Good morning. I'm cindy catto from associated general contractors. I'm here to reiterate that a.g.c. has been involved in carrying the banner of regulatory improvements since a long time before blueprint 2000. The two goals we've always had in working together have been accountability and predictability in the system. And we've seen over the last several months really good progress on those two goals. With all of the changes that are occurring in b.d.s., but there are still a few remaining puzzle pieces, one of which is this ordinance. There are times when a permit just gets lost in a black hole. And the customer doesn't know why. Sometimes it's the customer's responsibility to fix that. And we believe, then, the customer should be held accountable to that, but sometimes it's hard to find out exactly what the problem is. And everybody knows time is money. So we feel that this ordinance is a really good step in adding one more puzzle piece into the jigsaw puzzle and getting us down to that ultimate goal of having the entire system being predictable and accountability. We see that we have one bureau head who can ultimately pull all of the other bureaus together to make a decision. We see specific time lines that that has to be done. It will be published so that the users of the system will know what the process is if they get stuck in one of these black holes. So a.g.c. recommends that you approve this ordinance.

Bob Ueland, Hollywood Neighborhood Association: Thank you. I'm bob euland, hollywood neighborhood association. I've been with this group for several years. Of course from the neighborhood level, what we're always looking for is how it's going to affect our individual folks

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that are living out there and going in for permits, and also our business people who are largely affected by the b.d.s. processes. This particular process is one which is simply designed, as we see it, to try to get some more predictability into the process, which is important. The easier it is for the citizens to get through the permit process and for businesses, I think we all see is going to be an advantage to all of us who live here in the city of Portland. So we don't see that this changes or modifies or any policies. Doesn't replace any types of reviews or notices or hearings. We think it's an important work that we've put together, and we would recommend its adoption.

Gil Kelley, Director, Bureau of Planning: Good morning, council. Gil Kelley, director of bureau of planning. I'll be very brief. I wanted to thank Ray and the members of the DRAC for bringing this forward and being so responsive to the needs of the various development bureaus and the directors who were consulted are actually listed on the bottom of the transmittal memo that you received on this. I wanted to just make three quick points. First of all, this is part of the larger regulatory improvement work program. As you know, some issues concern how regulations are written. And the planning commission, in fact, just yesterday approved another 76 clarifying amendments, streamlining amendments to forward to you in the next couple of months. There are also a series of issues that concern how the regulations, regardless of how they're written, are applied, how the permit system works, and to his credit Ray and Commissioner Leonard both have taken this on as one of the tough nuts there, one of the key kind of hang-ups in the permitting system, regardless of what the regulation might be. I think this is an important improvement. Secondly I wanted to again thank Ray for engaging the bureau directors constructively. He came with a first draft of what became known as the permit czar ordinance trembling in his hand and stood his ground and stuck to his principles and also listened to the concerns of the other bureaus. What you have is something they're all comfortable with. It doesn't override any authority on their part in terms of the substance of the regulation, but it does say when there's a delay there's a way that Ray can bring us together and get the thing resolved. It's the process issue that we're really trying to address here. And I think this ordinance is focused on that and is not only satisfactory, but quite beneficial in that regard, and I think we've all signed on to it. It also gave us an opportunity to use the planning and developing directors group as a way to break down the silos of government here. On that score, it's also important because in a way we're trying to keep as many of these decisions away from needing to get to the council and resolve them at the lowest level, in fact before they even get to the directors level. So Ray knows who he can call in each of the bureaus that can tackle the problem in short order. If he needs to, he can convene the bureau directors and we'll be there for him to resolve the issue. So we hope none of these ever has to come to council. Thirdly, as Thomasina alluded to, it does provide for a feedback loop. We don't have very many of those that are formalized. This gives a way to make a recommendation about the content of a regulation so that we can get it into the planning bureau, planning commission cycle of thinking about what needs to be rewritten. It may also feed into another round of permit process improvements that are led by Ray. So I think it's instructive in that way, and I think that's reflected on the chart. So I'll hold my comments there, but I definitely support you adopting the ordinance.

Sten: Questions for the panel from the council?

Francesconi: I had one before we began, but Cindy's comments raised another, so I have two questions. I was viewing this -- first of all, this is terrific work. I'll say more about that. But I was viewing it as more resolving conflicts between the bureaus as opposed to tracking where the permits were until Cindy's comment. So I guess the question is -- do we have the technology? Seems like we wouldn't need this process to track where the permits are, and this, quote, black hole. So we do have the technology and systems in place, separate from this, to track the time lines and where permits are? Because that should be done regardless of this.

Kerridge: Yeah. Commissioner Francesconi, yes, we do have that in the track system, but what that tells you is something's been in process for three weeks in b.e.s. It didn't tell us why it's been in

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b.e.s. that long. We know where things are, but it doesn't tell us how long or why they're at this particular point.

Francesconi: Do we have any red flags? This leads into my second question. In any time line, are there any red flags that go up in the current system?

Kerridge: In the intergovernmental agreements we have between the development bureaus, there are time lines in all of those agreements stipulating how long things need to be -- how long it should take to do a particular plan review. We have that. We don't have the track system set up yet so that it pops up a flag, you know, ok, the 10 days is over, on this particular project. What we do is we rely on reports. We manually pull reports out of tracks, we call them kind of backlog reports, but we don't have it set up so it automatically pops up.

Francesconi: So we rely on people to kind of complain as opposed to triggers, but --

Kerridge: Well, it's -- you know, the managers and supervisors pull these to-do lists and they pull these backlog reports off of tracks, and you can get that information directly. So we don't need to, you know, wait for a complaint to come in. If a supervisor is doing their job, they should be checking these backlog reports every week and asking these questions, why is taking so long to do this, that, or the other project.

Francesconi: And then my last question -- it's back on the performance measurements in terms of time lines, which I ask a lot about.

Kerridge: Yes.

Francesconi: You know, I took the radical step in voting against a budget once on that. Now I know we're looking a lot better on some projects, but do we still have performance measurements on all commercial projects? In terms of set time lines.

Kerridge: We do. Apart from most of the commercial projects, the answer is yes. But if you get a big job, say like south waterfront, which is a huge job, the design process is different on those kinds of things, so we --

Francesconi: I'm not concerned about the big projects.

Kerridge: Yeah.

Francesconi: It's the small projects and the smalls that i'm concerned about.

Kerridge: Yeah. And all of those time lines are in the intergovernmental agreements that we have with the other bureaus.

Francesconi: Ok, thank you.

Kelley: If I can just respond, jim, I think your questions are excellent, but I think the value of this particular ordinance, it's a mechanism for bringing people together to solve the problem.

Francesconi: No, I got that. I got that.

Sten: Any further questions? Thank you.

Kerridge: Thank you.

Sten: We'll take public testimony now on this item.

Amanda Fritz: Good morning. I'm amanda fritz. I'm concerned about the lack of -- the absence of public review of this proposal. There's no process that i'm aware of that I could have participated prior to today. I found out about this by seeing it on the council's agenda last friday and haven't had much time to look into it. I'm a customer of the bureau of development services. Back in the good old days of commissioner Hales we understood that when we had processes to adopt processes, that was when the public was allowed to participate and encouraged to participate and then after that it became a more administrative process. We seem to have gotten away from that. And I feel that some customers are more equal then others in the bureau of development services. I'm concerned about the Portland development commission being added to the list of bureaus compared with the draft that was sent to me by a member of the drac. I'm concerned that some of the issues that p.d.c. may be concerned about might trump some of the issues i'm concerned about, such as affordable housing or sustainable development. It seems to me from looking at this proposal that there should

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be an appeals process for both applicants and neighbors, so that if someone feels a decision has been made incorrectly there would be some kind of process for bringing that to light. I would suggest that there should be an annual report to the planning commission and to council as well as to the development review advisory committee. Sending code conflicts to the regulatory improvement work program cycle seems inefficient for developers who might be completely held up by a code conflict. This should be -- there should be some other mechanism to take care of those issues in a more timely manner. Something discussed in another process to do with enforcement of regulations is an enforcement or implementation advisory committee that would be a balanced committee of neighbors and development interest who could act in a more discretionary manner and provide recommendations to council or to another body when there are these kind of discretionary decisions that needs to be made in a more timely manner. Finally, the proposal doesn't seem to differentiate between simple building permits and more complicated prongs resulting from land use reviews. There doesn't seem to be a place for neighbors to continue to advocate for those discretionary decisions that were made that are important to them that might be lost in some kind of an administrative process that they wouldn't know anything about because it's basically between the applicant and this proposed committee.

Sten: Thank you.

Leonard: Can I clarify one point. This ordinance is as a result of blueprint 2000 and innovation partnerships which were outreach programs to the community where there was tremendous public input and testimony, and the recommendations contained there in are what caused this to occur.

Fritz: Yes, I participated extensively in blueprint 2000, and that's why i'm very disappointed that there hasn't been the process that I understood was going to happen in blueprint 2000 to develop this. I understand the development review advisory committee has been involved, however that doesn't have a balanced representation between development interests and neighborhood interests.

Wittenburg: Jim wittenburg. I wanted to report, I do have an address this time.

Sten: It's not necessary to give it, but glad you have one.

Wittenburg: Ok, and with no help from you guys. Well, actually a little bit of help. The landlord i'm looking to, said thing, said who are you running against? I said randy leonard. He said good, I can't stand that guy. So that worked out great. So you did help, randy a little bit to get in this place.

Leonard: Good. I'm glad. So I did help you.

Wittenburg: I read about this, too, in the paper for the first time, and -- but some of the words I heard here black holes and intimidation I came out of here in my mind, and pulling all the bureau heads together. It really sounded to me like the same thing that i've heard, and I passed out to you my little rubber stamps thing out of the eugene paper. About essentially that talking about decisions are based primarily on legal, developers become the real city planners and planning bodies just rubber stamps lots of highly undesirable things illegal. Try making a list of the things that you know about. One project may be found to be legal. The real meaningful deliberation -- once it should begin once it's found. The point i'm thinking is that i'm seeing a city council that somehow reminds me of this rubber stamp thing, that lets the developers make the decisions and do most of the planning, with the planning commission, and then you come along and stamp it. I'm just concerned that that's where we're headed, that some day the developers are going to be sitting up here, in these seats where you are, and we're all going to be down here somewhere, although i'm beginning to think it's more desirable to be down here. I'm feeling more comfortable down here as I go along. I just don't understand this need to rush into decision-making that we're doing here. Everything seems to be in favor of the developer. Developer is king. He's top of everything. And we're destroying the quality of life here in Portland. I grew up in this town. I've lived here for almost 60 years now, either beaverton or Portland. I'm seeing a town increasingly difficult to live in. I'm old now, 65 now, and just about 33 -- in just about 33 days. I can't get across the streets

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anymore fast enough to get through these walk lights that you have. These s.u.v.'s and trucks are sitting there, revving their engines, with their bumpers about the level of my chin, want to go. I helped an old man across the street yesterday on 16th, and he's terrified to get across the streets in this town. I'm guessing 70 or 80. There seems to be no concern. What we're concerned about is putting more business, more cars, more development, more, more, more, more. You're destroying this city. I have gone to other cities in the country that I don't want to live in. But you're making those kind of cities into Portland. You're going to develop every square inch, pretty soon I'm going to see you try to take the parks and start developing them into some kind of condominiums for the rich people. We've got to get a handle on this. It isn't just about the developers. It's about the people in the city, too. Thank you.

Sten: Thanks, jim. Would anybody else like to testify on this? All right. Is there any council discussion? It will move to a second reading, then. Now on to the regular agenda. Item -- could you read item 222.

Item 222.

Sten: Mayor Katz has requested that this item be continued for one week. Item 223.

Items 223-224.

Sten: Is there any staff testimony on this? Come on up. Would you like us to read all three items at once?

*******:** I was going to speak on the first two.

Sten: 224, then.

John Marshall, Portland Development Commission: My name is John Marshall, a finance coordinator at the Portland development commission. I'm here to recommend approval of the tax abatement for gateway arbors phase two. There are two resolutions before you. They are for the separate landowners that are contributing to the project. They're identical, so I'll just do one presentation to save time. The tax abatement goes to eligible purchasers of the housing units. So that's one thing I want to make clear have the very beginning, goes to people that are buying the homes. The project is located at 99th and Irving in the gateway urban renewal district. It has 48 units, 24 are one-bedrooms, 24 are two-bedroom units. The project meets all of the city code requirements. It provides public benefits by having a publicly landscaped plaza. Also has park benches for pedestrians and has a potential ground floor retail on the Irving street. The project meets the city code requirements by having housing prices that are well within the threshold that the city requires. The housing prices are supposed to be less than equal to -- equal to or less than 95% of the f.h.a. loan amount for Portland, Oregon. That's \$189,905. The selling prices here are between \$72,950 and \$124,950 - 38% to 66% of the housing price here. So this is very, very affordable and meets that requirement. The tax abatement will go to purchasers that have an income of 100% of m.f.i. of the city of Portland or less. That's \$67,900. The benefit of the tax abatement, which means that purchasers do not have to factor in the property tax as a regular expense, means that there are lower-income people who are able to qualify to buy housing. That benefit, plus the low selling prices, plus low interest rates, means that the project will be actually affordable to people between 34 to 54% m.f.i. This is the most affordable project I've seen since I've been here at p.d.c. This is meeting the city's goals of affordability, creating affordability, p.d.c.'s goals as well. If there are any questions, I'd like to answer them, otherwise I recommend approval.

Sten: Thank you. Questions from the council?

Saltzman: This is a purchase of an existing multi-family and it's going to be replaced by for-sale condominiums?

Marshall: Actually this is new construction. It will provide 48 units of new housing for potential purchasers. The project is nearly complete.

Saltzman: This is the gateway arbors?

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Marshall: Yes, gateway arbors.

Saltzman: It says 24.

Marshall: That's what I said at the beginning. There's two resolutions, 24 in each resolution for a combination of 48 units.

Saltzman: Ok. So it's new construction?

Marshall: New construction, correct, correct.

Francesconi: Given the fact that minority home ownership rates are half of majority home ownership rates, what can be done to use this terrific project to try to provide home ownership opportunities to people of color?

Marshall: That's an excellent question. The way I can address that is the -- if you look at the m.f.i. range for people that can buy houses here, 34% to 54%, that's an income range of \$23,000 to \$35,000. So it really makes it affordable for people that are lower income. I've spoken to the developer, and there are 20 units that are under reservation. The people that are buying these are within 20,000 to 40,000 income ranges, so it is actually hitting the goals that we're trying to do. The location is in gateway. There's a lot of retail jobs in that area. It's not that far from the airport. I actually live in that area. I know it is a mixed community. So I can ask the developer, if you'd like, to see what kind of purchasers are buying there, but this is something that p.d.c. can, I think, do throughout the city. We can't, you know, steer the any particular group towards a project, but we can make it affordable and try to broaden the range of potential purchasers.

Francesconi: Well, can we publicize the opportunity to certain communities to make sure everybody has access to information?

Komi Kalevor, Portland Development Commission: Good morning council my name is Komi Kalevor I'm with the housing department on the Portland development commission. We do have on staff a home ownership coordinator that may be able to help with what you're suggesting.

Francesconi: That would be good. Thank you.

Marshall: This particular project was in "the Oregonian" about six weeks ago, so it has had citywide distribution. I think perhaps looking at the observer, maybe the scanner, hispanic news, may be additional ways of bringing interest in the project.

Francesconi: That would be very good.

Sten: Any further questions from the council? Do we have public testimony on this item?

Moore: No one signed up.

Sten: Would anybody like to testify on this? Then let's have a roll call on 223.

Francesconi: This is a terrific project, and it's appropriate use of tax abatements. It's really terrific that it's in -- outside of the central city as well, in a neighborhood that needs some help with a lot of working class folks. And home ownership is still the best way to create wealth.

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

Francesconi: So it is about jobs, but it's also about creating wealth for all of our citizens, and last time I checked home ownership is still the very best. Thank you for your efforts. Aye.

Leonard: I have raised concerns about the issue of abatements and whether or not we're focused enough on how we apply them to get the best use. This would be an example, in my opinion, of the highest and best use of an abatement. This would be what I would consider to be one of the most outstanding examples of why we have abatements. In addition to the benefits you listed, of this particular locale, out in gateway being close to the town center and being close to the airport, right where light rail converges. So this is a wonderful opportunity for a part of the city that needs our help. I'm glad I get to put our money where my mouth was by voting aye.

Saltzman: Aye.

Sten: I agree. As an aside, i'm working with the housing staff to bring back an updated tax abatement policies and we'll be very close to meeting the mayor's two-week deadline within a week

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probably. I think under any -- any version that comes forward, this will clearly qualify. It's a great project. Aye roll call on 224.

Roll call on 224.

Francesconi: Thanks for your work on this as well. Aye. **Leonard:** Aye. **Saltzman:** Aye.

Sten: Aye. Can we read 225?

Item 225.

Sten: Do we have a staff presentation?

Komi Kalevor, Portland Development Commission: Yes. Once again my name is Komi Kalevor I'm with the Portland development commission, housing department. With me is Neil Lieden, finance coordinator, also with the p.d.c. You have before you a request to approve transit-oriented tax abatement for Ventura Park Plaza apartments. It's a 55 unit project 15 two-bedrooms, 40 one-bedrooms. It's located 112th and Burnside, between Burnside and Ankeny. The project meets various public benefits. It's affordable to a wide range of incomes. It will provide a meeting room for community organizations. At the instruction of p.d.c. staff architects, they've included covered benches on the Burnside transit area for pedestrians and transit users. The project would also help achieve density along the light rail, which would help us maximize the investment in light rail. We also run some financial feasibility analysis, and we do three tests. Because this is a rental project, we actually do one test to see what the project -- how the project performs with the tax abatement. We showed that the return to the developers is a negative 6.9. The project cost \$4.3 million to build. The developers are investing \$900,000 of their own money. We also deed financial performance with abatement and that shows slightly better 4.3 return on their investment. The third test we did was to see what rents would be necessary to give the developers a 10% return. That would require a 29% increase in rents to achieve that. Anywhere from 185 to 230, I believe. So the market doesn't seem to be there for the higher rents. The one-bedrooms are renting for \$635, which is 50% of median family income. The two-bedrooms are renting for 750, which is also about 50% of median income. We recommend you approve this, because this project would not otherwise be feasible without abatement. And clearly it is housing Portland families at a very good, affordable range. With that, we'll take questions if you have any.

Sten: Any questions from the council?

Saltzman: So you said it would have a -- without the abatement it would have a negative 6.9 rate of return and with the abatement 4.3?

Kalevor: Yes.

Saltzman: That's the range they're shooting to build the rentals?

Kalevor: For the 10 years, correct.

Francesconi: I'm sorry, I think you said this, but how much of these are family units versus single?

Kalevor: We technically define family as two bedrooms or better, and so there's 15 of the 55 units are family.

Francesconi: And is that because of cost reasons that you couldn't have more or --

Kalevor: Well, typically for-profit developers tend to do two-bedrooms, occasionally a few three-bedrooms, but the larger units are mostly provided by our non-profit providers. I think market-wise it's harder for-profit developers to handle. Market pressure.

Francesconi: Thank you.

Sten: Any public testimony on this item? In that case roll call.

Francesconi: Well, housing for low and moderate income folks is such a critical need that using tax abatements to help accomplish it if the projects won't be built otherwise, is a good use of our money. Of all the testimony that I remember on tax abatements that's come before us, this was among the very best just now from p.d.c., because you clearly said -- maybe it was said before, and I just didn't pay attention -- but you clearly gave us the rate of return with and without, and said the

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units have been built without this, which was very clear testimony. So i'm going to favor this. I guess my only other comment is i'm looking forward to hearing from the broader urban renewal committee about how we're doing in a part of town, you know, that needs parks and public places. And the things that should go with increased density. That's not your issue. But we do have an obligation to make sure that these other public infrastructure's there as well. But having said that, given the explosion of kids and families in east Portland because of lower housing prices, and people need decent places to live, this is -- i'm going to vote aye.

Leonard: I refer to my previous comments. Aye.

Saltzman: Aye.

Sten: Aye. Thank you. Item 226.

Item 226.

Rob Bergman, Director, Bureau of General Services: Ron bergman, general services director. I'm just here to recommend approval of the agreement.

Sten: Any questions from the council? Any public testimony on this item? Roll call.

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

Sten: Aye. Karla, could you read substitute item 227?

Item 227.

Sten: This is a second reading, something that's been discussed quite a few times at the council, so we won't be taking public testimony, unless there are any amendments. Are there any amendments? Any council discussions or questions of staff before we vote?

Saltzman: I have a question.

Sten: Don.

Don Mazziotti, Executive Director, Portland Development Commission: I have laryngitis, so I apologize.

Sten: We can hear you.

Saltzman: We had the discussion last week about the process you're going to undertake looking at all the central city urban renewal districts, and in particular the issue of redrawing the boundaries of the river district to include old town/china town, which would maybe enable us to sunset downtown waterfront, and that you would have that back to us, recommendations, clear -- free and clear of p.d.c. to us in about a year.

Mazziotti: Commissioner, if I could interrupt for one second, the process will be, depending on your decision today, we would develop a scope of work for such a study, which is broader than merely a river district question, but that would be the first question looked at. We will then look at all of the central city urban renewal districts and call into question, are the boundaries in the right place, how should we adjust them, what does the financing look like, what does the project demand, are there new areas that should be encompassed or existing areas that should be released. That would be generally the scope of the study. We'll have to put that in our budget, and that budget doesn't -- you know, isn't completed until june. So we would launch the study sometime post june. I would anticipate that we would have answers to the first issue that you raise back in the earliest stage of the project, certainly before the end of the year. I would hope even sooner, but I can't guarantee that.

Saltzman: I guess the other point I wanted to make sure I understood, it seemed like last week also there was testimony, I remember whether it was from you or nancy mcclain, that you didn't foresee going to the bond market for waterfront urban renewal bonds prior to that -- prior to us getting those answers about the redraw of the boundary. Am I correct in remembering it that way?

Mazziotti: That was --

Saltzman: I thought there was considerable support up here for that idea.

Mazziotti: That was speculation. Here's -- here's the facts. We have to come back to you to issue - - go through any kind of bond issue. And so our commission has to act on it, and then it has to

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come to you to agree to issue bonds. And so we'll come back here in any event, no matter what the timing might be or where we are in the study. Secondly, I think we have no way of predicting when bond proceeds would be drawn down or what the volume or velocity would be, we're just giving you our best estimate as to what would happen.

Saltzman: But that -- that estimate somebody gave us last week.

Mazziotti: That was an estimate.

Saltzman: You didn't foresee us having to issue bonds prior to that question being answered.

Mazziotti: Correct. But, commissioner, if something were to happen that would trigger the necessity for additional bond proceeds, we would not hesitate to come back to you, even if the study were not completed, should it be a compelling public necessity, match for a light rail system, you know, property comes up that -- for an affordable housing project that we really need and want, that kind of thing, but short of that we would not come back until we're completed.

Saltzman: Thank you.

Sten: Any other questions? In that case roll call.

Francesconi: Well, this has been a very healthy discussion. In fact, in the beginning I was leaning toward not extending the urban renewal district at all. I think there's several factors. I want to start out by thanking the league of women voters, who's really raised the substance of the debate and the quality of the debate. And I guess I'd like to add my -- I appreciate what you just said, don. The goal is to get that report done as quickly as possible and to not issue any second set of bonds until the report is done. But I understand what you said. Since we have the ultimate say on the bond sales anyway, it's a little academic, but it does send a signal to you that we're going to be reluctant to approve any bonds unless that report is done on the second sale. But having said that, there's kind of four basic reasons that I'm going to vote yes on this ordinance. The first is it's only for four years, so it's a limited renewal. It's not 20 years. The second is -- and this was borne out by the testimony from Multnomah county and mesd, that if we make the right kind of investments here we can actually generate more revenue for the schools and county and other jurisdictions. Because there's economic opportunities here and tax -- we only get -- this urban renewal keeps 50% of the taxes, but 50% are immediately generated to the other jurisdictions. So it's very important that we take the wise choices, but I think the last two reasons are the most compelling. We have richard harris testifying to us that there's here an opportunity to real really help vulnerable low-income vulnerable citizens with low income housing. And helping support an institution central city concerns that is doing god's work, there's no other way to put it. So that's one. The other is, you know, I had a really powerful meeting with some chinese americans just last week over lunch that want china town and old town to be developed. Here's a great opportunity to help in a part of our city where people have been struggling for a long time to make investments. We can diversify our business -- diversify at the same time we help. And that requires urban financing to do it. For all those reasons, I'm supporting this. Aye.

Leonard: I have a different view. I did some rough calculations and though the urban renewal district recommendation is for four years, if we bond the \$36 million the repayment is over 20 years. And if we bond \$36 million at 5%, the payback is actually \$57.3 million. So the question for me is, particularly in light of the fact that I can't look at what the projects are going to be to make a judgment as to whether or not it's truly an investment, that will bring us a greater return as opposed to these prior tax credits that we just voted on, which my judgment is that we do get a greater return on that. I'm not sure that the projects that I've heard discussed wouldn't otherwise happen without an urban renewal district. So that this might be an example where the market causes investment to occur because there is a potential gold mine in that part of the town, our town. So I'm concerned that this isn't the highest and best use of dollars. And not that I don't agree that urban renewal districts aren't important. They are very important. But I think this is one of those cases where the p.d.c. brings a recommendation that they should be bringing, and I respect that, and they should

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bring the one they do but those up here have to balance that with competing choices from throughout the region. Including having to understand if we do take \$57.3 million in revenue -- up to \$57.3 I shouldn't say -- because some at pdc said it really isn't that much. But up to that much. Then we're really impacting the general fund of the city, the county, and to a smaller extent, but still importantly, schools. So for all those reasons, I just -- I tried to get myself to the place where I could support this. I want to support it. But I just in good conscious can't. No.

Saltzman: Well, I think the city council, the public indeed, the p.d.c., have all become -- you know, given a lot more scrutiny to urban renewal, its impact particularly on forgone general fund revenue for other taxing jurisdictions. And this is all healthy to do. I think indeed the council and p.d.c. and the public will continue to question the renewal of urban renewal districts, the sunseting of them, but if there's one district perhaps that shouldn't come under scrutiny it's really this one. This one has been the most catalytic bang for the buck urban renewal district that we have. It's really catalyzed downtown development to make this a 24-hour city where people do live downtown and where employers still want to be, I mean despite a lot of things you hear we're still the central business district, we're the main focus of where most people go to work every morning and leave at night and fewer of them leave now. Many more live down here. A lot investments made under this urban renewal district in particular has led to a city that we can be proud of. I think that it's good, though, that we focus in and hone on the area of this district that really needs the investment most, whether it's affordable housing or other types of public improvements, and that is the old town/china town area. That's why I remain interested in seeing if we can have two wins here. One to show that we do -- we can sunset an urban renewal district, but also take the part that is truly most needy of continued investment of tax increment dollars, which the old town/china town area, by combining that into the river district urban renewal area. I'm glad we're doing this for four years.

I'm glad we're going to be answering the question about the redraw of the boundaries before we issue further bonds, but this is not the district, this is not the time for us to make a symbolic statement, because I think it would forego too many opportunities to continue to make the central business district a very vital and robust area, which we need to be doing all the time, perhaps more now than ever. Finally the taxing jurisdictions who will lose the revenue have all supported this extension in one form or another is also an indication that from a long-term perspective this is a very, very important renewal district, perhaps the most of all of our renewal districts. Aye.

Sten: This has been a very good discussion. I also want to compliment of league of women voters, because I think that in opposing the urban renewal district extension, actually drove us to I think a good compromise, and in some sense the next step, I just wanted to describe that. Slightly different opinions I think from each councilmember. I think it is probably time to close down this district in part because it's been very successful. The reason I'm interested in the four-year piece is that there's a sliver of this district, which is the old town/china town that has two characteristics. One I think it needs a lot of revitalization still, and it is also the home to several hundred units of affordable housing due to have its contracts expire over the next couple of years. If that housing is lost, replacing it will cost, you know, probably to four to five times as much if it's at all possible. So from my point of view, this urban renewal district is the only possible source of money to preserve that housing at a reasonable cost, which I think has enormous implications for downtown, as well as extraordinary importance to the individuals and families that live in that housing. There's two real things that an urban renewal district -- there's two places that an urban renewal district makes sense, and they're slightly different. One is if you make investments on the front end that cause -- this is the traditional approach -- development to happen that wouldn't have otherwise, you're spending money on the front end, but it is money that you may never have earned if you hadn't invested. So in other words, you put money in the front end, the tax value goes up. That's the traditional approach. The other piece where I think urban renewal makes sense is very carefully in districts where things are taking off, it's a way to take money and preserve a spot for low-income people on

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the front end. It is something that has happened successfully in the river district. I've been pretty clear and I want to say this explicitly I would prefer the league of women voters approach, which is to close the downtown waterfront district and add the blighted areas that are left in it to the river district. And I think that would be the strongest approach that marries all of my concerns. I agree very much that it may or may not be as easy to do as to say it. I like the approach we will study this to see if we can find a way to take the league's approach. If we can't by extending this four years, we still have the opportunity to go in and save the housing that would be lost if they close this urban renewal district down. If the league's approach -- I wish we had it figured out sooner, but this will work. If the league's approach appears to be viable, we actually, I think, have not done anything other than what commissioner Leonard has argued for, because if we not have sold bonds, and then we take the other approach, it won't have a different effect on the taxes as if we closed it down today. So for me this is a little bit of a holding pattern and gives us two options to accomplish what I consider to be the major goal left undone, the revitalization of old town/china town and preservation of that housing. This is the only way to have a shot at doing that. For that reason I vote aye and the ordinance passes 3-1. Number 228. Karla?

Item 228.

Sten: The mayor has asked that item 228 be returned to her office. So we'll do that. Item 229.

Item 229.

Francesconi: I'm not sure why this wasn't on the consent agenda.

Sten: Is there any public testimony on item 229? Seeing none, roll call.

Moore: This is a nonemergency.

Sten: I'm sorry. We'll move this to second reading. Item 230.

Item 230.

Saltzman: Thank you. Mr. President, members of the council, this resolution addresses an issue very important to Portlanders and Oregonians alike. That is the superfund tax structure. The superfund polluter pays tax. Which is up for very important vote in the U.S. Senate either today or tomorrow. For well over a century the Portland harbor has been the economic lifeblood of the city and indeed of Oregon and the northwest. And we're dependent upon a healthy port and its maritime economy for our ability to participate effectively in an increasingly interconnected world of commerce. Unfortunately the Portland harbor also carries over 100-year burden of toxic waste, including heavy metals, pesticides, and many other dangerous toxics. As a result, in the year 2000, the harbor has been declared a federal superfund site, meaning it's one of the most polluted sites in the country. I'm very proud that the city of Portland, the port of Portland, and eight other private businesses have stepped forward as responsible parties or potentially responsible parties and are working to begin a cleanup process for the Portland harbor. But we cannot undertake this long, expensive, complicated cleanup alone. There will be sites for which nobody will have responsibility for. Those are called orphaned sites. We're going to step up to the plate and shoulder our fair share of the burden, but we need the superfund trust fund to help us get the cleanup completed. Unfortunately congress let the superfund polluter pay tax expire due to strong corporate lobbying. So ever since then it's been spent down from approximately \$4 billion to its virtually bankrupt. There is no federal money for superfund. That means when the federal government does have to step in to clean up a site, whether it's an orphaned site or some other site, where they want act now and ask questions later, those funds will either come from the responsible parties or income taxpayers. Take money away from other important social programs that are generally funded by federal government tax dollars. So we are asking congress to renew, and I think this a concept that's consistent with what Portlanders and Oregonians generally believe, that polluters should pay their fair share. We're asking congress to renew the superfund polluters pay tax. It's a tax on chemical and petroleum feed stocks. That's how it was set up in 1980. It's expired, the fund has been spent down. We need the fund back in place and need the taxation structure to do it. It's an

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important vote today or tomorrow. Senator Wyden is a co-sponsor of it, and we're hoping that Senator Smith will also join Senator Wyden in voting for this important restoration of the Superfund and the resolution puts us squarely on record as urging them to do so. I urge us to vote aye.

Sten: Is there a presentation?

Saltzman: Somebody signed up?

Moore: We have two people.

*******:** Good morning.

Sten: Good morning.

Katy Daily: I'm Katy Daily, with the National Environmental Trust. We've been working along with OSPiRG, the Sierra Club, Oregon Center for Environmental Health, Physicians for Social Responsibility, and a number of other organizations, the Willamette Keeper being a key one, to let the public know what's happening with the Portland Harbor Superfund site and what the problems are with the Superfund program in general. And what kind of threats we have as a city for the harbor not getting cleaned up due to the problems with the Superfund fund basically being bankrupt. And most people are pretty surprised when they hear about it. It's not getting a lot of press nationally or locally. And when they hear about it, they're pretty appalled that taxpayers are going to be shouldering the burden of paying for the toxic messes that polluters have been creating for the last 100 years. So I've been going around to neighborhood associations and letting people know it's happening and getting sign-on support for the concepts behind the resolution. OSPiRG has been going door to door to thousands of doors throughout Portland to kind of do a public education campaign to let people know. Sierra Club is doing the same thing. Hopefully we're reaching a number of people, but this is a really important step, and I want to thank Commissioner Saltzman for bringing this forward and getting the word out to people that this is happening, and hopefully that will percolate its way to D.C. and get the notice of particularly one of our senators that we need votes either today or tomorrow. But I'd like to read a statement that so far 23 of the neighborhood associations have signed on to if this were happening next week or week after, we'd probably have 40 to 60 neighborhood associations, but because of the vote in Congress this got stepped up to this week. Dear Mayor and Commissioners, on behalf of our organizations representing concerned citizens throughout the city of Portland, we support the reinstatement of the federal Superfund Polluters Pay Tax. We believe in the principle that industries, not American taxpayers, must pay to clean up the pollution they create in communities across the United States. A healthy Willamette River is critical to Oregon's livability, environment and economy. Unfortunately, the Portland Harbor on the Willamette River is also home to one of the largest Superfund sites in the country. This is of great concern to us because fewer and fewer Superfund sites are getting cleaned up each year and American taxpayers are now being required to pay for the majority of Superfund site cleanups for which no responsible party can be found. 70 million Americans, including 10 million children live within four miles of a Superfund toxic waste site. Birth defects, infertility, respiratory problems and other serious health concerns have impacted numerous Americans living near Superfund toxic waste sites. The polluter pays Superfund tax expired in 1995 and provides an estimated \$1.7 billion a year to clean up these sites. The reinstatement of this tax would ensure the timely and thorough cleanup of sites across the country like the Portland Harbor, protecting the health of 70 million Americans who live in the vicinity of these sites. It's signed by all the neighborhood associations. I'd especially like to say that the Sullivans Gulch neighborhood association says they've never made a unanimous decision, and they did last night. They wanted to convey that to you.

Sten: Thank you.

Rhett Lawrence: Good morning, Commissioners. My name is Rhett Lawrence, I'm an environmental advocate with OSPiRG, the Oregon State Public Interest Research Group. I don't have any prepared statements this morning, but I think you all know we've been working on Willamette River and Superfund issues for a number of years, and Commissioner Saltzman was good enough a

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couple years ago to come out and do a press conference with us, urging the same -- the senate to pass the same type of legislation two years ago. We're back in that situation again now. And, you know, we certainly appreciate the council's weighing in on this very important issue and certainly would ask you to pass this resolution today. Thank you.

Sten: Thank you. Would anybody else like to testify? Roll call.

Francesconi: It really is a very important issue. We appreciate your advocacy and leadership of commissioner Saltzman. When I look out at liabilities potentially that the city has down the road, the Portland harbor is the one that frightens me the most. Because of the potential liability, but also the source of funding for us at the moment at the local level is our utility rates already the second highest in the country. So it is important that there be some federal mandates, but the federal government also has a responsibility to come up with money to help us meet those mandates or else they're all borne on the backs of our own local ratepayers and that's not fair, especially when there are polluters who should be paying. It's just not fair. So whether it be the no child left behind act or whether it be this superfund, we need resources from the federal government to meet important state and local mandates. We need a partner who has the priorities right who can help us with some of these responsibilities. So thanks for your efforts. Aye.

Leonard: The environment is not a subsidiary of the economy. The environment that we all live in, we inherited from our ancestors. The environment that we bequeath to our descendents will decide what kind of stewards we were. Our ancestors were not very good stewards. And we are paying for that. And that includes not just polluted hot spots in the river, but our combined sewage overflow system as well we're paying for. But these are things that, you know, we now recognize were horrible mistakes of the past. And to the extent that the people that contributed to the problem can be held responsible is a good thing. And we all shouldn't be stuck with what others did to the environment. Aye.

Saltzman: Well, I want to thank the national environmental trust and ospirg for their continued advocacy on these issues. I know sometimes it can seem remote from us what's happening in Washington, d.c., but this is a key vote coming up because the superfund is so vitally important as commissioner Francesconi said, to the extent we don't have a superfund to help us in our clean up of the Portland harbor it's more likely sewer ratepayers shouldering more of the bill than they already - - we predict they will be. So this is a good thing. It's an important piece of legislation. And I hope it does get renewed. Aye.

Sten: Thanks, commissioner Saltzman, for bringing this. Actually I think it's a terrific opportunity, it's really great you were out at the neighborhood association. That's wonderful. It's a good way also to do some local organizing around the issue, which you always do, but good job. Aye. Item 231.

Item 231.

Sten: Since I filed this, i'll quickly put this in context. The Oregon electric utility company, which is -- people differ on the legal terms -- a partner of texas pacific has made an application to acquire Portland general electric. That application went in the past couple days. The reason I filed this relatively quickly is the p.u.c. gave about an eight-day for interested parties to intervene. In this case intervene just means that we have to file an intent to intervene. And intervene means that it gives the city of Portland the ability to take a formal position on the application. I believe that this will be contentious enough application that there will be a lot of opinion out in the community as to whether or not this is a good idea, and I expect from what I know that there will be differences in both probably position and nuance on the council itself as to the right approach. This is in no way intended to shape what the council's intervention will say. I think there will be unanimous agreement on the council among things -- again, this is just examples -- that they ought to get their franchise up to date and other things that are pretty straightforward. As to the bigger questions involved in this application, I think they will need more debate before the council can take a

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position. I also wanted to share that I think we need to have some conversation at the council level as to how we ought to go about shaping that position. Should we have some hearings in Portland or should we have a council informal to talk about -- there's different ways to look at it, but I think it will merit public discussion and my expectation is that the city attorney will bring back -- this does not authorize the city attorney to write up a position and file it. It basically allows us to put our name with the p.u.c. and say we will be making comments. At this point Texas Pacific has requested that the p.u.c. complete the application I think by late fall. I don't think the p.u.c. has published a time line. I think there's plenty of time to have a thorough public debate of these issues, which I think the council will be in a good position and has some responsibility to try and make happen. This is really a placeholder to get our name in line in the time period the p.u.c. allowed. They probably should have given, as an aside, more than the eight days for interveners to file. That's what they did. Is there public testimony on this matter? In that case, roll call.

Francesconi: Well, this is absolutely the right approach in the right forum and the right venue. So this is absolutely the right thing to do, because as commissioner Sten indicated the city's ratepayers have a lot at stake here. So issues like the stability of the company, to make sure there's stability here, the issues of the environment, the issues looking at the question of the rates, looking -- those are three things just at the top might have head that come off to make sure this is handled appropriately. I also appreciate commissioner Sten's comments about us having a process by which we arrive at what our position will be at the p.u.c. And I think that's also very, very important. But this is the right thing to do and the right forum, because the city has a vital interest at stake on behalf of our commercial business, but also our residents who are paying high rates. Aye.

Leonard: Aye.

Saltzman: Well, I think it's very appropriate for us to join as an intervenor. I know there will be an extensive list of intervenors. While I'm encouraged by Texas Pacific group's move to acquire p.g.e., I'm a little disappointed that their initial filing didn't include any kind of rate relief for ratepayers, residential or industrial. So that's disappointing. Maybe one can characterize as sort of the opening position of what will be an extensive debate by a public utility commission that I think has really staked itself on the line as saying we're going to be diligent here in making sure there is public benefit to this, but I think simply saying, as t.p.g. did in its filings, we're not Enron, and we should be happy about that, it isn't sufficient. We need to see rate relief as well. I'm confident through our intervention, through a very diligent p.u.c. process, as well as many, many other intervenors, I predict, that we will end up with rate relief, and -- in which case Texas Pacific has a good proposal. Aye.

Sten: Well, when the council's been involved in the p.g.e. discussion for a couple of years, and we've always focused on public benefit, which is the -- what the p.u.c. has to see to approve it, and that, you know, without getting into all of the things we've talked about, but it involves around rates, stability, the quality of the management, the -- the approach to the economy, and the environment in our community, and I think there's a pretty well-known list of things that constitute public benefit. And what this council will have the opportunity to do with this is evaluate that on our own with input from our citizens and intervene. I think it would be an enormous mistake not to intervene. This one will be more high profile. There's never been transfer of ownership of a major utility in this community that the council has not intervened on. Just to put it in perspective. They're usually more straightforward and less political than when Enron goes bankrupt. As for my own thoughts on the initial application, I will be sharing those in detail at the city club on Friday to put in a plug, and I will save them until then at which point I'll be speaking for myself and not council. Aye. We're adjourned until next week. There's no agenda this afternoon for lack of items.

At 11:01 a.m., Council adjourned.

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