



CITY OF  
**PORTLAND, OREGON**

OFFICIAL  
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **28<sup>th</sup> DAY OF APRIL, 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; Harry Auerbach, Senior Deputy City Attorney; and there was no Sergeant at Arms.

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

<b>COMMUNICATIONS</b>	<b>Disposition:</b>
<p><b>411</b> Request of Charles E. Long to address Council regarding a need for justice that restores, not destroys (Communication)</p>	<b>PLACED ON FILE</b>
<p><b>412</b> Request of Carlos Jermaine Richard to address Council regarding a simple prayer (Communication)</p>	<b>PLACED ON FILE</b>
<p><b>413</b> Request of Shahriar S. Ahmed to address Council regarding the continuing importance of working to strengthen civil rights of all (Previous Agenda 335)</p>	<b>PLACED ON FILE</b>
<p><b>414</b> Request of Alyssum Gilbert to address Council regarding dog off leash hours of use (Communication)</p>	<b>PLACED ON FILE</b>
<p><b>415</b> Request of Kathy Kuehnl to address Council regarding dog off leash hours of operation, security and safety issues (Communication)</p>	<b>PLACED ON FILE</b>
<b>TIME CERTAINS</b>	
<p><b>*416 TIME CERTAIN: 9:30 AM</b> – Create a Sister City relationship between the City of Portland and the City of Bologna, Italy (Ordinance introduced by Mayor Katz)</p> <p><b>Motion to accept amendment to add an emergency clause:</b> Moved by Commissioner Francesconi and seconded by Commissioner Leonard.</p> <p>(Y-4)</p>	<p><b>178357</b>          AS AMENDED</p>

**April 28, 2004**

<p><b>417</b> <b>TIME CERTAIN: 10:00 AM</b> – Grant a 10-year property tax exemption to GSL Properties, Inc. for new multiple-unit housing on the block bounded by NW Naito Parkway, Ironside Terrace and the access road on the west side of the Yards at Union Station development (Ordinance introduced by Mayor Katz)</p> <p><b>Motion to accept amendment to update financial information to Exhibit 6 from Portland Development Commission:</b> Moved by Commissioner Leonard and seconded by Commissioner Saltzman gaveled down by Council President Sten after no objections.</p> <p><b>Motion to accept amendment if the rate of return, based on annual financial statements exceeds 10% then the abatement will ratchet down to whatever amount it needs to be so it does not exceed 10% up to and including the abatement by going away if it is not necessary:</b> Moved by Commissioner Leonard and seconded by Commissioner Francesconi and gaveled down by Council President Sten after no objections. (Y-4)</p>	<p align="center"><b>PASSED TO SECOND READING AS AMENDED MAY 5, 2004 AT 9:30 AM</b></p>
<p><b>*418</b> <b>TIME CERTAIN: 10:30 AM</b> – Accept an easement with conditions from Yeung’s Investments, Inc. for public pedestrian way across property in southwest Portland (Ordinance introduced by Commissioner Francesconi)</p> <p>(Y-4)</p>	<p align="center"><b>178358</b></p>
<p align="center"><b>CONSENT AGENDA – NO DISCUSSION</b></p> <p align="center"><b>Mayor Vera Katz</b></p>	
<p><b>419</b> Authorize City Attorney to appeal a permanent injunction entered in Edward Gathright v. City of Portland, etc, et al. (Resolution)</p> <p>(Y-4)</p>	<p align="center"><b>36209</b></p>
<p><b>*420</b> Pay claim of Loretta Tinnon (Ordinance)</p> <p>(Y-4)</p>	<p align="center"><b>178344</b></p>
<p><b>*421</b> Change the effective date of the Nonrepresented classification of Community Outreach and Involvement Program Manager to July 1, 2002 (Ordinance)</p> <p>(Y-4)</p>	<p align="center"><b>178345</b></p>
<p align="center"><b>Commissioner Jim Francesconi</b></p>	
<p><b>*422</b> Accept a grant in the amount of \$2,200 from the Oregon Department of Forestry for tree benefit analysis by Portland Parks Urban Forestry Division in the South Park Blocks (Ordinance)</p> <p>(Y-4)</p>	<p align="center"><b>178346</b></p>
<p><b>*423</b> Accept Beach Community Garden as part of the City Community Garden inventory and allocate funds for its operation and maintenance (Ordinance)</p> <p>(Y-4)</p>	<p align="center"><b>178347</b></p>

**April 28, 2004**

<p><b>*424</b> Authorize the execution of a Lease Agreement with Oregon Health and Science University to construct, use and maintain a parking structure (Ordinance) (Y-4)</p>	<p align="center"><b>178348</b></p>
<p><b>*425</b> Authorize agreement with Oregon Department of Transportation to provide for the replacement of three City owned bridges with funds provided by the 2003 Oregon Transportation Investment Act (Ordinance) (Y-4)</p>	<p align="center"><b>178349</b></p>
<p><b>*426</b> Authorize an Intergovernmental Agreement with Oregon Department of Transportation in the amount of \$200,000 to implement TravelSmart marketing program in the Interstate Corridor (Ordinance) (Y-4)</p>	<p align="center"><b>178350</b></p>
<p align="center"><b>Commissioner Randy Leonard</b></p>	
<p><b>*427</b> Authorize Intergovernmental Agreement and accept payment from Multnomah County in the amount of \$48,000 for FY 2003/2004 for partial funding of a Disability Project Coordinator position (Ordinance) (Y-4)</p>	<p align="center"><b>178351</b></p>
<p><b>428</b> Amend Graffiti Nuisance Abatement Code to specify process to obtain and serve abatement warrants (Second Reading Agenda 394; amend Code Section 14.80.040) (Y-4)</p>	<p align="center"><b>178352</b></p>
<p align="center"><b>Commissioner Dan Saltzman</b></p>	
<p><b>429</b> Amend Intergovernmental Agreement with State of Oregon Department of Environmental Quality to extend the expiration date and update provisions for the Columbia South Shore Well Field (Ordinance; amend Contract No. 51697)</p>	<p align="center"><b>PASSED TO SECOND READING MAY 5, 2004 AT 9:30 AM</b></p>
<p><b>430</b> Authorize a contract to construct the SW 6th Ave. Drive Mains Package and provide for payment (Second Reading Agenda 395) (Y-4)</p>	<p align="center"><b>178353</b></p>
<p align="center"><b>Commissioner Erik Sten</b></p>	
<p><b>*431</b> Increase contract with Northwest Pilot Project by \$30,000 to provide assistance to homeless and at risk seniors and provide for payment (Ordinance; amend Contract No. 34907) (Y-4)</p>	<p align="center"><b>178354</b></p>
<p><b>*432</b> Donate a 1975 FTI Warner Swasey Diesel Fire Pumper to Elk Mountain Volunteer Fire Department in Elk Mountain, Wyoming (Ordinance) (Y-4)</p>	<p align="center"><b>178355</b></p>

April 28, 2004

<p><b>*433</b> Approve contract with Mobrand Biometrics, Inc. to develop an Analytical Framework to prioritize watershed protection and restoration activities and guide ongoing City capital projects (Ordinance)  (Y-4)</p>	<p><b>178356</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>*434</b> Authorize a Memorandum of Agreement with Local 701, Operating Engineers/District Council of Trade Unions for certain premiums for Operating Engineers employed by the Water Bureau (Ordinance)  (Y-4)</p>	<p><b>178359</b></p>
<p><b>435</b> Authorize an Acquisition, Disposition and Development Agreement between Fire &amp; Rescue and the Portland Development Commission for the Fire Station #1 Relocation (Second Reading Agenda 371)  (Y-4)</p>	<p><b>178360</b> AS AMENDED</p>
<p style="text-align: center;"><b>Commissioner Jim Francesconi</b></p>	
<p><b>436</b> Consider vacating certain portions of NW 6th Avenue and NW Johnson Street, as initiated by Resolution No. 36207, to facilitate construction of the Sixth Avenue Extension/Union Station Forecourt Project (Hearing; Report; VAC-10013)  <b>Motion to accept the report and direct Portland Department of Transportation to prepare an ordinance:</b> Moved by Commissioner Leonard and seconded by Commissioner Francesconi.  (Y-4)</p>	<p style="text-align: center;"><b>APPROVED; CITY ENGINEER PREPARE ORDINANCE</b></p>

At 11:00 a.m., Council recessed.

April 28, 2004

WEDNESDAY, 2:00 PM, APRIL 28, 2004

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

**April 29, 2004**

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,  
OREGON WAS HELD THIS DAY OF 29<sup>TH</sup> DAY OF APRIL, 2004 AT 2:00 P.M.

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

Commissioner Francesconi arrived at 2:04 p.m.

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

<p><b>437</b> <b>TIME CERTAIN: 2:00 PM</b> – Adopt the St. Johns/Lombard Plan Urban Development Concept and Action Charts (Previous Agenda 332; Resolution introduced by Mayor Katz)</p> <p>(See Agenda Item 438 for motions that affect this item)</p>	<p><b>Disposition:</b></p> <p><b>CONTINUED TO MAY 26, 2004 AT 2:00 PM TIME CERTAIN AS AMENDED</b></p>
<p><b>438</b> Adopt and implement the St. Johns/Lombard Plan (Previous Agenda 333; Ordinance introduced by Mayor Katz; amend Title 33)</p> <p><b>Motion to accept amendment 6, Vanderbilt Street Zoning with the exception of the church lot:</b> Moved by Commissioner Saltzman and seconded by Commissioner Leonard. (Y-4)</p> <p><b>Motion to accept amendment 12, Residential Density/Skinny Lots, R2.5 near St. Louis:</b> Moved by Commissioner Francesconi and seconded by Commissioner Saltzman. (Y-4)</p> <p><b>Motion to accept amendment 21, Housing in the EG1 Zone to have live/work and takes away the conditional use to change to housing:</b> Moved by Commissioner Francesconi and seconded by Commissioner Leonard. (Y-2; N-2, Saltzman and Sten). Motion Fails.</p> <p><b>Motion to accept amendment 26, Zoning Map Error, St. Johns Town Center:</b> Moved by Commissioner Francesconi and seconded by Commissioner Leonard. (Y-4)</p>	<p><b>CONTINUED TO MAY 26, 2004 AT 2:00 PM TIME CERTAIN AS AMENDED</b></p>
<p style="text-align: center;"><b>EXECUTIVE ORDER</b></p> <p><b>439</b> Temporarily reassign all City departments and bureaus to the Commissioner of Finance and Administration (Ordinance)</p>	<p style="text-align: center;"><b>178343</b></p>

At 3:05 p.m., Council adjourned.

GARY BLACKMER  
Auditor of the City of Portland

By Karla Moore-Love  
Clerk of the Council

**April 29, 2004**

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

**April 28, 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.

**APRIL 28, 2004      9:30 AM**

**Sten:** A festive day. Mayor Katz is recuperating from a medical procedure, expected back soon, but is not here today. Karla, please call the roll. [roll call]

**Sten:** The council has a tradition called communications, and before each meeting, up to five citizens can request three minutes to talk with the council on any subject they would like, and that's the first thing we do each wednesday. We'll start with the communications and then we'll be to our presentations. So 411.

**Item 411.**

**Charles E. Long:** Thank you for the opportunity to speak a moment. I'm Charles Long. I reside at 420 northeast mason street. At this moment an inquest into the death of James Perez is taking place at the county courthouse. A very similar case to this death happened in Louisville, Kentucky, recently, and I've asked the clerk to give each councilmember a copy of this interesting article. It was a very similar to the Portland situation. A white officer killed a young black fellow who was unarmed and the police officer claimed that he thought he saw the victim had a gun, and he obviously didn't, but the case was entirely different because the grand jury indicted the policeman for "murder," and was taken into custody. He posted bond and the police chief immediately fired the officer. The tragedy of police killings, of often innocent victims, is not only the death of human beings, but the death of human justice. The prime witness cannot testify against the police or defend his own integrity. If a police officer professes fear and -- professes fear and posts an image of fear the officer may shoot to kill with impunity knowing the grand jury will respond. This tragedy must come to an end, first through the Oregon legislature, secondly by instituting a more positive philosophy of criminal justice that restores rather than condemns. Thank you.

**Sten:** Thank you. Number 412.

**Item 412**

**Carlos Jermaine Richard:** Good morning, councilmember. My name is Carlos Jermaine Richard, I'm a resident of the city of Portland. You know, we always come down and pray with our city councilmembers, and of course the mayor in her absence today, anyone else who's here, wants to join us in prayer, we'd certainly welcome you to do that. We're just not here to pray today because of the inquest, but we're here to pray for a greater need just for our stihl overall. A lot of course things happen throughout the course of the year, so we're not here just to identify one issue, we're here to pray for a myriad of issues we're facing in our city. Father, we thank you for being here in front of these council members today. We thank you for bringing our mayor through a successful medical procedure. Father, we thank you for her health and her recovery. God, we pray that you would uphold her God and sustain her, as well as the council members, God, not only during the inquest, God, not only during this election year, but, God, just throughout life in general. God, we ask you to grant our current mayor, God, the upcoming mayor, God, the city council members, God, with the wisdom, God, to lead and to guide the citizens, God, in this particular area and region. Even the inquest, God, guide and protect those proceedings. Father, we asked you to quell any uncivil unrest that will occur as a result of this public inquest. We bless you, Father, with this time to pray with everyone in this room. Father, we thank you, in Jesus name do we pray, amen.

**Sten:** Thank you. 413.



April 28, 2004

**Item 413.**

**Shahriar S. Ahmed:** Good morning. I've prepared a written speech to give here today, but I thought I'd keep it aside and speak my heart. First, I would like to extend my deepest appreciation for the stand that you took in preserving civil rights and civil liberties with your resolution, passing a resolution a while ago, concerning the patriot act. I would like to extend that thanks as -- as a father, as a husband. I call myself a very happy henpecked husband, and the reason for that is my wife is boss and that brings peace to the household and I recommend it to every tough male member of society. And I also extend my thanks, deepest appreciation, as an American as well. I look back into -- into how I'm in front of you today, a person who looks obviously different, who speaks with a strong accent, and is yet speaking at the council -- in front of a council. One part that I would leave you with is that what we Muslims are facing today, especially in the United States, I hope none of you ever have to face ever. You may say you understand what we feel, but you don't. Every day, especially our women, ones who are practicing and have the religious faith to wear a scarf on their heads, you have absolutely no idea what they face. And I don't even expect you, and I don't even hope that you ever have to. And here is the most interesting part. We're resigned to it. This is the way it's going to go on for the foreseeable future. Whether you accept it or not, we have accepted it. I traveled to Bangladesh, my original home, to visit my mother, recovering from a stroke, and on each flight I'm the only person who's checked again and again. Very interesting coincidence. This year, when my wife, who left to visit her parents, with my 5-year-old, the exuberance of the 5-year-old for taking off on an aircraft, disappeared within a few minutes, just by the body language around him. The presence of the patriot act has an overt manifestation, as well as a covert manifestation. By not standing up against it forcefully what we send out is a clear message to everyone on the street that it's all right to deal with us the way we're being dealt with. But you've taken a strong position. We appreciate that. And by the way, I'm the so-called Muslim person who was disinvited from Mayor Rob Greg's prayer breakfast, but he set an example for everyone to follow. Thank you very much for giving me the opportunity and hopefully we'll do the right thing in doing the right thing.

**Sten:** Thank you very much. Number 414.

**Item 414.**

**\*\*\*\*\*:** Good morning, council.

**Sten:** Good morning.

**Alyssum Gilbert:** Kathy will be speaking with me today, too. She's actual next person on the agenda.

**Sten:** You each have three minutes.

**Gilbert:** Ok. Won't take that long. Actually this coming Saturday, May 1, to October 31, it will be 8:00 at night for dogs to be -- or you're allowed to have your dogs off-leash. And I feel it's a public safety issue, especially coming September, October, when it will be dark outside. My dogs are licensed among with all the other pet owners up there. We pick up after our messes. I feel keeping it at 4:00 would be reasonable. We've collected 550 signatures from local dog owners around different Portland parks, and so I'd like you to take this into consideration, please. In regards to keeping it at 4:00 p.m.

**Kathy Kuehl:** I think I just want to sort of add to that. I've lived in Mt. Tabor for 25-plus years. It's a wonderful neighborhood and have always had old English sheepdogs for some reason, and walk up there, and I think what you also need to know is that the majority of people who walk there walk alone. They're mostly probably 90%-plus women, and I think the idea of having off-leash at 8:00 at night once it's dark is a major safety issue that I think needs to be taken under -- you know, under your thoughts to think about. Maybe changing that. And like Alyssum said, we've gathered lots of signatures in support of that. I just urge you to rethink and maybe come up with a solution and leaving at 4:00 year-round probably makes more sense. The off-leash area in Mt. Tabor is

**April 28, 2004**

actually on the backside near the college there, so it's not in a main area near the playground at all. So I think it would make sense to -- to make that change.

\*\*\*\*\*: And there's definitely public outcry for it. So thank you for your time.

**Sten:** Great. Thank you.

\*\*\*\*\*: Uh-huh. Thank you.

**Sten:** That's it for communications. Thank you, everyone. We'll take the consent agenda. Roll call. [roll call taken]

**Sten:** That gets us to our time certain, which is 416.

**Item 416.**

**Sten:** Welcome to all our italian friends. I'll turn this over to commissioner Francesconi.

**Francesconi:** Before I introduce the people on this item, I also want to recognize centennial high school students. They've been following my office and me around for the past week, and these are folks that are interested in government themselves. And they've already assumed leadership in their schools. Let them call them out and they can stand up. Monty, courtney, danny and areia. Thank you for coming and watching us. Later on you can give us lessons about what you learned and how we can do better. Thank you for coming. Now it's with great pleasure and deep honor, actually, that we get to create our first sister city in europe. And we picked the right country and the right city in bologna, italy. And so let me call forward -- and I think maybe we can fit five up here all at once, but let me call forward the vice-mayor, the member of the board of directors of the chamber of commerce, and the director of international relations. And with them george passadore, the chair of the board of the bologna sister city association and joe, the president of the association. Why don't we call all five up here. We also have present with us the italian consulate for the whole west coast.

**Francesconi:** Before I turn this over to the vice-mayor, let me just say a couple of things to the council and to the citizens of Portland. This began about three years ago, and mayor Katz, I know you're listening, and on behalf of all the italian americans, the italians from bologna, the city council, and me personally, I would like to thank you for the conversation we had at gino's at which you allowed us to go forward with an italian sister city. Through a series of meetings with the italian sister city board, which is mostly present here, we decided to pursue a city that would give economic -- a similar city in europe that would provide economic advantages to our citizens, a city that we could learn from, that has the oldest university in europe, a city that's functioning very well based on small manufacturers and small high-tech companies that have banded together in a consortium that has a long history of culture and art and music that we could build on, that has a growing film industry that is very interested here. We also wanted a city that wanted us in return, wanted to love us back frankly. This city is choosing to build a light rail system and they also are trying to learn things from us. What we're trying to create here is a relationship that benefits both cities, but more importantly the citizens of both communities. I'm very proud to introduce to all of you a person who i've had the privilege of meeting, who is one of the drivers behind the political movement in bologna, and that's vice-chair giovanni salitoni.

\*\*\*\*\*: Thank you, mayor Francesconi. [speaking italian]

\*\*\*\*\*: Commissioner Francesconi, council, authorities, friends of Portland/bologna sister association, i'm very happy to be here today to represent the mayor of bologna and the whole city of bologna to sign an agreement that it will only be, we're certain, the beginning of a long-lasting friendship and cooperation.

\*\*\*\*\*: Two years ago, with the vice-consular in Oregon, came to my office, and we start talk being the beginning of a cooperation with Portland. At that time, I must say, he was able to pass on to me all the enthusiasm and the warmth of your city that -- during this day, these days we are having -- we are able to touch with our own hand and experience personally. The next visit to bologna, with commissioner Francesconi, along with others, pillars of this friendship, also convince

**April 28, 2004**

us -- convinced us even furthermore of the big potential of a sister city relationship with Portland. Since the beginning we saw numerous areas of common interest that represent, in our opinion, solid basis for a joint cooperation that will make our -- both cities grow. In bologna, there is the first university in europe, one of the oldest in the world. While in Portland there are several various research centers in the field of medicine, urbanistics and eovernment. As far as the culture is concerned, both bologna and Portland, they both have moo seems, theaters, art galleries of very high level. As far as the economy is concerned, bologna chamber of commerce, which is here represented, started a very rich exchange of information about the Portland business alliance and with the Portland development commission, which will define in the next future very -- very practical projects on which we will work on. Bologna in the past -- in the centuries has received several important inferences that have enriched it. At the beginning of last century, the college of spain, university, within the university, has been a place where law has been taught to the whole world. The managing class -- spanish managing class comes from the walls -- within the walls of this college in bologna, and the ministers, they get a degree -- that get degree in bologna today, they still call themselves bolognaias. 50 years ago -- 50 years ago, john hopkins university, alma mater, which is how our university is called, put together the thousand-year-long knowledge with the big american democracy. These two examples so far in time between -- among -- between themselves that they have put roots in our culture. They enriched us and they defined our identity. Today's signatures between the two cultures, which have been friends for a long time, but especially between two cities, similarities and complementaries, both of them show a strong sign of cooperating. Bologna, multicultural city, first in europe since the beginning of last centuries, is honored to represent for Portland the first bridge with the old continent that today, more than ever, needs enthusiasm and determination. We give trust and joy to the new generation to carry on this important task.

**Francesconi:** Well, the honor is ours. And although we may have some enthusiasm, we also can learn a lot from your history and all that you've accomplished. Together we can do more than we could separately. Mr. Poncilini, would you like to say anything? You don't have to if you don't have anything to say. Francesca? Let me turn it over to george passadore.

**George Passadore, Executive Committee, Director, Portland-Bologna Sister City Association, Inc.:** Thank you for an opportunity that the signing of this document and the incorporation of bologna as a sister city, our first sister city in europe, means a great deal to us. We have a number of our board members and supporters here this morning, and I want to thank them for being here and for the support that they've given us throughout the entire two-year activity that this has involved.

**Francesconi:** Before I turn it over to joe, the italian consulate, would you like to add anything?

**\*\*\*\*\*:** Thank you. With pleasure. The goal of my mission as representative of italy in the northwest of united states is to of course increase, deepen, the relationship between our side and your side. The ceremony of today is for me of great satisfaction, because it marks a complete step in the improvement, development, of the relationship between italy and Oregon. In particular i'm very pleased to see two cities, one in america, one in italy, like Portland and bologna, who deserve to be known, appreciated, expanded, more than what they are actually. I think that both cities have great potentialities, and that relationship will be of great interest and usefulness for both sides. So my congratulations to the city of Portland. My congratulations to the city of bologna. Thank you.

**Francesconi:** And thank you for being a matchmaker. I hope you have as much success in future matches. Joe?

**Joe D'Alessandro, President, Executive Committee, Director :** I just want to add, on behalf of the association, and i'd like to ask the members of the board and those representing the friends of bologna to please stand up here. This is the city of roses, so we want to present on behalf the association to the city of bologna in commemoration of the signing of this today.

April 28, 2004

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

**Francesconi:** I think that's it. I think that's it.

**Sten:** Before we sign it, let me see if anybody else would like to testify. Would anybody like to testify today? Ok. The attorney says why don't we take a roll call and then sign it. I think that's a solid idea. Roll call.

**Moore:** This is a non-emergency ordinance.

**Sten:** Oh, yeah. Motion to add an emergency clause?

**Francesconi:** Motion.

**Leonard:** Second.

**Sten:** The amendment passes.

**Francesconi:** I wish I could thank every individual member of the board, but a couple I want to recognize. Carlo, thank you for the role you played as the vice-consulate for Italy and making this connection. Andrea, I personally want to thank you, but also on behalf of the board and all the citizens. Without you we wouldn't be where we are all today. And I also want to thank Don and the Portland development commission, who's taking this seriously in the sense they know this has to have economic return for our citizens. As I get older I appreciate more and more the connections. It's connections. International flight now to Frankfurt. So it's air connections. It will make this sister city more meaningful a relationship for our own citizens, but it's also personal connections. So we have an opportunity to have a city with a proud history, but it's also struggling to get into this international economy for all of its kids. So it's trying to retain its values, but it's trying to make it in an international economy just like we're trying to do. So I'm very struck that we have such a pressures -- precious city and so beautiful when visitors come here. But making more international connections, not only with Asia as we've done, but now with Europe, and we sit halfway in between, this can benefit all of us, and plus deepen personal relationships that makes worth living. Thank you. Aye.

**Leonard:** In honor of today, I want my name is to be pronounced Leonardo. Aye.

**Saltzman:** I want to say congratulations to Bologna and to Portland and to all of our citizens who will benefit from this productive relationship. I hope to be over to visit your city as one of the delegates at some future opportunity. I've been doing my current reading assignment is Roman history, so I really have a very high interest to go to Italy soon and visit Bologna. It will be on my itinerary. Congratulations. Thanks, Mayor, and Commissioner Francesconi, and George and the others who made this reality. Thank you. Aye.

**Sten:** Congratulations. Welcome. This is very exciting. I do want to personally thank Commissioner Francesconi for making this happen. It's high time we had a European city, and this seems to be a perfect one. Also thanks to George and the team that's done this. I do look forward to coming over as well. Aye. The ordinance passes and let's sign the agreement. Mr. Francesconi.

**Francesconi:** The Mayor will sign this, too, as soon as she gets back. [applause]

\*\*\*\*\*: This is our flag.

**Francesconi:** That's great. Can we hang that up in the council chambers? Thank you very much. Thank you. Here's a copy. Do you want me to open this now?

\*\*\*\*\*: Let's do.

**Sten:** Why don't we have somebody check the protocol where we can fly that and get that up today.

**Francesconi:** That would be nice. Why don't you explain it. This is the symbol of Bologna.

**Francesconi:** Thank you, everyone. Thanks for making this happen. Thank you. Thank you, everybody. Thanks for your indulgence.

**Sten:** Ok. We'll bring the council back to order. Karla, could you please read our time certain at 10:00, which is number 417.

**Item 417.**

**April 28, 2004**

**Sten:** Do we have a presentation on this? Barbara?

**Barbara Sack, Planning Bureau:** Yes. I'm Barbara Sack from the Bureau of Planning. And we're bringing before you today a request for a property tax exemption under the new multi-unit housing program, which is available in the central city in urban renewal areas. This is a 10-year property tax exemption on the improvement value of new multifamily project. It is not an exemption on the land. First of all, P.D.C. has presented some updated financial information, and I would like ask someone to make a motion to accept this information.

**Sten:** Do I have such a motion?

**Leonard:** That's on the rate of return?

**Sack:** Right. Because in the planning commission's report we had an exhibit that had the cash flow scenarios that gave the internal rate of return, there's been update of that information, so we're asking for this to be substituted for the old exhibit 6.

**Leonard:** Motion.

**Saltzman:** Second.

**Sten:** Any objections? Hearing none, the motion passes.

**Sack:** This project is a rental housing project. It's designed for moderate and middle-income households. It's a 37-unit project located on a triangle-shaped site bounded by Northwest Naito Parkway, Ironside Terrace and the access road on the west side of the yards at Union Station development. This is the last phase at the yards of Union Station development. This is a large rental housing project. It was developed as part of a public and private partnership between the city and G.S.I. Properties. This is a former rail yard. P.D.C. acquired the site and then G.S.I. Property was chosen to develop the site with what was originally hoped to be 600 new units of housing with the completion of this phase there will be 575 units of housing on this site. So this -- this will be the last phase of this project. And it's -- it's a fairly small portion of the entire project. Now responsibility for processing tax exemption requests is shared by the Bureau of Planning and Portland Development Commission. The Portland Development Commission holds a hearing on the need for the tax exemption for the economic feasibility of the project. They held a hearing on January 14 and recommended to the planning commission and city council that this project be approved. The role of the planning commission in these tax exemption request cases is to review the cases for consistency with the comprehensive plan and other city policies and to make a recommendation on the nature and scope of the public benefit provided by the project. The planning commission held a hearing on this project on February 10, 2004, and made a recommendation to city council to approve this tax exemption request. The planning commission found that this project is supportive of goal four housing of the comprehensive plan and specifically it supports the central city plan objective, which calls for adding 5500 new housing units to the river district. This project was also found to be supportive of the river district development plan, which called for the addition of 600 new units of housing on this former rail yard site east of Union Station.

This project was also found to be supportive of the Old Town/China Town development plan, which calls for developing a diversity of housing throughout the neighborhood. This neighborhood has mostly been low income, so adding moderate and middle-income housing will add to the income diversity of the neighborhood. This neighborhood has also had predominantly small housing units.

Studios, sr-00 0 units and one-bedroom units. This project would add 32 units, allowing larger households to live here. Also, it should be pointed out that some of these two-bedroom units also have two bathrooms, so it's feasible that some families could move into the Old Town/China Town neighborhood. The public benefit of the project is the housing affordable to moderate and middle income households and the provision of some larger units in the Old Town/China Town neighborhood.

The planning commission recommends approval of this project under the following conditions -- that the units stay rental for 10 years, that the public benefits as listed be provided. The public benefits are the housing and a public art feature that will be added to the site. And also, successful

**April 28, 2004**

completion of the design review process and meeting of all requirements of applicable city codes. This project went through the -- was approved by the design commission on march 4. It was originally intended to be a 38-unit project. After it got out of design review, it is now 37 units. The Portland development commission is here, so we're here to take any questions you might have about the project.

**Leonard:** I do have a question, but I also have an amendment to offer. Has it been passed out?

**Moore:** Yes.

**Leonard:** Each commissioner has one? Ok. It's dated april 28. And it's an amendment that is exactly the same amendment that we approved in december of 2002 on another project that simply says, if the rate of return, based on annual financial statements exceeds 10%, then the abatement will ratchet down to whatever amount it needs to be so it doesn't exceed 10%, up to and including the abatement by going away if it's not necessary. And of course the purpose is just to make sure that we are approving abatements that are needed to cause a project to be built, but that for whatever reason the financial projections are more conservative than what actually the income is produced at the property, we are not awarding abatements where they're not necessary.

**Sten:** Ok. So we have the amendment language. I'm going to suggest we debate and adopt or not adopt after we accept testimony. Is that ok, commissioner leonard?

**Leonard:** Sure.

**Harry Auerbach, Sr. Deputy City Attorney:** Do you want to entertain a second?

**Francesconi:** Second.

**Sten:** The amendment has been seconded, and we'll take roll call after the public testimony. Thanks.

**Leonard:** I did have one question.

**Sten:** Questions for staff.

**Sten:** On the supplemental financial information. What was the nature of the -- the increase of 2% in projected income? What was it that wasn't taken into consideration in the original analysis that caused you to redo this analysis and actually find the property is going to bring in 2% more than what you thought?

**Siobain Beddow, Portland Development Commission:** There was a line item in the wrong place, and it needed to be corrected. This is a technical correction. I'm correcting my error.

**Leonard:** Ok.

**Beddow:** It didn't affect the recommendation or the outcome of the need for the abatement.

**Leonard:** It wasn't based on some more income projected?

**Beddow:** No, no. I put a line item in the wrong place. I made a mistake.

**Sten:** Any further questions for staff? From council? If not, i'll open this up to public testimony.

Do we have a list, karla?

**David Bell, GSL Properties:** Members of the commission, my name is david bell with g.s.l. Properties. We're the developer of the project. The chief benefit of this tax exemption provision to the developer perhaps contrary to popular opinion is not to, you know, make it easier to place fabulous sums of cash in our pockets, but it's actually to help the underwriting analysis to get the project financed to begin with. These projects in the downtown are substantially more expensive to build than their competitors in the suburbs, and they get a little more rent than the suburbs, but the balance isn't the same. So that's why the rationale is there for these kinds of helps. The problem with the proposed amendment to do the look-back, although I understand the rationale behind it, is that to the underwriters and the lender, they're going to look at this and say, well, do you have the exemption or don't you? You got to say, well, we have it every year maybe, but it's a look back, and maybe we have it, maybe we don't, in any given year. So to the lender that looks the same as if you don't have it at all, because the lender's looking for a certainty in what they can project out for the project to perform. So from our perception, I think -- I think to say, yeah, you have to the

**April 28, 2004**

exemption, but you have this look-back provision that can be taken away in -- where it can be taken away in any given year, probably removes the chief benefit of the exemption to begin with for the developer, namely an aid to loan feasibility to begin with. So, you know, we would urge you to -- if you're going to do that, you should really do it -- I mean, this is sort of a policy statement on my part rather than relating to this particular project, but it seems like it all ought to be part of a comprehensive review of the whole program, which I think the city is undergoing now anyway, but to suggest it on a piecemeal basis, it has the unintended consequence of I think removing its chief benefit to begin with, which is its aid in the underwriting process. That's all I have to say about it.

**Sten:** Thank you. Questions for Mr. Bell?

**Francesconi:** David, let me ask you about that. This is the second developer on this. I think Commissioner Leonard was trying to get this passed as you suggested, as a citywide policy, and there's been some delay, so I think that's the intent all along to do it citywide. But they didn't raise -- they raised a concern, but they didn't be as specific that it would kill the deal for the reasons that you listed. I'm a little surprised that it would, but I don't know the business, for the reason that this amendment just says that you still get an internal rate of return up to 10%. It seems to me that a lender would look at this and say, wait, that's not taken away, you've got a guaranteed return of 10%, so over 10 years you calculate what the total 10%, so I'm not sure that it would really kill the deal the way you said. If I thought it would really kill it, then I may have a different position. So are you sure that it's really going to kill the deal given what I just said?

**Bell:** I'm not saying it's going to kill this deal. We haven't taken revised financial projections to a lender and got an answer out of them. I'm not going to represent to you that it's going to kill the deal, because I don't know. I can say the feasibility under the current financial projections is as usual razor thin and this makes it substantially worse. I think it hurts our chances a lot, but I'm not going to stand up here and tell you 100% it kills the deal. All I'm saying is I think in the lender's mind -- I hear what you're saying, you still get a 10% rate of return, but rates of return -- ask any accountant. It's not exactly -- you know, you don't look up, you know, in the dictionary of rate of return and this is what it is. It's kind of a fuzzy thing. So if the lender's going to perceive there's going to be a contest every year on what the rate of return is, and there's some judgment on the validity of the calculation and it and so forth, all we know is as a lender, we don't know what we've got. It's like, for example, if you had retail income in a -- in a residential project, they don't really know what they've got, because they're making the projections based on the residential income. They tend to write that off and say, well, we're going to discount it, we're going to put your projected retail income at zero. That's the kind of thinking process they go through. If it's indefinite to them, if they can't explain it to themselves, they can't convince themselves that they've got a bird in the hand, they tend to just say, ok, let's just check that off the list.

**Francesconi:** I guess let me rephrase my question. If the lender thinks that you have a guaranteed rate of return of 10% over 10 years, isn't that sufficient that they would proceed?

**Bell:** Two things in response to that. I'm not sure that they would feel comfortable that the definition in the amendment is ironclad enough to know what an acceptable definition of internal rate of return is. Not what the amount is, but what goes into it. There's a lot of opinion that goes into what the rate of return was, what your expenses were, did you have exceptional capital expenditures in this year, something like that. So that's -- that's answer number one. And the other is that, you know, there's no guarantee that it's not going to go down. You know, I mean the lender doesn't just look at what the upside is. The lender looks at what the downside is. What they want to know is that the project may get really hurt in year three because of market conditions are really bad. Does it have the opportunity to recover itself? A later year by making up for that? They don't look at it year by year. It may not -- it may be below 10% in a given year. It may be below 0%, may be feeding the project in a certain year, and over the life of the project they want the ability to

**April 28, 2004**

say that they can capture the upside as well. So i'm just saying that's the way they're going to look at it.

**Francesconi:** Ok, thank you.

**Saltzman:** The internal rate of return methodology is one that p.d.c. Employs in looking over this application. So, I mean, there is a standard methodology, right, that everybody's playing by the same rules?

**Bell:** Well, there are textbooks written on internal rate of return and how it's calculated. And i'm not an accountant, but my understanding is that accountants don't agree on what it means.

**Saltzman:** I understand there's lots of definitions, but there's a methodology here -- methodology that everyone has had to accept as this is the methodology.

**Bell:** I'll be making this argument preciously to the lender if you guys pass the amendment. I'm saying i'm not sure it's going to carry the day with them.

**Leonard:** Isn't it accurate that whatever methodology is employed, the methodology employed by p.d.c., where you to show an internal rate of return, based on the raw data, 10% or above, you wouldn't qualify for the abatement. Is that correct?

**Bell:** That if we showed a greater than 10% return, we wouldn't qualify?

**Leonard:** Whatever the analysis was that produced the document that showed that the rate of return with the abatement would be 5.6%, if that same analysis showed that the rate of return was 10% or greater under the p.d.c. rules, you wouldn't have qualified for the abatement. Is that correct?

**Bell:** I don't know. Are they both cumulative? Are you looking back? If we have a negative rate of return for three years, and then in --

**Leonard:** Let me be more clear. Don't you have to qualify for the abatement before the project's built?

**Bell:** Yeah.

**Leonard:** Based on an economic analysis. However you did that that produced these numbers that showed a 5.6% rate of return with an abatement, if that analysis would have shown hypothetically that your rate of return wasn't 5.6% with the abatement, but 10% --

**Bell:** I understand. But the projection is over a 10-year period. The amendment looks at it year by year. I mean, we're projecting a rate of return over 10 years. The real rate of return is all over the place. So as I say, we could have years one through four, we could have a negative rate of return, negative cash flow --

**Leonard:** And you would get the abatement.

**Bell:** We would get the abatement. One year, you're over, and you don't get the abatement.

**Leonard:** You don't get the abatement.

**Bell:** Yeah, but the original rationale is not a year by year, it's over 10 years.

**Saltzman:** If I understand the amendment, it's only at the end of the tenth year.

**Francesconi:** I think it is.

**Sten:** You have to wait until someone calls him.

**Leonard:** I called him.

**Ty Kovatch, Commissioner Leonard's Office:** I just wanted to clarify the point that just went here, it's cumulative. So what happens is every year p.d.c. gets a chance to look at what -- what your projections are. If you get to a point where you're projecting that the cumulative internal rate of return will exceed 10%, that's when they start talking to you about how to correct that to restore the 10% level. So you're guaranteed no more than 10% internal rate of return. If you have four years of negative internal rate of return, that's building on your guarantee that you're probably, over the course of the abatement, not going to exceed that 10% internal rate of return.

**Bell:** Well, that's better. That's not how I read -- it didn't look like it read that way to me, but maybe I didn't --



**April 28, 2004**

**Kovatch:** Just if you're tracking it from year to year, it gives p.d.c. a better opportunity to see what's going to happen.

**Saltzman:** But it's not till the final year of the abatement that you settle accounts?

**Kovatch:** Correct. Although it gives the developer a chance to -- so they don't have to pay retro actively should in the tenth year they've exceeded the 10% threshold.

**Leonard:** The concerns you raised were raised in the original proposal. We actually sat down and tried to address that with this kind of boilerplate language now so it doesn't get into the area you've raised, which are legitimate areas.

**Bell:** Uh-huh. Well, if the -- if the intent of it is to -- to have a 10-year averaging, then my concern is -- is reduced.

**Sten:** Ok. Thank you.

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

**Sten:** Would anybody else like to testify on this item?

**Francesconi:** I have a question for p.d.c. I want to know if p.d.c.'s all right with this.

**Andy Welch, Portland Development Commission:** It may be that the intended policy targets that you all initially set for the tax exemptions, you may want to change those. That would be your decision. And so doing a project -- doing it project by project.

**Sten:** I think i'm going to vote for this amendment. We have to deal with this on the fly until we get a new package in front of us. I have two views. One is that it should be a 10% rate of return for the life of the abatement, on average, or else they don't need the abatement. You have to pick some number, and I think the 10% is reasonable. I also think that this program needs to have more requirements to get the abatement than are there right now. I don't think we -- it's a program that needs to be updated, so the new -- the new program, although the recommendation to the council, although it's still aimed at this middle-income housing, will have mandatory affordability requirements in addition to what's there now. I believe personally, and this is something I think the council needs to talk through, that it may make more sense to up the requirements and not have an annual reporting period, the idea being you have to get it through a much higher bar, but then you know you have it for 10 years. I think that's less -- less trouble with the lenders and potentially less annual work that probably, in my opinion, i'm just guessing, but I don't believe you'll see a developer submit a pro forma saying they didn't reach 10%, but I think the spirit of what commissioner leonard is doing, i'm exactly in line with. I'm going to support the amendment. I'm not convinced this is the cleanest way to get to the result if we have an updated program. I don't know if randy would agree with that or not, but I know that's what his report says.

**Welch:** Thank you. I do agree with that. You know, we're in a position where we receive preliminary financial information that's the basis of our consistent i.i.r. calculation. We do use the same formula for each project, but that information is preliminary. One of the things we haven't had the opportunity to ensure is that we have a second look at the information or a later look at what the final numbers are prior to construction to ensure that the representative asians we're making to the commission, the planning commission, you, the city council, that we can actually verify that those numbers are the numbers for the project. So there is some inherent and built-in uncertainty into the process, not with regard to our calculation, but with regard to how the numbers come together for the projects, not only on the front end, but during the construction and during the operations as well.

**Francesconi:** Have you talked to lenders directly about what effect this has? What have they said?

**Welch:** I have. They have concerns, not necessarily that they wouldn't be willing to invest, but concerns about where this may be going and now -- how it may cause them to pull back a little bit, be more conservative on their underwriting. I don't think there's any lender that would say they wouldn't invest, but it's obvious to me they're watching this very closely and want to see how it turns out. I think they might, based upon what they see happening today, may today take a position

**April 28, 2004**

that they'd be much more conservative and therefore potentially invest less. And that's just my judgment based upon some preliminary conversations.

**Saltzman:** Is it the case-by-case approach that we're doing it this way right now? I mean, if this was our policy and they knew that at the git-go.

**Welch:** I would think that each lender would, but so many variables go into that, the location of the project, the positioning of the project in the marketplace, as well as the lender/borrower relationships that would transcend that. I think it would end up by a project-by-project basis on whether a lender would be willing to invest with heightened uncertainty for them or not.

**Saltzman:** What I meant to say, right now we're dealing with these abatement amendments on a case-by-case -- I mean, it's on the agenda. Commissioner Leonard brings up the amendment. We adopt it. We know -- I know commissioner Sten is leading a group to look at our whole toolbox of abatements, tax credits, things like that, come back with recommendations. I guess what I'm wondering, are there other applications like this that are coming through our pipeline that maybe we should hold off until we've dealt with this as a city council and p.d.c. to either make this change permanent or not? That's what I'm wondering. I mean, if you get -- like how many people like g.s.l -- I support the amendment, but I can also realize it adds a new wrinkle to their whole package.

**Welch:** I'm not aware of any additional projects that have come to us with an application for a tax exemption under this program at this point, so as far as additional projects coming next week or next month, I don't anticipate that, no.

**Saltzman:** How about the next three months?

**Sack:** There's an affordable housing project that's coming in that's being built on one of the Hoyt street properties, properties in the river district, but primarily a low and moderate-income project.

**Saltzman:** But they would probably be availing themselves of this exemption?

**Sack:** Right. They're applying for this exemption because they're not a nonprofit, even though the project's primarily low-income.

**Saltzman:** Well, hopefully you can make them aware of this new approach we're employing. If that's the only project in the next three months, we can as a council and p.d.c -- I seem to recall the mayor wanted this done in like three weeks. So anyway, we should be able to come to some conclusion on the policies we want to change and then and that will be the ground rules and everybody will know those ground rules going in.

**Sten:** I think it's a safe bet for anyone watching the council that this amendment is going to be on anything that comes through between now and then. I'm simply saying that, you know, I think the council should keep an open mind about how a whole new package might work instead of -- you know, I think we can do the whole program better and not have a need for this debate, which I think is appropriate.

**Francesconi:** It makes sense to me to toughen the requirements for tax abatements, and to give scrutiny to make sure there's not any unexpected windfalls. If there is, it should go back to the taxpayers. Ok. But we also shouldn't lose sight, this is a great project in the sense that we've got 72 units which are affordable to families of less than 50%, 417 units between 50% and 60% of median income, and wouldn't get built without this abatement. So the amendment is only enforcing the requirements of the abatement. So finally, bring us the policy, please, before the next abatement comes. Thanks.

**Leonard:** I've been trying to ask, what is the value of the abatement over 10 years? How much are we abating?

**Sack:** I believe that the total value of the abatement is about \$213,000. The city of Portland's portion --

**Leonard:** No. The total. Total abatement.

**Sack:** Over the 10 years.

**Leonard:** Uh-huh.

**April 28, 2004**

**Sack:** I mean, it's a forgone revenue of \$213,000

**Leonard:** The property taxes are that for 10 years?

**Sack:** Right. We calculated what the taxes would be on the land from the -- from the land and the improvements. So the forgone revenue on the improvement value -- let me get that sheet. I believe its \$213,000. And Portland's portion of that, forgone revenue is about --

**Leonard:** I'm just interested in the total amount.

**Sten:** 213 is what you're saying right.

**Sten:** And they still pay on the land is what you're saying.

**Sack:** Right. Except that p.d.c. does own the land. Let me find that.

**Leonard:** That seems awfully low to me.

**Beddow:** The net present value is \$542,000.

**Leonard:** \$542,000?

**Beddow:** Correct.

**Leonard:** Thank you.

**Sten:** Great. I think we got this one. Do you want to say something?

**Welch:** I do on the timing. I just wanted to be clear. The mayor asked us to come back with the proposed steps and we've done that. There's an interest from the housing community, division commission in particular, to look at the tax exemption programs from a broader housing policy basis. And so we're trying to be attentive to the myriad of stakeholders have some interest in this. We've been clear with them, if you will, that expediency is imperative, but I can't guarantee you that prior to another tax exemption coming forth that we would have a package in front of you all that would tie this up in a neat little bow.

**Saltzman:** I appreciate what you're saying, but I think at the p.d.c./council breakfast, there was a particular emphasis on dealing with this matter relatively quickly. I think we all know how things can morph into nothing. So if you're the sheperd on this project, you've got to keep it tight and keep it coming back to us in a relatively short timeline. I don't want to ask a year from now, whatever happened to the review of the abatements? And commissions and committees are still talking. Too much of that goes on here and we lose our momentum to do something. There was a clear resolve by p.d.c. and the city council to do something in a short amount of time. So I think that trumps the desire to try to incorporate everybody's concerns under the sun.

\*\*\*\*\*: Very good.

**Francesconi:** Another approach, and I defer to commissioner Sten and to you, but you might consider an interim approach across the board if the longer approach is going to take longer as opposed to take it piecemeal on every -- but that's up to you.

\*\*\*\*\*: Very good.

**Sten:** We'll work on it and get a status report next week on what the timing looks like. I can't say sitting here, but we'll crunch all this and get everybody an email saying when we should expect this back.

\*\*\*\*\*: Very good.

**Sten:** Ok. Thank you. Let's have a roll call on commissioner Leonard's amendment.

**Francesconi:** Aye.

**Leonard:** Well, I appreciate the discussion. It's a good discussion. It gets to an issue of accountability. As I've said here before many times, nobody should confuse my supporting of this amendment from my not understanding and appreciative of the powerful tools that abatements can be. As I've said here before, I fought them in the legislature whenever the democrat ran and hid from them, because they cause economic activity to occur, but we have to be balanced when we apply them. When we stand up in front of a group of citizens, why we're giving abatements, it makes me feel better knowing that we have a financial statement annually that goes to p.d.c. That assures us that we gave the abatement appropriately. So the idea isn't to be onerous or at all

**April 28, 2004**

suppress the development. Quite the opposite. It's to create public support for a program makes a lot of sense. I will not support something that doesn't give the cities, either through whatever, whether it's p.d.c., or the auditor, some annual financial statement that allows us to -- because I don't think that's too much to ask, to look at the statement to make sure the projections are what they were argued to be to qualify for the abatement. Aye.

**Saltzman:** Aye.

**Sten:** Well, a couple of things of the this was a good discussion. We do need to get this back. As always, there's a ton of people interested in this, which is why andy has been working to make sure it got around to all the different groups that care a lot about. I completely concur with what commissioner leonard is saying. If the goal is 10%, we need to make sure it's there. I don't want to -- as you don't want to confuse your comments with abatement, I don't want to confuse with what i'm about to say, that I think we should be accountability on these things. Historically development incentives work best when they're clear and very predictable in what they want. This incentive was set up there was virtually no middle-income housing at the time. I think there's sense to that argument, because I once said a developer was greedy, and he got mad at me, but the argument is do think when you really look hard at these projects you regularly get a little bit bigger project because of these incentives that are out there, people build a little more because they can stretch what they're doing. So the question of exactly how much taxes is being lost I think is a little more complex at times. That being said, I think the program is completely updated. And I think that we need to set it up so that it matches today's economics. And I think annual statements can be part of that and all these issues, but we do want to keep in mind, if we have something that's predictable and accountable, and developers know if you feed the following bars, you'll get the incentive for 10 years, which is a relatively short period of time, we'll get more development of the kind we want. The dilemma for us I to lay out the -- what is the kind of development that's worthy of an incentive, and if you meet that you get it, as opposed to something that we've got something that's changing over time. I think that's the thing we should be looking at, what do we want and what do you get if you do it? That's the issue. So my interest is really seeing how can we make sure there are more things that you have to do to get abatement. I'm less interested in saying if the projections show you're going to do it and you meet this bar, that you can have that pulled away from you. Right now I don't think there's any choice, but to take this approach, because it's not -- it's not a current enough program. It doesn't require enough, and so it wouldn't make sense to -- I think we're close on the same page. We'll bring this back for a look. I vote aye. The amendment passes. [gavel pounded] i'll take a roll call on the ordinance.

\*\*\*\*\*: It goes to second reading.

**Sten:** Oh, it goes to second reading. Thank you, everyone.

**Francesconi:** Just so i'm clear on what I need, because I agree there needs to be certainty. Too me a guaranteed 10% return over 10 years gives enough certainty to the lender. If i'm wrong about that, though, that's what I need help from p.d.c. and others, to tell me that lenders are saying that's not enough certainty and it will kill these deals. That's the piece of information I need. All you have to do is talk to lenders. If they say the guaranteed return of 10% creates too much uncertainty by this provision, I need to know that just so i'm clear.

\*\*\*\*\*: Very good.

**Sten:** We'll have a second reading next week. That moves us to our 10:30 time certain, which is 418.

**Item 418.**

**Francesconi:** This is a great thing. I want to bring jim up from parks, and our benefactor as well.

**Jim Sjulín:** I'm jim sjulin, Portland parks, natural resource program. I'd like to introduce dr. William connor. We call him bill. Bill is a long-term volunteer with the friends of marquam nature

**April 28, 2004**

park and done something outstanding on behalf of all of us that we would like to recognize him for.

**Francesconi:** Go ahead. Why don't you explain what he's done and then let's turn it over to you, sir.

**Sjulin:** Ok. We've been working with the friends of marquam nature park and with Oregon health sciences university to improve trail connections in the area of ohsu, and one of the long-term dreams has been to strengthen the pedestrian connectivity between the marquam nature park trail system and the ohsu campus. And this goes back a ways. And bill has been involved in trying to make this trail connection a reality for at least five years. You can correct me. Probably longer than that. Through his personal efforts and time has persuaded a willing property owner to give us a trail easement across private property to make this all possible.

**Francesconi:** Ok.

**Sjulin:** And i'd like to invite bill to say something about it.

**Connor:** Mr. Yeung is a businessman from miami, florida, who bought this land in the center of the city a long time ago, and he's been thinking about it. Finally, I was even able to find out who owned the land and how to get in touch with for a long time, but we did make contact, and he's come twice to look over the trails and see what we had in mind, and finally agreed to it. I think the attitude of the city parks group, jim and steve bricker, has been important, because they met with him, too, and tried to help him in his plans for the development of the land, and we made sure that the trail wouldn't interfere with any development. And so he's come on board and is enthusiastic and may even move to Portland, because he likes it so much.

**Francesconi:** That's great.

**Sten:** That's terrific.

**Francesconi:** If it's ok, mr. President, we have a couple of gifts. You're a very good physician. You've been healing our bodies, and we appreciate you working to heal our environment as well. So here's a plaque on behalf of Portland parks for your efforts.

**\*\*\*\*\*:** Thank you. Thank you so much.

**Francesconi:** And we also have one for mr. Yeung as well. Thanks. [applause]

**Sten:** That's terrific. Thanks, doctor. Would anybody else like to testify on this item? If not, i'll ask for a roll call.

**Francesconi:** We're slowly but surely connecting our trail systems together, and that's what really, you know, when you ramp them up to scale, that's what makes them so usable, is the special part of our transportation system in our city. So thank you for helping us do that. Aye.

**Leonard:** Aye.

**Saltzman:** Good work. Aye.

**Sten:** Thanks. Aye. [gavel pounding] that gets us to the regular agenda. First up is 434.

**Item 434.**

**Sten:** Do we have a presentation on this? Any public testimony? Can somebody ask commissioner leonard to come back?

**Sten:** Good morning. Where you visiting us from? Where you guys from? [inaudible]

**Sten:** Welcome to city hall.

**Sten:** Roll call.

**Francesconi:** I said my remarks last time, but just briefly again, thanks to the mayor, commissioner Sten for their leadership on this. Special thanks to the fire bureau, which was --

**Saltzman:** That's the next item.

**Leonard:** Boy, I wasn't gone that long.

**Sten:** Karla, why don't you read the item again.

**Francesconi:** I'm sorry to embarrass myself in front of you kids here. Aye.

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

**April 28, 2004**

**Sten:** Aye. [gavel pounding] the next one's very exciting, so we just got to hit ourselves. 435.

**Item 435.**

**Sten:** Ok. Commissioner Saltzman?

**Saltzman:** Mr. President, the amendments we passed last week related to the green buildings are not in this ordinance, and they're not in the development agreement. And so I was going to suggest this be set over so we have an ordinance and development agreement to reflect the amendments we unanimously adopted last week.

**Sten:** We did pass amendments last week that don't seem to be in the tech.

**\*\*\*\*\*:** According to the clerk, they're part of the ordinance.

**Moore:** It was a substituted d, and then your amendments that will be added. They were voted and passed on.

**Saltzman:** Right. Typically aren't those changes incorporated between a first and second reading? What we consider.

**\*\*\*\*\*:** I don't know what your practice is.

**Moore:** They will become a part of the ordinance. Is that what your question is? If they're part of it -- I mean, because they are. They're considered accepted on and a part of this project.

**Saltzman:** But we don't routinely get updated copies?

**Moore:** No, not necessary. I'm sorry.

**Saltzman:** I'll withdraw the request.

**Sten:** The amendments commissioner Saltzman presented were adopted. With that roll call.

**Francesconi:** This is a great example of where the city work to seize a development opportunity that will jump-start this part of town that's been long neglected. And it fits into activating the park. It fits into an economic opportunity for housing along the park. It will help us with other key elements. So it's a testament to the Portland development commission and to the fire bureau. I want to specially thank the fire bureau. It's a testament to mayor Katz and commissioner Sten to keep work on this. I'm hopeful that the negotiations with the naito family will be productive here. I'm not, by this vote, authorizing condemnation at this point. I'm hopeful, though, that this can work for everybody's advantage. But this is a good thing. Aye.

**Leonard:** Aye.

**Saltzman:** Well, I want to be careful in my words here, because like commissioner Francesconi i'm not in support of condemnation to achieve what's been called a linchpin, turning stone, you know, the whole pivotal redevelopment of the ankeny square area. I think that's a little bit too much to land. You know, this area has been a problem for 30 years, and I don't know why somebody didn't think of this 25 years ago if this truly is the linchpin to the redevelopment. So i'm -- i'll be careful in saying it's an exciting plan. It may or may not be truly the catalyst that's needed, but I don't want to see those arguments sort of spoon-fed back to us in support of a condemnation vote. So that's why I would say this is an exciting plan. I still do have concerns about the cost of fire station 1 overall, although apparently it's lower average cost per square foot than other fire stations, it still seems like a lot of money to me. The million dollars or so going to the fire learning center, i'm a little dubious about how much really retail value that's going to have, especially the -- there will have to be private fundraising to staff the fire learning center. My fear is the fire learning center will not have an eyes on the street presence because it will probably operate between 8:00 and noon and be closed on weekends and evenings because of staffing concerns, and I also have a concern that at some point the fire bureau is going to come back and ask us to use general fund dollars to pay for that staffing of the fire learning center. And I don't think that's the highest, best use of firefighter dollars at this point. So i'm a little dubious about certain aspects of this project, but i'm willing to give this well thought-out agreement a chance to go ahead, but it has to be done to my mind, or at least to get my vote the next way on a willing seller basis. Aye.

**April 28, 2004**

**Sten:** I thanked everyone last week, so I won't go through the list again, but again say thanks to both sides of this agreement. It was a lot of work, I recognize that, but I think this is done right. I do believe, you know, 20, 25 years ago, the fire station was not in need of repair, and now it's going to be moved. So this really is the only moment in which, if you do believe whether it's credit -- whether it's absolutely the only way to do it, or a good way, it's somewhere in between those two, this is the next moment in the next 50 years that the fire station could change, because once we fixed it up it would be crazy to change it. It's at the end of its useful life. The amount of cost it would take to redo fire station 1 is not enough to move it, but it's the lynchpin of the financing. And then p.d.c. is putting the extra amount on top to make development available. So really whether or not anybody had this idea, this is the time to do it. If we don't take this time it won't get done. It wouldn't be a tragedy, but it would be a dramatic missed opportunity. I think this will work very, very well and my hat's off to everyone who got us this far. Aye. [gavel pounding] that leaves us with 436.

**Item 436.**

**Sten:** This is a hearing. Do we have a staff presentation or are we just taking testimony?

**Moore:** They're here to answer questions if you have any.

**Sten:** Any questions from staff for the council? Hearing none, is there any public testimony on this item? Seeing none, 436 will move to a second reading.

**Auerbach:** What you normally do is move to accept the report and direct pdot to come back with an ordinance.

**Sten:** My mistake. Let's accept the report and direct pdot to come back with an ordinance, if I have a motion to do so.

**Leonard:** So moved.

**Francesconi:** Second.

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

**Sten:** Aye. The council has adjourned until thursday at 2:00 when we will take the st. Johns plan.

At 11:00 a.m., Council recessed.

**April 29, 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.

**APRIL 29, 2004      2:00 PM**

[Roll call taken]

**Sten:** Could you read the item, karla? Or the two items.

**Item 437 and 438.**

**Sten:** I'll ask planning staff to come forward. And basically for those of you watching, if you're out there, this is the second hearing on the st. Johns/lombard plan, and we're working on the concept and action charts, as well as the plan. And the last hearing was on everything, and we've now narrowed down the issues that are left, actually what looks to be a fairly manageable five issues. We'll see if anything else comes up today. The goal for today is to get through each of these five issues and ask the council to make a decision. Of course, if the council can't make a decision for any reason, we would put it over again, but we're going to at least try and go through each of the issues. I want to throw out an idea before we get started, is that maybe rather than -- I notice there's not a ton of people here, so what i'm thinking is rather than maybe trying to explain all five issues and take testimony on all five, what if we took them one at a time, took testimony on each one, made a tentative decision on it, then went to the next issue. It might clarify things a little bit. I guess to do that we would allow people to testify on more than one issue, as opposed to three minutes on all five, but I think that's manageable with the amount of people here. I'd just ask you to stick to the issue. Does that sound all right with planning? Does that sound all right, commissioners?

**Leonard:** Uh-huh.

**Sten:** Let's start there one at a time.

**Joe Zehnder, Bureau of Planning:** Good afternoon. I'm joe zehnder with the bureau of planning. We have five amendments that we've briefed to discuss today. They're listed in a report that was provided to the city council. We propose to just run through those. The five deal with zoning along vanderbilt street, zoning in an r-5 area proposed to be rezoned to r-2.5 in a section of the town center. Issues along the u.p. rail line in terms of land use and impacts and the work/live proposal in eg-1 district. Finally there's an illustration error in the proposed maps that we want to correct. Before we go into these five amendments, we'd like to start with a clarification on one item, which deals with the street master plan. There's been some discussion since our last hearing -- or concern about what actually triggers the requirement by the office of transportation of any of the street segments shown in the street master plan. Just to clarify that, that's controlled by title 17, and that those street segments will be required based on the judgment of the city engineer. The issue that's -- that's been question, major remodeling, for example at the old safeway site, would trigger requirement of a street improvement. The major remodeling as a type of improvement by itself does not necessarily trigger the requirement of a new street, even though the street is shown in street master plan. For further clarification, i'd like to turn it over to rich.

**Rich Newlands:** Right. There's language that talks about how the master street's been implemented, and it says, when adjacent properties undergo significant redevelopment, such as through zone changes, subdivisions, or new construction.

**Sten:** Ok. And --

**Saltzman:** So new construction is not major remodeling? Is that correct?



**April 29, 2004**

**Sten:** I think that's clear. We did have a letter which came from safeway's representatives asking for an amendment. And my sense is that the amendment's not necessary. It's in the record now. They can refer to it, that the intention is not for major remodeling. Is that --

**Francesconi:** That's fine.

**Sten:** That's ok with council. Let's jump into the issues. Commissioner Francesconi, we'll take the amendments one by one.

**Barry Manning, Bureau of Planning:** Barry manning, bureau of planning. Thank you for conducting this hearing for us today. Before we get started on the five issues, I want to introduce a revised set of findings that includes an update to the transportation goal and policies. Karla has copies of that that she's distributing to council right now. We want to enter that into the record, that these replace the findings that were submitted back on I think march 2. So the first issue we're dealing with today is vanderbilt street. It's on page 2 of -- i'm sorry -- it's on page -- where did it go?

**Leonard:** 5.

**Newlands:** -- page 5 of the report. Before we get into vanderbilt street, let me preface this discussion with just a couple of remarks. Overall in the plan, one of the key components of this plan was the importance of housing in order to support the town center and market areas and city housing goals. You know, housing in general in this area as a town center and a main street are important. This relates to both of these issues. They help to build the market area in the long term and meet city housing goals. I want to remind council that we did significant changes to the comprehensive plan and zoning changes in the cathedral park zoning area and many of our proposals for comp plan changes in zoning either in the main street or town center are to balance out some of the losses by downzoning the r.h. in that area. Keep that in mind as we talk about the vanderbilt issue. Vanderbilt street specifically runs parallel to lombard. The existing zoning on that street is r-1. At the request from testifiers was to rezone that to r-5. Under the current r-1 zoning on that street, about 119 units could be produced. The lots on that street range from small lot of about 3600 to larger lots of about 11,000 square feet. The r-1 zone in this application would produce on a small 5,000-square-foot lot a minimum of two units because of the change to the minimum density that we've proposed in the plan to a maximum of five units. And we've also applied design standards that will help address the interface between development and the street frontage to try to produce a better relationship between the multifamily development on the south side of the street and the single family zoned r-5 properties on the north side of the street. R-1, once again, was the existing zone. We applied an m overlay to enhance the buildings and the relationship to the street and lower the minimum density. A downzone to r-5 in this area would produce significantly less units on this street. We're estimating there's 22 to 25 units that could be produced under the r-5 zone. And is relatively inconsistent with the -- the plan adjacent to the main street. In many of the other areas adjacent to lombard where we had existing r-5 zoning, we've recommended a rezoning and the planning commission's recommendation calls for r- 2.5 zoning in this area. We've provided you with analysis in the report of what that would do. It would produce considerably more units than the r-5 zoning, approximately 59 units, and it would be more consistent with the approach we've applied on all of the other blocks that are adjacent to lombard on the backside as well where we applied the r-2.5 zone. If the council wishes to consider a change to that r-1 zone and a change to the r-2.5 zone, we recommend applying it only to the interior lots and small lots retaining the r-1 zone on the larger lots and the existing multi-development in that area to maintain it as a conforming density.

**Sten:** Great. Any questions from the council for staff? Would anybody like to testify on this amendment? Why don't you come on up. I had a feeling you did. If anybody else would like to testify, come on up. Go ahead. You each have three minutes.

**April 29, 2004**

**Patt Opdyke, Land Use Chair, Portsmouth:** Certainly. My name is patt opdyke. A reside at 8971 fortune avenue in Portland. I'm the land use chair for the community association of portsmouth. I'm particularly speaking on this issue, not only because I spoke last time, but I know there are two other persons who are coming, and they're not here yet, so I wanted to address that. Two, to speak to their issue, as I had -- how I suggested it might have been approached last time, is that the existing single-family homes would be rezoned r-5 so there would be conformance there, and that the existing multifamily dwellings would be under the r-1. What the proposal of shifting from an r-1 to an r-2.5 does -- r-2.5 does go toward the neighborhood concerns, although if the neighbors were here to speak, and I think they're just running a little bit late, but if they were here to speak they would still be pushing for an r-2.5 designation on the south side of vanderbilt. I do understand the planning team's approach in terms of going for consistency and how there's been r-2.5 zoning on other areas adjacent to other streets that are running parallel to the main street, and so for consistency purposes I can certainly see that argument. Thank you.

**Sten:** Ok, thank you.

**Sharon Nassett:** Thank you. My name is sharon nassett, I live at 1113 north baldwin. Thank you very much for hearing this topic. I have a problem with adding any more density or changing any zoning that adds density in north Portland simply for the reason of trying to get our spending power up. Our spending power is \$5,000 to \$10,000 less a household than other parts of town. We have almost twice the amount of single-family homes and we have lots of homes, about 10% more than other parts of town with families and children. We already have plenty of people there. What we do not have is enough education to raise our spending power. We have several people who have not graduated from high school. We have a large percentage of people who do not have an eighth grade education. Many of our schools have more than 50% minority in them. When you raise the density, you are bringing in congestion, more service needs, pollution, and all kinds of other things that attribute to the area. We have 10 parks within this study area. Four of them have bathrooms. We have one elder care area at the y, which is currently for sale. We have many services that we don't -- there are many missing services out there. A lot of people would like to take their 3 and 5-year-old children to an area where the -- they're being schooled at a learning environment instead of being in people's homes. Until we have the web and the fabric of what we need for what's currently there, and when you read through the existing reports and you read through all of the things that they have to say, we are missing something in each category. We have no place for our teens. We do not have enough daycare. We do not have enough elder care. And the idea that you are going to bring our spending up when we only need to go up \$5,000 to \$10,000 a household, by bringing in more people thinking we're not going to need more services, we're not going to have more pollution, we're not going to have more problems. Bringing in more people is adding to the problem we have there. Before anybody is brought in, I really feel that you need to take a look at the fact that if we raise the education limits that the people there have, you would be getting a better tax base, we would have a spending power that is promoted. If we were all brain surgeons and our education level could not be raised to bring in more employment, then bringing in density would be the only answer, but that is not it. I am hoping that you will take a two- to five-year look at raising the education area. Do an empowerment area and have anybody that would like to have their education level raised, that is the best way to do it, in my opinion.

**Sten:** Great. Thank you, sharon. Anybody else like to testify on this?

**Amy Lyden:** Hi. My name is amy lyden. I live on north hodge, just adjacent to the north vanderbilt street, north of lombard. My concern simply is just being a neighbor. I have a small toddler. There are many small children on these streets. We're concerned about density being a safety issue. We're concerned about our property value in a nice, quaint neighborhood of single-family homes that takes a lot of pride in our local community and in the safety on our streets. And

**April 29, 2004**

as a mother, as a property owner, right adjacent to the street that you're considering bringing in density, it's a major concern, and I think I speak for all of my neighbors. Thank you.

**Sten:** Thank you. Let's -- oh. Come on up.

**Cheryl [last name unclear]:** Cheryl premvisich. I live on vanderbilt street. Two stories wouldn't have been quite as bad, but it doesn't fit the neighborhood. I too have concerns with safety issue, parking. There are a lot of small children in the neighborhood. And this three-block area, it's mostly homeowners. There are duplexes. So it already is a multi-dwelling area. And there are many large apartment buildings around the area as well. So I really don't see the need to add more density. There would be pollution, parking problems, and safety issue. So i'm against the r-1. R-2.5 would be better if we had a choice. Thank you.

**Sten:** Ok. Thank you very much. Council discussion on this issue? Do I have a motion or --

**Saltzman:** I'd like to go with the planning staff's compromise, I guess, of 2.5 -- it would be the 2.5 rather than r-1 for the lots less than 10,000 square feet. Did I say that correctly? Maintaining the existing r-1 with the larger lots and the corner lots that already have multifamily development on it.

**Manning:** Essentially it would keep two lots zoned as r-1, which is the existing newer five-plex, on the corner of fisk, and the church property, which is -- I don't have the street in front of me, but down the street, and is another large lot. It would also maintain the r-2 zoning on an existing multi-dwelling at the western end of the street, but other than that would it be r-2.5 as the map shows.

**Saltzman:** Owe r-2.5 rather than the recommended r-1, but not r-5? That's what I would move.

**Sten:** Great. Discussion?

**Leonard:** I was interested in the same thing, but only having the requirement of r-2.5 applied to all the lots. What's the impact of that?

**Manning:** I think the major -- i'm sorry. The major issue would be having r-2.5 applied to the five-plex at the corner of vanderbilt and fisk would make that a nonconforming density.

**Leonard:** Why is that a problem?

**Manning:** I would have to look back into that to explain why exactly it's a problem. It would be a situation where if in the event -- the building were destroyed or something like that, it would be a question as to whether that density could be replaced. I think that would be the major issue on that particular lot. And the r-1 on the larger lot was just preserving an opportunity for multifamily development that would not be there under the r-2.5 zone.

**Leonard:** Then I guess i'm persuaded, though, that it's a neighborhood, and I think we need to do a better job at density, but also have maybe consistent kinds of construction.

**Zehnder:** The big -- one big difference between the -- what's existing today and what we're proposing is that there are additional design standards for the multifamily property. So in part, by focusing on the large church parcel, preserve some of that ability to get multifamily and what we feel like we're positioning ourselves to do is require that it is designed in a way that's more compatible with being next to single-family residences.

**Leonard:** Ok.

**Zehnder:** The 2.5 does at most allow a duplex. So a duplex mixed in with single families is I think a successful situation we've seen all over the city. The nonconforming use for the existing multifamily, commissioner, it's going to affect their ability to remodel -- or do major changes to it. In effect, they probably could live quite successfully under a nonconforming use. Often we run into the issue, it was financed under one zoning, so it affects their ability to refinance, but this is a relatively small project, so that's probably not that significant an issue. Leaving it r-1, if it ever was to be redeveloped with our new design standards would assure that what came back would at least be better designed than what is there today. We were just reflecting the existing pattern.

**Leonard:** Ok, thank you.

**Francesconi:** Are we just talking about one property that's nonconforming?

**April 29, 2004**

**Manning:** Actually a couple more. There's also a triplex further down the block toward hodge, which would also become a nonconforming density. Essentially what would happen is that the use is allowed, but units could be added. They'd basically be locked in place, if you applied a different zoning to those sites. Society triplex would be locked in at three units, you couldn't add to that, and the five-plex, which I believe is at maximum density right now, would just be locked in.

**Leonard:** But the whole area right now is r-1?

**Manning:** Correct.

**Leonard:** If we took your recommendation, we'd actually be decreasing the amount of density that is currently allowed?

**Manning:** Correct.

**Zehnder:** Decreasing it by about half.

**Leonard:** Ok.

**Sten:** Ok. Well, did you make a motion?

**Saltzman:** Yeah. I move.

**Leonard:** I'll second.

**Sten:** So i've got a motion and a second for -- just for the audience, the planning bureau's compromise recommendation, which puts most all of it into r-2.5, with the exception of the church lot.

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

**Sten:** Aye. [gavel pounded] and the mayor is still recovering from surgery and supposed to be back next week. Fine with me. Next up is the u.p. rail line land use.

**Zehnder:** The next one's number 12 on page seven.

**Sten:** Oh, did I skip one?

**Manning:** One more residential zoning issue.

**Sten:** Oh, yeah.

**Manning:** This is regarding r-2.5 recommended zoning in st. Johns. There's an aerial photo of this on page 7 of the report and a map on page 8 of the report. Do you want to point out the area we're talking about? I can point it out. At the last hearing, commissioner Francesconi, I believe, wanted to take a closer look at some of the r.2.5 proposals in this area, and after some discussion it appeared that the major area of interest was to focus on the area west of st. Louis after some discussion. There was discussion about why the r-2.5 was proposed in this area, and once again one of the goals of the st. Johns/lombard plan was to, you know, maintain housing opportunities near the town center and really balance out that r.h. That we significantly changed on the hillside area. We talked about the significance of three different areas, and it came down to this area being reconsidered for r-5 zoning as requested in testimony. Essentially this area is platted out. There are some existing substandard lots in there that may be developed at higher than r-5 densities. But it's a fairly well developed area, and more peripheral to the town center than some of the other r-2.5 areas that we recommended rezoning in. And those occur near lombard street, toward the east end of the town center, and then on the other side of st. Louis in the area between st. Louis and the park. This area, once again we, proposed r-2.5 to help support the market area, the town center. The west end of the town center has fewer households overall. You start getting into the industrial area not too far from here, but it would be important to keep residential density in that area to support the town center. A change from r-2.5 to r-5 in this case would result in a loss of 37 units overall, which in the general scheme of the town center density is probably not an enormous number of lots. Once again, this area is probably less important than the other two areas, in that it is a little bit more peripheral. St. Louis is a bit of a barrier, or there's a distinct dividing line, I guess, from the town center area to the east of st. Louis and the area to the west of st. Louis, which is much more residential. It also is farther away from the heart of the town center, if you will, so it's peripheral in a couple of ways. Planning bureau recommends that if council wants to consider any rezonings to

**April 29, 2004**

r-5 in the town center, that you limit it to this area. The areas -- other areas are close to the town center and probably provide better opportunities for infill development.

**Francesconi:** I move that we --

**Sten:** I'm going to take testimony first. He's tipped his hat to anybody that wants r-5. Anybody like to testify on this or just have commissioner Francesconi's amendment move forward? Come on up.

**Jane Bogus:** Jane Bogus from the St. Johns neighborhood association. I live at 6709 North Yale. We appreciate this here being changed to r-5. Thank you. But some of this other density, we're very against the skinny houses. I mean, anybody that drove through St. Johns lately? I mean, we're inundated. And the builders don't live in St. Johns. So we would like to see no more skinny lots. No more skinny houses. And when you're going -- this isn't even on the agenda, but anything that has to do with the truck study, please look at the minority reports. St. Johns neighborhood association gave you a minority report, and so did Cathedral Park give you a minority report on the truck study. And so please look at them. Thanks.

**Sten:** Thank you. Come on up.

**Patt Opdyke:** Patt Opdyke, 8971 North Fortune Avenue in Portland. Although I'm a member of the community association of Portsmouth, as their representative on the citizen working group looking at this plan, I frequently brought back the whole plan to the group. We discussed many issues. One of the principles that -- that Tcap thought was important, is that our neighborhood association supports the other neighborhood associations insofar as they're impacted by changes brought by this plan. For example, they were very much in favor of pedestrian safety in the pedestrian district that's been a primary concern in the St. Johns and the Cathedral Park area. They're also very supportive of the work/live area in the Cathedral Park. We recognize that Cathedral Park is particularly affected by -- by the plan coming down into their residential area. Likewise, they share a concern and want to give support and weight to the other neighborhood association views with regard to skinny lots. We ask that, again, you look at those. By skinny lots we're specifically referring to those unattached single-family homes on very narrow lots as opposed to the duplex. Thank you.

**Sten:** Thank you. Yes, sir.

**\*\*\*\*\*:** Yes. I guess I'd like to ask which of you would like to see more pollution in Portland?

**Sten:** Could you identify yourself?

**Jim Carlock:** I'm sorry. My name is Jim Carlock, born and raised in Portland. It would be an underestimate to say I'm disappointed to see what's happening to my beloved city. Which of you wants to see more pollution in Portland? Which of you wants to see more traffic congestion in Portland in both of those are inevitable consequences of increasing density. If you look at a chart of various cities around the world, there's a direct correlation between higher density and higher levels of pollution and higher levels of traffic congestion. This plan will only degrade the quality of life in Portland and bring us one step closer to Metro's plan to make Portland like Los Angeles. I suggest that you vote against any increase in density in any part of Portland, including the St. Johns study area, and do not let the planning commissioner -- commission lead you down the path of destroying -- further destroying our quality of life. Thank you very much.

**Sten:** Thank you. Ok, council discussion.

**Francesconi:** I'd like to move to change this r-2.5 in St. Louis to r-5.

**Saltzman:** Second.

**Sten:** It's been moved and seconded. Clarification, are you proposing the -- the part the planning bureau's recommended in their reports?

**Francesconi:** Right.

**Sten:** Just the shaded area there?

**Francesconi:** Yes.

**Sten:** Terrific, ok. It's been moved and seconded. Roll call.

April 29, 2004

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

**Sten:** Aye. [gavel pounded] so for everybody tracking this, we changed the chunk of r-2.5 near st. Louis to r-5 as requested. Now we're on the u.p. Rail line land use issue, which primarily has to do with noise.

**Zehnder:** This is item 19 that starts on page 9. The issue here are two areas along the st. Johns waterfront where the plan is recommending e.g. or e.x. zoning or e.x. comp plan. That straddle the active u.p. spur line that serves the port facilities to the north. The concerns were around safety, which we believe we addressed at the last hearing, but also the impacts of noise, especially on residential units that could be built in the e.g. And e.x. zones adjacent to the rail line. We were asked to research a number of approaches to try to mitigate in advance the potential of the sound impacts of the rail line. We looked at a variety of proposals, but first I want to give a little background on how the noise ordinance works in the city. This is relevant for the next item as well.

Title 18, the noise ordinance, sets standards for the acceptable interior noise for different types of uses based on the zone that they're in. So within an e-zone under the noise ordinance any use is considered the industrial -- the industrial standard is considered the applicable standard for any use, regardless of whether or not it's residential, industrial, or employment, if it's within an e. or i. zone. The standard that would be enforced would be the same for a residence that happened to be an e. Zone as it would be for an industry in an e. zone. So that issue that somehow a residence next to the rail line would have special compacity to complain and there by hinder the use of the rail line is not -- our noise ordinance makes that not an issue. Also technically, the rail facility itself being regulated by the federal government isn't judge to local noise ordinances anyway. A second approach that we looked would be to require setbacks for residential uses along the rail line. And here staff considered -- did a couple of things. We looked at where the rail lines run next to existing development elsewhere in the city and elsewhere in other cities in the united states. Whereas it's a clean kind of approach, it's a -- you know, you can see the result of requiring a setback for residential uses from the rail line, in terms of noise attenuation, we're recommending if we -- if the council is concerned about addressing the noise issue, there are more direct and more effective ways than requiring a setback. One of the more direct ways is the third option, which was -- which is on page 11, which is this idea of requiring soundproofing. We have a precedent for this within the city around the Portland airport, where there's an overlay zone, and that uses that -- that residential uses built within that -- actually there it's all uses built within that area have to meet a minimum interior sound impact limit, and are designed to meet that limit, as the average of a level of noise over the course of a day. In the case of the airport regulation, I believe it's 75 --

\*\*\*\*\*: 45.

\*\*\*\*\*: The airport is 65 decibel level.

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

**Zehnder:** And our inquiries about how that's been applied in the city, it does not require extraordinary construction techniques at all to meet that level. So there, if we have a precedent of how we've done it, and then the question becomes, for us, what's next to a rail line, what's the appropriate decibel line and whether or not it should be tacked on to a noise code. For instance, the california code of regulations, sets the interior noise limit to about 45 decibels. So we have a model that we could possibly use for interior noise level. And typically it just -- we -- we believe that probably a better place for this kind of regulation to reside, rather than adding it on to the zoning code, might be within the title 18, the noise code. If the city council is interested in pursuing this particular option, we would request that we get -- we would need to bring this back to you, because before we advance it as a specific recommendation, would want to do more investigation into a number of specific impacts, including what would be the additional cost of development, because we really don't have a handle on that now. So if we put in a regulation that makes it undevelopable, we wouldn't want to suggest to you that it would have an impact otherwise. We also need to make

**April 29, 2004**

sure that it's a standard that the city administratively actually could enforce, and that we would want to complete our discussions with the bureau of development services about the administrative difficulties that this might cause. We also would want to advise you on the precedent for other parts of the city. Rail lines run through lots of different neighborhoods in the city. We may be setting up something that could have impacts on other than st. Johns. Finally is the issue of code complexity that we're all struggling with. If soundproofing, which is really sort of the -- we believe the most direct way to deal with this, is the desired path, we would bring back -- we would complete this research and bring this back at a future meeting. Two other options we were asked to consider. A noise disclosure statement. Here, once again, we have a precedent in the -- the airport impact noise -- noise impact zone, and it's also precedent from other jurisdictions, where you have property owners sign an acknowledgment or disclosure that acknowledges they're next to a noisy facility. This once again, has a real appeal, because it's a very direct way to say, you bought this property, you're developing this property, and you're acknowledging that it's next to something that's noisy that, we have no intention of moving. We, the city that. Provision could be added to the code, and it could be added to title 33. We have draft lang of what one of those disclosure statements would look like if the commission -- council would like to see it. Once again, we would have to return to the council, would take us more time just to figure out the specific code provision to put in title 33 to do that. In terms of the administration, b.d.s.'s initial reaction to it was it could be done. We do it elsewhere. It's not necessarily going to be something they'll ever enforce, but it will have the effect of providing that notice. Finally, a noise easement is taking the idea of the noise disclosure statement one more step, which is to say that -- require properties within a distance of the rail line to give the railroad an easement that would acknowledge that the -- they could exceed noise levels. We think that this is unduly complicated for the situation that we're facing. And also not necessarily relevant since rail lines are exempt from local and state noise regulations anyway. The easement is not something that they actually would need. If we're really after just putting the property owner on notice, a simpler, more direct way, would be the noise disclosure statement. So once again, that being said, staff is still of the opinion that we have enough precedent in the city, one of the examples we were regularly looking at were the yards at union station, where new development, significant new development, residential development, is undertaken by the private sector within proximity of a rail line, and without special soundproofing requirements or other special provisions, and that the market has determined what's acceptable, and that's the -- what we recommended initially, imposing no special standards, and would still like to recommend back to city council. Just in the case of the yards at union station, in our meetings, in the interim between our last hearing we met with the sound officer, and even there they're not hearing complaints from that particular process. And we're about to approve the addition of more units there. It's farther from those rail lines than one could conceivably -- you could build closer possibly in st. Johns, but even that project was set back by the design of the project without any requirements from the city and through their standard construction techniques have seemed to be able to mitigate the noise impacts. So staff would recommend no special noise provisions. And of the options that we researched, we're here to advise you that those most -- the most simple one to implement, most direct, might be the notification, the disclosure statement, and if we need to -- but we would also need to do additional research if we want to pursue the soundproofing path.

**Sten:** Great. Thank you. Questions?

**Saltzman:** I appreciate all the research. I guess the yards at union station, I guess i'm thinking of amtrak is not the same necessarily in terms of noise as freight, freight movements, idling of locomotives and things like that? I guess I just don't picture that kind of stuff going on, cars being hooked and unhooked at union station.

**Zehnder:** You know, there are freight lines that go through there. This is one of the things that a planner does. We hung out down by the yards for a while to see this. And the -- there's a -- at the

**April 29, 2004**

crossing there, as you enter the station, you have to blow your whistle. Actually, you know, there's the noise of the trains themselves, but it the rail crossing whistle blow that's really going to be the thing that's going to wake people up in the middle of the night. Even at union station, at that crossing, right there by the yards, they have to do that. So I don't really -- we could -- I don't think they're probably equally noisy and I think the volumes are much greater at union station just in terms of the number of trains.

**Saltzman:** You mentioned the need to do additional research if we chose the disclosure statement, but that's already in the --

**Zehnder:** I'm sorry, not additional research, just need to bring back new code language to put it in the code. We just haven't had a chance to write the code yet.

**Sten:** Thank you. Would anybody like to testify on this one?

**Tom Closter:** Tom closter, 5932 north willamette boulevard. Also a member of the working group. I wanted to speak in support of the staff recommendation on this particular issue, mostly because I think this is the first neighborhood of hopefully many in the city that will begin to develop along the river, and along river lines, parallel on both sides of the river. I think it's worth giving this shot, seeing how it develops in this particular area, which is pretty small, and then looking at the more rigorous approaches on the noise issue if a problem emerges. I actually don't think it will. I wanted to also point back to the summary from the last hearing, and really just ask a question, didn't have a chance to ask staff outside the meeting. On number 20 in your comments on page 4 of the packet, there's a mention of grade separations on richmond that's tied to this noise issue and not having train sound at the intersection. Sort of alarming, just because it's a pretty low-volume rail line, pretty low-volume street, and i'm wondering if we're talking about separating grades on that street. That's more just a question. Thanks.

**Sten:** Thank you. Go ahead, please.

**Susan Warden:** My name is susan warden. I live on north macrum. And I wanted to address the railroad issue. And I think the industry that lies under the bridge as well, if the persons living at those addresses, yes, their homes would be soundproofed if this goes through, easements might be provided, but how about if they want, in the summer, to eat out on the deck? You would have your smells, the odors of the industry, you would have, as well, the noises. I think there's a lot more to consider than just soundproofing buildings and putting easements in. I don't think that the railroad, or industry, should be liable to protect the residents moving in from themselves. They were there first. I just believe firmly that more research needs to be done in all of the areas. It's not just a small -- if we set up a small precedent to see if it works -- if it doesn't work, we've wasted a lot of money.

**Sten:** Thank you very much. Sharon.

**Sharon Nassett:** I'm sharon nasett and live in Portland. The train issue is -- to me is not just necessarily the noise. It's the fact that it is trucks on a rail. It is at the beginning of the area that is our largest port area, which is our largest rivergate area. Underneath the st. Johns bridge one landscapes on to the other. The trains that are bringing the goods down there run during the night, they run during the day, they run all the time. They're supposed to be. If people have businesses down there that they would like to see expand or grow, that is where they need to put them. Halfway down the hill is plenty of room to put some houses there. The rest of the land that's closer down needs to continue being high wage-paying jobs. The economy report that was done for this said that there was 800 businesses in the study area. They looked at 158. And threw the other 600 and some away. And those are retail and service businesses. And they looked at changing codes and changing zonings to help those businesses. Those little ma and pa places do not bring us money from out of state. They do not pay large taxes. They do not pay good wage jobs. And they do not include benefits. Those railways down there have the opportunity to serve more businesses as they come through. Some people may believe that manufacturing has left the united states. It



**April 29, 2004**

has not. Manufacturing buttons has, but the only way to make money is to send goods out of state. To interrupt any part of the land down there so that people can't build off of each other, have better businesses, and continue providing the high-wage jobs, I think is really a mistake. The economy -- the economists that did look at it say we have 113% of goods that the stores are providing for people. So they assume that some of that came from the industrial areas around it, but what they aren't realizing is the jobs come from the big industry. That's the taxes. Those homes that you put down there, if you put a couple hundred, at \$2,000 a home, what kind of taxes is that giving you? What kind of money? It's not giving you what the heavy industry can. Doing anything down there that takes it from money, money-making land, when we're not sleeping on the streets and don't need it, I believe is not going to work. Our direction should always be the economy, the economy, the economy. It always will be.

**Sten:** Thank you. Let's have council discussion on this item. Oh, i'm sorry. Come on up. I didn't see you there.

**Erik Palmer:** I'm erik palmer, 8207 north edison. I basically wanted to say, first of all, in terms of jobs, economy, debating between residential, whatever, the zoning mechanism that is -- that is proposed by this plan, I believe accommodates in a very flexible way both the opportunity for businesses to establish themselves and grow at locations in the riverfront, and also gives the flexibility to promote the idea that if it's more desirable to have housing, other kinds of commercial development, at the waterfront, that that's an opportunity that gets created by this plan. So I support that. To come back to the issue of the noise, which is really what we're talking about here with this amendment, I guess I just wanted to -- I thought that tom closter said perfectly what needs to be said about this issue, and i'd like to express support for pursuing that approach. Thank you.

**Sten:** Anybody else like to testify? Ok. Council discussion.

**Saltzman:** Well, I guess I appreciate, this is very good research, and I think last time I was advocating that we adopt the airport zone noise standards, but I guess i'm sort of -- in light of what you've educated us about about our own noise code, which basically says the industrial standards apply, regardless whether there's a residential use component of an eg-1 property. That's correct, right?

**\*\*\*\*\*:** Uh-huh.

**Saltzman:** The larger issue, which you could argue maybe is not the time or we're setting the precedent, but I guess I feel it's time to set the precedent of noise disclosure statement. I think it's good. It helps maybe avoid the syndrome that ann gardener was speaking about last time. We've seen it happen in the pearl district. We've seen it happen elsewhere. You get residents in there, and they say, nobody told me about the noise. It looked nice on a sunny sunday afternoon when I purchased the unit. This is prime industrial land. We're not necessarily trying to protect the residential uses the property, we're trying to protect the industrial uses of the adjacent property. I would be interested. I don't know where the rest of the council is, but on having language that would get us started on the noise disclosure route here.

**Sten:** Well, there's not a proposal -- let me see what the sense of the council is. Is there interest in that proposal at this point?

**Leonard:** I think I agree with the sentiments commissioner Saltzman.

**Sten:** Looks like commissioner Francesconi is thinking about it. I'll make his life worse. I'm against it. I think that -- although I think the sentiments I do agree with, I just think that this is more regulation that people have to comply with that frankly isn't going to change the reality, which is the trains go by and you live next door to it. I just think the city's getting into business that just adds cost and burden to developers and homeowners that frankly the private market should sort out.

**Saltzman:** I'm not talking about the insulation standards.

**Sten:** Noise disclosure, so legally liable if somebody doesn't sign one. It's just --

**April 29, 2004**

**Francesconi:** Do we do this in any place in the city?

**\*\*\*\*\*:** The airport. We have noise disclosure statement requirements.

**Francesconi:** I'm going to agree with commissioner Sten. So the mayor gets to decide this one if she comes around, or it falls.

**Sten:** Well, at this point I would say it 2-2 in terms of wanting to see a proposal. I would planning do, anybody interested in this, talk with the mayor about it, and if she would like to see a proposal, it will come back, and if she doesn't it won't. I mean, there an an amendment on the table. You're asking for direction if you should do work or not, but --

**Zehnder:** We'll draft the language, and this will come back at second reading, I suppose, we can introduce another amendment.

**Sten:** You already have the language from the airport zone?

**Zehnder:** From what the disclosure statement would be. We have to write the title 33 language to implement it, so it will be a requirement within the st. Johns plan district that you have to file a noise disclosure statement. You will see new language at our next meeting and we'll have to act on it then.

**Leonard:** Maybe you can help me understand how this adds cost. I'm having a hard time understanding why it adds cost if we're requiring on a piece of property that you simply disclose that there might be, you know, some excessive noise.

**Zehnder:** The only real cost would be -- you'd have to file with Multnomah county, so there's a --

**Sten:** Minor.

**Zehnder:** Just that filing fee, really.

**Leonard:** And how is that onerous to developers or property owners?

**Sten:** I was the one that said that. I just think you're not going to change the fact that it's loud.

You're my champion on let's not have too many regulations. You know, I don't think you're going to --

**Leonard:** Too many stupid regulations is what i've said. This is a -- this seems to be an amendment that just informs people that, you know, beware if you buy, you know, it's going to be loud.

**Sten:** Yeah. If people need the city to do that for them --

**Francesconi:** Let's move on.

**Sten:** There's two votes for it, two against it. You better bring it back. It will be up to the mayor. Let's move on to housing and the eg-1 zone.

**Zehnder:** This issue refers to the area north of cathedral park where the plan is recommending rezoning the area to eg-1, a portion of the area today is zoned industrial. The purpose of this zoning is to treat this area as a transition zone between the neighborhood and the industrial sanctuary to the north, and also to acknowledge that there's new sort of economic activity in st. Johns related to arts and creative endeavors, and that the e.g. Zone is a more appropriate zone to allow space for those businesses, and to add to the mix, most importantly the opportunity for work/live situations within the properties located within this sub district. The work/live requirement is kept very small, four acres per acre, but allowed as a right under the plan provisions in this district. The concern was introducing theses work/lives was introducing the situation where the residents are going to object about noise and odor and the other nuisances of living in an industrial area. In terms of the most direct one we discussed at the last hearing, the noise ordinance, we've already that it's an e.g. Zone, so they don't have any standing greater than any other industrial use in the district. And on the -- on the basis of that, and on the basis also of the unique situation of these particular properties and the need elsewhere in the city to I think experiment with a more effective industrial/residential buffer, staff is still recommending maintaining the planning commission's recommendation of allowing a limited number of live/work residential units in the eg-1 zone.

**Sten:** Great. Let's take testimony on this if anybody would like to testify.

**April 29, 2004**

**Dave Gold:** My name is Dave Gold, co-owner of Cathedral Park Place, which lies at the north end of the zone we're talking about. I'm a little bit confused, because I was told there's possibly going to be an amendment.

**Francesconi:** There is going to be, but I wanted to make sure I did it at the right time this time.

**Gold:** My response is to this amendment.

**Sten:** This one is different than the last one. Should we put the amendment on the table since the planning bureau doesn't have one?

**Gold:** I'm happy to discuss it first, then you can decide whether you want to make the amendment.

**Francesconi:** No. I'd like to hear your response to the amendment.

**Sten:** Let's do council discussion first on this one --

**Francesconi:** I won't offer it, but I'll tell you what it is. What it is, it concedes that we should have live/work here, so it doesn't go back on live/work, but then it stops at live/work and takes away the conditional use to change to housing. If we're going to have a true transition zone then let's have a live/work, not open it up to housing. That's what the amendment does.

**Leonard:** What's the difference?

**Francesconi:** They can go through a conditional use now to take it from live/work to residential.

**Leonard:** No. I'm saying what's the difference between live/work and housing?

**Francesconi:** A lot more of it.

**Leonard:** I'm sorry?

**Francesconi:** Maybe staff should come. But there's a lot more housing. Then it becomes purely housing.

**Zehnder:** Commissioner, the major difference is you could have, I believe, a significant amount -- a greater amount of housing under the conditional use. You could have 100 plus units through a conditional use.

**Leonard:** But live/work is limited to --

**Zehnder:** Four units per acre. Basically we're calling it work/live, but the real impact is it can only be four units per acre.

**Leonard:** Less dense housing?

**Zehnder:** Correct.

**Leonard:** Got you.

**Sten:** The real issue is if you knocked the building down and wanted to go up with housing --

**Zehnder:** Right. Under e.g. you can do that as a conditional use. We would have to look at the impacts on transportation and the impacts on the industrial area.

**Sten:** Under the current proposed zoning -- the current zoning, if you knock the building down, you could build a residential tower if you got a conditional use permit.

**Zehnder:** Correct.

**Sten:** Under commissioner Francesconi's amendment not yet proposed, you could not do that.

**Zehnder:** Correct.

**Sten:** Why don't you go ahead and testify.

**Gold:** First of all, I'd like to point out that we were involved in the very early discussions of the St. Johns plan, and originally this was supposed to be an e.x. zone, and we feel the eg-1 was a compromise. The truth is we're satisfied with the four units -- approximately four units per acre, but my feeling is, and I'm not a land use expert, is that the conditional use process is sufficient review if we want to do something different. In other words, that extra burden of having to go through a rezoning process would -- it would just make it more difficult. I have no intention of going through that process, but I don't think it's necessary. I'd like to point out, if you look at the map, that most of the area we're talking about, really the industrial zone -- is everybody looking at this? It's a little bit hard, but up in the top left-hand corner, you can see a building outside the zone. That is really the

**April 29, 2004**

start of the adjacent neighborhood industrial area. Most of the area adjacent to this is artery cathedral park or the boat ramp parking lot. So we're not really talking an obnoxious use adjacent to most of the space. At the southern end, close to the bridge, those are currently industrial uses. And if those people changed -- I mean some of those have housing right across the street. It wouldn't make sense for them not to have a higher density of housing than four per acre. Let's see, to the best of my knowledge, all of our neighbors support the original plan or denser residential. And finally, I believe that the railroad restrictions on noise that we just talked about, i'd like to say that i've owned this property now for a year and a half, and i've never seen a train during the day. Not once. Not once. I've been there I would say at least once a week, probably twice a week. In the evenings, especially when friends of cathedral park hold their meetings, it seems like there's always a train, slow-moving trains that have cars -- they're car carriers out of toyota as far as I know of. That's the only train i've seen. I don't know about the noise, they don't blow their horns, but I don't think that it's that obnoxious. It amazes me that you'd put a noise restriction on it when I guess there's hundreds of miles of line in the city, and you choose this one. Thank you very much for this opportunity.

**Erik Palmer:** All right. Eric palmer again, 8207 north edison. I'm the land use chair of the friends of cathedral park neighborhood association. I'm going to speak on the association's behalf here. Our association supports the live/work -- the concept of live/work at these sites. And so I think we're basically, in this discussion, going to win either way, because we're -- we're fine with the idea that we're going to proceed with the option for a conditional use and we're fine with the idea that the conditional use might be removed. We're looking for something that enables developers like dave and ken to come forward and do the interesting and -- and vibrant kinds of development that they're striving for at that site. Thank you.

**Sten:** Thank you.

**Barbara Quinn:** I'm barbara quinn, north charlton. I'd like to testify in support of dave and ken as well. I think the live/work idea is a great one. We'd love to see more of that. Great transition. We support the industries down there and want them to develop and stay in place. Right now. Some pretty high density, one block if the railroad, and I don't see people moving in and out. They seem to like it. I think there's possibilities down there. Thank you.

**Sten:** Thank you. Anybody else on this one? Ok. Council discussion?

**Francesconi:** That was good testimony. I'll offer the amendment.

**Sten:** Is there a second for the amendment?

**Leonard:** Second.

**Sten:** Let's see, roll call on the amendment.

**Saltzman:** I got some clarification.

**Sten:** Sure. I'm sorry. Pull the roll call. Discussion, please.

**Saltzman:** Is this an amendment just to this particular ef-1?

**Francesconi:** Yes.

**Saltzman:** I mean, it's not citywide?

**Francesconi:** No.

**Saltzman:** But housing is now allowed as a conditional use in this --

**Zehnder:** No. Just in the st. Johns plan district, in the sub-area -- oh, housing is a conditional use throughout the city.

**Sten:** Just not allowed in this subzone.

**Zehnder:** Yes, right. Correct. I thought you were talking about work/live.

**Saltzman:** Ok, thanks.

**Sten:** Ok. Roll call.

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

**April 29, 2004**

**Saltzman:** I'm not willing to do this. I think it takes one particular e.g. zone to a higher standard than any other in the city. So I vote no.

**Sten:** Yeah, I agree. I think the eg-1 was a compromise reached by the neighbors and property owners. I think the conditional use is a very -- you have to reach a high standard. People will be able to argue that through. I think we want flexibility in eg-1 zones throughout the city as we look to the future of the city. These kind of uses throughout the city in eg-1's are critical to the economy, so to limit it here doesn't make sense to me. No. [gavel pounded] the amendment fails. We'll move on to our last one, which is the zoning map area for the st. Johns town center.

**Zehnder:** This is simply a -- in the realm of a typo. You see it on page 17 of the document. The map was inadvertently labeled r-2.5d. The scenic overlay -- scenic overlay -- it should be r-2.5s, not r-2.5d.

**Francesconi:** I'll move the amendment.

**Sten:** Is anyone burning to testify? I have an amendment to fix the map error. Do I have a second.

**Leonard:** Second.

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

**Zehnder:** I believe we're coming back on may 26 for the -- we'll bring back language that could address the -- the noise notification, and otherwise if there were no further amendments we could treat that as second reader, I believe, for the plan. If there's an amendment, we'll have a hearing on that particular amendment that's introduced.

**Saltzman:** It's 2:00 on the 26th.

**Sten:** So the next hearing on this, which may be the last, is may 26 at 2:00. Thank you very much.

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

At 3:05 p.m., Council adjourned.