



CITY OF  
**PORTLAND, OREGON**

OFFICIAL  
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **12TH DAY OF MAY, 2004** AT 9:30 A.M.

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

Commissioner Saltzman arrived at 9:33 a.m.

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

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

<b>COMMUNICATIONS</b>	<b>Disposition:</b>
471 Request of Richard Bixby of the East Portland Neighborhood Office to address Council regarding 30th Anniversary of City Neighborhood Associations (Communication)	<b>PLACED ON FILE</b>
472 Request of Arlene Kimura of the East Portland Neighborhood Office to address Council regarding 30th Anniversary of City Neighborhood Associations (Communication)	<b>PLACED ON FILE</b>
473 Request of Merrick Bonneau to address Council regarding criminal violations by officers involved in his case (Previous Agenda 369)	<b>PLACED ON FILE</b>
474 Request of Joy Gohl to address Council regarding zoning and the impact on quality of life (Communication)	<b>PLACED ON FILE</b>
475 Request of Joe Rastatter to address Council regarding fair wage ordinance and PGE Park employees (Communication)	<b>PLACED ON FILE</b>
<b>TIME CERTAINS</b>	
*476 <b>TIME CERTAIN: 9:30 AM</b> - Designate three Heritage Trees in the City of Portland (Ordinance introduced by Mayor Katz)  (Y-5)	<b>178404</b>

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<p><b>477</b>    <b>TIME CERTAIN: 9:40 AM</b> – Housing Authority of Portland Green Building at New Columbia (Presentation introduced by Mayor Katz and Commissioner Saltzman)</p>	<p align="center"><b>PLACED ON FILE</b></p>
<p><b>*478</b>    <b>TIME CERTAIN: 10:15 AM</b> – Authorize the use of Health Fund Excess Reserves for FY 2004-2005 to fund the gap between health plan costs that exceed the City contributions for CityCore and Kaiser NW health plans and continue current arrangements with health plan administrative and service vendors (Ordinance introduced by Mayor Katz)</p> <p>(Y-5)</p>	<p align="center"><b>178405</b></p>
<p><b>*479</b>    Authorize an additional premium share holiday for AFSCME, Local 189 – BOEC Unit, City of Portland Professional Employees Association , District Council of Trade Unions, Non- Represented employees, Portland Fire Fighters Association , Portland Police Commanding Officers Association, Municipal Employees, Local 483 - Recreation Employees and Portland Police Association enrollees on CityCore and Kaiser NW medical plans (Ordinance introduced by Mayor Katz)</p> <p>(N-5)</p>	<p align="center"><b>FAILED TO PASS</b></p>
<p><b>480</b>    <b>TIME CERTAIN: 10:30 AM</b> – Direct the Portland Development Commission to draft an industrial urban renewal plan and report contingent upon the findings of a feasibility study (Resolution introduced by Mayor Katz)</p> <p>(Y-5)</p>	<p align="center"><b>36214</b></p>
<p align="center"><b>CONSENT AGENDA – NO DISCUSSION</b></p>	
<p><b>481</b>    Accept bid of Advanced Traffic Products aka ATP, Inc. for Traffic Signal Hardware Groups VI and VIII for an estimated \$754,889 (Purchasing Report - Bid No. 102605)</p> <p>(Y-5)</p>	<p align="center"><b>ACCEPTED PREPARE CONTRACT</b></p>
<p><b>482</b>    Accept bid of 2KG Contractors, Inc. for the renovation of the Wilson Pool for the lump sum amount of \$2,050,000 (Purchasing Report - Bid No. 102800B)</p> <p>(Y-5)</p>	<p align="center"><b>ACCEPTED PREPARE CONTRACT</b></p>
<p><b>483</b>    Accept bid of James W. Fowler Company for the Columbia Blvd. Wastewater Treatment Plant Wet Weather Capacity Improvement Project for \$4,332,000 (Purchasing Report - Bid No. 102872)</p> <p>(Y-5)</p>	<p align="center"><b>ACCEPTED PREPARE CONTRACT</b></p>
<p align="center"><b>Mayor Vera Katz</b></p>	
<p><b>484</b>    Accept report on the Alternative Contracting Process for PGE Park (Report)</p> <p>(Y-5)</p>	<p align="center"><b>ACCEPTED</b></p>

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<b>485</b>	Declare intent to initiate local improvement district formation proceedings to construct street improvements in the NE 148th Avenue Local Improvement District (Resolution; C-10008)  (Y-5)	<b>36213</b>
<b>*486</b>	Pay claim of Elizabeth Skach (Ordinance)  (Y-5)	<b>178379</b>
<b>*487</b>	Authorize agreement with J.J. Mac Intyre Co., Inc. to collect judgment and outstanding invoices for Smart Park validations against Kolonaki, Inc. (Ordinance)  (Y-5)	<b>178380</b>
<b>*488</b>	Authorize a contract and provide for payment to furnish replacement vehicles (Ordinance)  (Y-5)	<b>178381</b>
<b>*489</b>	Amend contract with Ball Janik, LLP to provide legal and consulting services for Spectator Facilities Development (Ordinance; amend Contract No. 34506)  (Y-5)	<b>178382</b>
<b>*490</b>	Extend Legal Services Agreement with Brown Reavis & Manning for outside counsel (Ordinance; amend Contract No. 34620)  (Y-5)	<b>178383</b>
<b>*491</b>	Apply for a grant from the Oregon Office of Emergency Management, Oregon Hazard Mitigation Grant Program DR 1510 Winter Storm Event for \$25,000 for the development of Disaster Mitigation Act of 2000 Compliant Mitigation Plan (Ordinance)  (Y-5)	<b>178384</b>
<b>*492</b>	Apply for a grant from the Oregon Office of Emergency Management, Flood Management Assistance for \$13,700 for the development of the Disaster Mitigation Act of 2000 Compliant Mitigation Plan (Ordinance)  (Y-5)	<b>178385</b>
<b>*493</b>	Approve an Intergovernmental Agreement with the City of Lake Oswego to allow police officers to attend Portland Police Bureau vehicle operations training (Ordinance)  (Y-5)	<b>178386</b>
<b>*494</b>	Authorize a Memorandum of Agreement with the Police Activities League of Greater Portland for the Portland Police Cadet Program (Ordinance)  (Y-5)	<b>178387</b>
<b>*495</b>	Approve an Intergovernmental Agreement with the City of Milwaukie to allow Milwaukie police officers to attend Portland Police Bureau vehicle operations training classes and use the PRISim firearms simulation system (Ordinance)  (Y-5)	<b>178388</b>

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<p><b>*496</b> Authorize an Intergovernmental Agreement with the City of Cornelius to provide the Cornelius Police with access to the Portland Police Data System (Ordinance)  (Y-5)</p>	<p align="center"><b>178389</b></p>
<p><b>*497</b> Authorize an Intergovernmental Agreement with Multnomah County, Department of County Human Services for the City to fund a portion of the salary of the County Domestic Violence Coordinator (Ordinance)  (Y-5)</p>	<p align="center"><b>178390</b></p>
<p><b>*498</b> Renew contract with Multnomah County to provide funds for Department of Community and Family Services Schools Uniting Neighborhood initiative (Ordinance)  (Y-5)</p>	<p align="center"><b>178391</b></p>
<p><b>*499</b> Apply to Energy Trust of Oregon, Inc. for a grant in the amount of \$22,659 to upgrade heating and cooling controls at Matt Dishman Community Center (Ordinance)  (Y-5)</p>	<p align="center"><b>178392</b></p>
<p><b>*500</b> Authorize a Lease Agreement with Fountain Beautiful Oregon for the SW Waterfront Kiosk at SW Waterfront Park (Ordinance)  (Y-5)</p>	<p align="center"><b>178393</b></p>
<p><b>*501</b> Authorize contract with Otak, Inc. for survey and on-call engineering support for South Waterfront Central District Street Improvements Project (Ordinance)  (Y-5)</p>	<p align="center"><b>178394</b></p>
<p><b>*502</b> Authorize agreements with the U.S. Department of Energy, through the Bonneville Power Administration for right-of-way required for the North Lombard Overcrossing Project (Ordinance)  (Y-5)</p>	<p align="center"><b>178395</b></p>
<p><b>*503</b> Extend term of ordinance granting PT Cable, Inc. a telecommunications franchise to June 1, 2005 (Ordinance; amend Ordinance No. 163303)  (Y-5)</p>	<p align="center"><b>178396</b></p>
<p><b>*504</b> Authorize contract with AllianceOne Receivables Management, Inc. to provide collection services for past due water/sewer billings (Ordinance)  (Y-5)</p>	<p align="center"><b>178397</b></p>
<p><b>*505</b> Authorize contracts with David J. Collins Engineering, CH2M Hill, Inc., and Brown and Caldwell to provide modeling support services and payment (Ordinance)  (Y-5)</p>	<p align="center"><b>178398</b></p>
<p><b>*506</b> Authorize an Intergovernmental Agreement with the City of Gresham to fund a Stormwater Master Plan for the Pleasant Valley area (Ordinance)  (Y-5)</p>	<p align="center"><b>178399</b></p>

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<p><b>*507</b> Authorize the continuance of negotiations for the purchase of two temporary construction easements required for the Altamead Pump Station Structural Upgrade Project and authorize the City Attorney to commence condemnation proceedings, if necessary, and obtain early possession (Ordinance)</p> <p>(Y-5)</p>	<p><b>178400</b></p>
<p><b>*508</b> Approve settlement with Zurich American Insurance Co. for the Tanner Creek Stream Diversion Project, Phases 2 and 5 (Ordinance)</p> <p>(Y-5)</p>	<p><b>178401</b></p>
<p><b>*509</b> Authorize the Bureau of Environmental Services to enter into an Intergovernmental Agreement with Multnomah County to provide environmental oversight for the remediation of a brownfield (Ordinance)</p> <p>(Y-5)</p>	<p><b>178402</b></p>
<p><b>510</b> Add food waste collection, remove authority for illegal dumping enforcement and make other minor changes to Solid Waste and Recycling Collection (Ordinance; amend Code Chapter 17.102)</p>	<p><b>PASSED TO SECOND READING MAY 19, 2004 AT 9:30 AM</b></p>
<p><b>*511</b> Amend contract with the Portland Development Commission by \$1,361,318 in Community Development Block Grant funds and \$2,695, 211 in HOME program funds to administer housing and economic development activities and provide for payment (Ordinance; amend Contract No. 35118)</p> <p>(Y-5)</p>	<p><b>178403</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>512</b> Adopt the Third Amendment to the North Macadam Urban Renewal Plan to establish authority to acquire the property at 3508 SW Moody Avenue, including by condemnation, if necessary (Second Reading Agenda 467)</p> <p>(Y-4; N-1, Saltzman)</p>	<p><b>178406</b></p>

At 11:28 a.m., Council recessed.

May 12, 2004

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 12TH DAY OF MAY, 2004 AT 2:00 P.M.

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

Commissioner Saltzman arrived at 2:03 p.m.

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

<p>513 <b>TIME CERTAIN: 2:00 PM</b> – Adopt the Gateway Planning Regulations Project Urban Design Concept and Action Charts (Previous Agenda 407; introduced by Mayor Katz)</p>	<p><b>Disposition:</b> <b>CONTINUED TO</b> <b>MAY 19, 2004</b> <b>AT 9:30 AM</b></p>
<p>514 Adopt and implement the Gateway Planning Regulations Project (Previous Agenda 408; introduced by Mayor Katz; amend Portland Comprehensive Plan and Outer Southeast Community Plan; amend Title 33)</p> <p><b>Motion to replace the findings:</b> Moved by Commissioner Leonard and seconded by Commissioner Francesconi and gaveled down by President Sten after no objections.</p> <p><b>Motion to accept Exhibit A, Revised Proposal for Parking Maximums in Gateway:</b> Moved by Commissioner Francesconi and seconded by Commissioner Saltzman and gaveled down by President Sten after no objections. (Motion and second were both withdrawn)</p> <p><b>Motion to accept the Revised Exhibit A, Revised Proposal for Parking Maximums in Gateway:</b> Moved by Commissioner Francesconi and seconded by Commissioner Saltzman. (Y-4)</p> <p><b>Motion to accept the amendment as shown in Exhibit B, Revised Proposal for Location and Access to Parking along the Light Rail Aignment:</b> Moved by Commissioner Leonard and seconded by Commissioner Saltzman. (Y-4)</p> <p><b>Motion to accept the amendment as shown in Exhibit C, Revised Proposal for Connectivity and Right-of-Way Dedications:</b> Moved by Commissioner Leonard and seconded by Commissioner Francesconi. (Y-4)</p> <p><b>Motion to accept revised Exhibit D, Minor Corrections to 33.526.260 (B2) Pedestrian Standards and 33.526.280 (B)(D5) Enhanced Pedestrian Street Standards:</b> Moved by Commissioner Saltzman and seconded by Commissioner Leonard. (Y-4)</p>	<p><b>PASSED TO</b> <b>SECOND READING</b> <b>AS AMENDED</b> <b>MAY 19, 2004</b> <b>AT 9:30 AM</b></p>
<p>515 Improve connectivity in the East Corridor Plan District (Ordinance introduced by Mayor Katz; add Code Section 17.88.080)</p>	<p><b>PASSED TO</b> <b>SECOND READING</b> <b>MAY 19, 2004</b> <b>AT 9:30 AM</b></p>

At 3:19 p.m., Council recessed.

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**May 13, 2004**

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **13TH DAY OF MAY, 2004** AT 2:00 P.M.

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

Commissioner Saltzman arrived at 2:03 p.m.

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

<p><b>516</b>    <b>TIME CERTAIN: 2:00 PM</b> - Consider the proposal of Waybo Partners and the recommendation from the Hearings Officer for approval of a Comprehensive Plan Map Amendment and Zoning Map Amendment for an area located between NE 74<sup>th</sup> and NE 78<sup>th</sup> Avenues and between NE Roselawn and NE Alberta Streets (Hearing; LU 03-177121 CP ZC)</p> <p><b>Motion to come back on June 16, 2005 at 6:00 p.m.:</b> Moved by Commissioner Sten and seconded by Commissioner Leonard.</p>	<p><b>Disposition:</b></p> <p><b>CONTINUED TO JUNE 16, 2004 AT 6:00 PM TIME CERTAIN</b></p>
<p><b>517</b>    Amend the Comprehensive Plan Map designations and change zoning between NE 74th and NE 78th Avenues and between NE Roselawn and NE Alberta Streets at the request of Waybo Partners (Ordinance; LU 03-177121 CP ZC)</p> <p><b>Motion to come back on June 16, 2005 at 6:00 p.m.:</b> Moved by Commissioner Sten and seconded by Commissioner Leonard.</p>	<p><b>CONTINUED TO JUNE 16, 2004 AT 6:00 PM TIME CERTAIN</b></p>

At 4:02 p.m., Council adjourned.

GARY BLACKMER  
Auditor of the City of Portland

By Karla Moore-Love  
Clerk of the Council

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



**May 12, 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.

**MAY 12, 2004            9:30 AM**

**Katz:** Council will come to order. Karla, please call the roll. [roll call taken]

**Katz:** All right, 471.

**Item 471.**

**Richard Bixby:** Mayor Katz and commissioners. I'm richard bixby, director of the east Portland neighborhood office. I appreciate the opportunity today to come and tell you about the office and neighborhood activities as a part of the 30-year celebration of neighborhoods. East Portland is the newest coalition area in Portland, which was first recognized as a neighborhood coalition in 1990. The area is also new to the city of Portland. Most of the area being annexed between the mid 1980's and mid 1990's. East Portland covers 28 square miles and holds almost a quarter of the population of Portland. East Portland neighborhoods include argay, centennial, hazelwood, lents, mill park, parkrose, parkrose heights, powellhurst, gilbert, pleasant valley, russell, woodland park. It includes parts of five school districts. Portland, parkrose, david douglas, centennial, and reynolds. 10% of our budget goes to neighborhood support. Another 10% goes to rent, 5% goes to insurance for the neighborhoods and 4% to east Portland neighborhood news. About 63% for staff support and the rest for miscellaneous materials and services. There are two part-time staff with a total of 1.5 f.t.e. Also two full-time crime prevention coordinators housed in our office. The organization of the neighborhood office has made a transition since it was started in 1990. It started and operated for six years as a nonprofit coalition. Then after a period of debate, it emerged as one of the two neighborhood offices that is city-managed. Our organizational structure is different from the nonprofit offices in that we have separated some of the functions that are combined in the nonprofit coalition office. The coalition function, that of providing a forum for neighborhoods to discuss common issues and work together, is served by the neighborhood chairs committee, which meets every month. This group also provides recommendations and oversight on the operation of the neighborhood office. The fiscal sponsorship function providing an umbrella for neighborhood projects is provided through the east Portland neighbors, a nonprofit corporation. East Portland neighbors also sponsors district wide projects and serves as an umbrella for neighborhood insurance coverage. Finally, the city's support for the neighborhood association activities is provided through the city-managed east Portland neighborhood office. The advantage of this arrangement is that neighborhood volunteers do not have to spend their time operating and managing business in order to receive city support. They can focus on working on neighborhood issues and projects. Thank you.

**Item 472.**

**Arlene Kimura:** Good morning. My name is arlene kimura. I'm the chair of the recommendation subcommittee for the chairs advisor council. As i'm here to talk to the east Portland neighborhoods. The east Portland area is in the midst of two significant transitions. Rapid construction --

**Katz:** Arlene, can we stop you and have karla read 472? Go ahead.

**Kimura:** The east Portland area is in the midst of two significant transitions. Rapid construction is taking our neighborhood to an urban setting. Our office location demonstrates this transition. This is the current east Portland neighborhood office. And the east precinct building on 106th. Prior to moving there we were in a house on 122nd avenue that had been converted into an office. The

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house is now occupied by four apartment complexes. This multifamily units are being built all over our neighborhood. One of the factors driving this development is the affordability of east Portland. This affordability is also a factor in fueling the other transition. The affordability of housing has asian, hispanic and eastern european immigrants, among others, moving into the area. As we transition the neighborhood and the neighborhood offices to working to build connections within our community and between the community and the city, there were over 160 neighborhood meetings with a total attendance of over 2,000 this past year. Over 50 events organized with a total attendance of over 5,000. Some of these projects bring the community together for fun, food and information providing the opportunity for neighbors to meet with one another and police and firefighters in a casual festive setting. Glenfair neighborhood posed an annual neighborhood in the park where neighbors are invited for pizza, talk and information. Please note, they do their invitations in three different languages. The neighborhood associations in east Portland also have a close contact with the area business associations. Our neighborhoods were actively involved in the initial effort that led to the formation of the city's newest business association. Lents works closely with the foster area business association in promoting lents founders day. The parkrose neighborhood has worked with parkrose businesses to put on the parkrose harvest festival. An area cleanup is held every year. Neighborhood volunteers are also working on the environment for future generations to enjoy. Efforts along johnson creek to try to reduce seasonal flooding occur here. Wolf's creek and johnson's lake are efforts of what used to be common elements. The neighborhood associations are involved in a number of projects and activities, intending to bring the community together for discussion and mutual support. Two standing committees are the issues of land use and parks. We also have participated in two interwoven tapestry grants with russian-speaking communities. We're currently working with project safe neighborhoods, looking to build connections with the spanish-speaking communities. It's our major outreach tool, the east Portland neighborhood uses a published quarterly and mail to over 6,000 homes.

**Katz:** Thank you. Ok. Item 473.

**Item 473.**

**Merrick Bonneau:** Good morning, city council.

**Katz:** Good morning.

**Bonneau:** I also have a few things I wish to hand out to you. I'm glad to see all of you are here this morning. Hi. My name is merrick bonneau. I'm a citizen of Portland. I was born here, raised here. What I have put before you is the ticket involved in the arrest of my -- of me. The information from the district attorney. Not every page is there, but enough pages are there for me to show you what I need to talk to you about. And the final piece of paperwork is my arrest record that the police have put on the record. I was wrongfully arrested in 1999 intentionally by officers james dacon and brad clifton for resisting arrest. First i'd like you to look at the ticket. As you can see, it is written out supposedly by brad clifton. It is a resisting arrest charge, and obviously -- i've highlighted the important parts so that you guys could notice. Next thing I would like you to look at is the actual information from the district attorney, michael schrunk, case number, as you notice, in the upper left-hand corner 9980409. Resist arrest is the charge. They have me down as a six-foot, 180-pound white man, crossed out, marked black. Obviously i'm not a white man. They say that I did not complain of injury. That is incorrect. Obviously by the injuries I sustained in the pictures that were taken of those injuries. Next one, evidence of illness or injury. They say no. They say i'm not required to be treated, even though I was treated at mcdc. Additional charges listed in narrative, they say no. Advised of rights, they say no. They say I did resist arrest. They also say that I did not assault any officers. And you note the only charge is resist arrest. And this is written out by brad clifton on the bottom. Has his number. Next page is another one of brad clifton's, the third page, obviously he has me as a white man there also. Next is the arresting supervising officer, james dacon. I highlighted my name and the race. He had me as white also.

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Now i'd like to address the arrest record that the police have given me. And as you will note, the three things that i've highlighted -- four things i've highlighted on the front page, they put special indicators, resist arrest. This was the first time I was ever arrested, so how can I have a pattern of resisting arrest? Secondly, they put an alias, mitch. Thirdly, they put the case number, assault, for 9980409, which i've already gone over with you, which is the resist arrest charge, so obviously they have fraudulently put an assault charge on my arrest record.

**Katz:** Your time is up. Thank you.

**\*\*\*\*\*:** Can I finish?

**Katz:** No. Your time is up. You can come back next week. Thank you.

**Bonneau:** Ok. I'll do that. 474.

**Item 474.**

**Joy Gohl:** Good morning. I'm joy gohl.

**Katz:** Good morning.

**Gohl:** Do you need my address?

**Katz:** No.

**Gohl:** Ok. Many of us who value nature and the quality of life are appalled at the rapid building of intensive housing, the loss of trees, diminishing greenspaces and displaced wildlife in this area. Of course, we live next door to powell butte. So it's in southeast. It's very intensive. The infrastructure doesn't support this kind of breakneck speed building because, you know, like our area empties out on to 136th. It's the only way you can get into ellis street, which is a dead end at powell butte. Foster is a two-way street, 136th is two-way street, two lanes. And so is powell, all the main arteries. And yet they build 159 new homes just in the five years since we moved into our home there. The first page there is the map. And all those red dots are all the new house this side -- you know, just in our little 2000 by 2000 square area along the springwater trail, just this side of 136th towards powell butte. So it's moving this way, toward the butte. The green o.s.p. Protection is powell butte. And what we're concerned about is the r-5, the red lot here. It's about 4 1/2 acres next to springwater trail. It was mistakenly zoned r-5. And this was told me over and over again. I've always been very concerned about that beautiful property, with the swale, where the water used to naturally run off powell butte, until many years ago the county built a road which created a dike, and the dike forces the water down beside the road, 145th, and it also forced the water into the forest, which has eroded a ditch up to four feet and caused many trees to uproot and fall over, large trees at the bottom. You know, it's caused a lot of damage in the park because the water has been interfered with. So this is also an entrance into powell butte. So the old man died, the property was sold to a developer, and today at 1:30 we're talking to the hearings officer, but we've been in close contact, the whole community, which is just appalled that you're going to do, what, you know, to this property. 34 units, you know, intensive development, right up against powell butte. People can't believe it. I've always been concerned. I used to go to this healthy streams meeting and the johnson creek watershed meetings, and everybody there, all the presenters would say, yes, we know about this property, there's an overlay, the swale needs to be protected, it needs to be rezoned, and that never happened because that program, healthy stream, was shelved. So we're --

**Katz:** Thank you.

**Gohl:** Is that it?

**Katz:** Yes.

**Gohl:** My whole speech is attached there as part of the attachment. So please consider it. We've been told that it's a done deal and it's going to happen in spite of all the citizens want and it's a very dangerous and poorly-designed thing. So if there's anything you can do, any influence, you know, please speak up.

**Katz:** Thank you.

**Katz:** 475.

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**Item 475.**

**Joe Rastatter:** Good morning, mayor. Hope you're feeling all right. And city commissioners, hope you guys are feeling good, too.

**Katz:** Thank you.

**Rastatter:** I'm Joe Rastatter for living wage jobs that will save our environment. My work includes city -- community organizing at St. Francis parish dining hall. My first Portland job was working at Civic Stadium as a peanut vendor in 1966, and I care a lot about what happens to jobs there, particularly the last few years. In the year 2000, the Civic Stadium ticket sellers, gate attendants and ushers had a union contract with wages in the \$9.20 to \$12 per hour range. Several Portland school teachers worked there as ushers and received pension points. With P.F.E.'s arrival the union was busted and workers were wooed with free tickets, free uniforms and a hot dog and soda dinners to go along with poverty wages. After the fair wage ordinance was finally adopted after two city council votes, 135 of 149 workers opted for the \$9.50 wage it provided. The ordinance succeeded for the first baseball season, but wasn't properly monitored and deteriorated rapidly. With the current reorganization of P.G.E. Park, we ended up with this. The fair wage ordinance is no longer in effect, the billion a year Aramark company is running the concessions well of the positions filled by volunteer organizations. The coast-to-coast temp agency is filling most usher and security positions with its low pay. And according to John Acker, the workers hired by P.F.E. To work at \$9.50 an hour will maintain that rate, but new hiring has slipped to \$8 to \$8.50 per hour range. What we got is no union, no benefits, and a lot of Wal-Mart wages. So I'm here to say the obvious. This isn't right. We can do better. Who's going to step up and lead the fight toward reinstating decent wages in our community, and especially in our own publicly-owned facilities? So I want to conclude by recognizing your work and my belief in you, and also to challenge you to struggle with the concept and practice of justice. The growing disparity and the very rich and everyone else is not a coincidence. It's organized that way. Organized greed. I invite you to become increasingly alert and support of citizens movement toward justice. Here's a great book I urge you to read. Jim Hightower's "Thieves in High Places" would be a great book to read. Also a little gift for you that I hope you'll display prominently on your office wall or desk. It's a sign that simply asks, "How much justice can I do today?" I look forward to our continued communication and work together.

Thanks.

**Katz:** All right, everybody. Consent calendar? Any items to be removed? If not, anybody in the audience wanting to remove an item. If not, roll call.

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

**Katz:** Mayor votes aye. 476. One second. Before we do that, I'd like to recognize Commissioner Saltzman to some introductions.

**Saltzman:** Thank you, Madame Mayor, members of the Council. Today we have with us a delegation from Ho Chi Minh City, Vietnam, and they're here with Susan Bartell of the B.E.S. staff. Through here through a project with Portland State University. Their project work includes cleaning up the polluted canal. They've established environmental protection regulations and enforcement, and are finding solutions to -- solid waste issues and creating community-based citizen awareness. They're becoming familiar with the projects of the Bureau of Environmental Service and Portland's Watershed Councils. The group is visiting the Columbia Slough, Whitaker Ponds, the Spring Water Corridor, Zinger Farms, and other areas. The delegation includes a doctor with the Institute of Environment and Resource, a professor and study exchange team leader. The project coordinator, a representative from the Citizen Awareness Project Officer. Looks like I'm leaving somebody out this.

\*\*\*\*\*: This is the translator.

**Saltzman:** Oh, ok. We just wanted to welcome you here. Hope you enjoy learning about Portland. Thank you.

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**Katz:** Ok. Let's go ahead.

**Item 476.**

**Phyllis Reynolds:** I'm phyllis reynolds, urban forestry commission, and I have three heritage trees for you today. Just a minute. The first one is big john. And it's a douglas fir. It doesn't have a top, but it's very big around. We have two other doug firs on the heritage tree list. This is the biggest one around. It's in powell butte nature park, and we've been earlier focusing on the far southeast and here it is, right in powell butte nature park. And it's accessible. The next tree is a tulip tree on - - at 4807 northeast 10th avenue, privately owned. We have three other tulip trees -- no. We have seven other tulip trees on the heritage list, but this is a very nice one, even without leaves. It's very attractive. And so it's in a neighborhood where there are no other heritage tulip trees, so we included this, we being the committee, heritage tree committee. Privately owned, consent signed. The third is the fourth common horse chestnut to be on the heritage list. It's on the right-of-way. The address is 1529 northeast thompson. It's actually on northeast 16th. It is an enormous horse chestnut, the biggest one yet to be on the heritage tree list. And so we wanted to include it. And that's it.

**Katz:** Thank you.

**Brian McNerney, City Forester:** Just wanted to say that these trees look much better now that we've progressed into spring. The horse chestnut is in bloom right now. If you get out to see those in the community, they're really spectacular.

**Katz:** Thank you very much. Anybody else want to testify? If not, roll call on 476.

**Francesconi:** Thank you for continuing to do this work and pointing out this natural wonders right here. I kind of like big john, even though the other two are in my neighborhood. Aye.

**Leonard:** And I have to find that one on powell butte. I walk the trail often. Aye.

**\*\*\*\*\*:** It will have a plaque.

**Leonard:** Oh, excellent. Thank you.

**Saltzman:** Good work. Thank you. Aye.

**Sten:** Aye.

**Katz:** Mayor votes aye. 477.

**Item 477.**

**Katz:** Commissioner Saltzman.

**Saltzman:** Madame mayor, members of city council, the city of Portland is providing \$20 million for the replacement of the old columbia villa with this brand-new columbia development. And one of the obligations of our city policies is that when public funds from the city are involved in any project, that project really must meet, where appropriate, national green building standard certifications for its buildings, but we also expect it to be a state-of-the-art design from an environmentally responsible point of view. And that means in creative ways of dealing with stormwater, energy efficient construction, using our recovering resource to the maximum extent possible. there were questions whether the housing authority of Portland was going to do a good job in terms of green buildings, so we're having this briefing to give the housing authority of Portland the opportunity to tell us exactly what it plans to do. I would also ask that you indicate things that are absolutely going to be done versus things at risk of not being done due to budgetary constraints as the project goes on. So i'll turn it over, I guess, to kandis, the chair of the housing authority.

**Kandis Brewer Nunn:** Thank you. Thanks for having us here today and providing the opportunity to give you an update on the project and your investment in it. We began construction of the infrastructure on schedule in december. As a result of that the utilities and streets in phase one are nearly complete. The first of two of five tax credit partnerships were concluded last week and steve redman signing 800 documents is testament to how complicated that deal has become. At the same time we received the notice to proceed on the first construction, so I hope you have on your calendar, next tuesday, may 18, for a wall raising at 11:00. We're doing all of this in an effort to

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ensure that any of the residents who wanted to return to columbia villa could do so in the summer of 2005, so that's our target, with completion of the project in december of 2006. Throughout this time we've always been -- there's been a growing sensitivity over the last five to 10 years about the health and chemical-related issues of many of our residents. That experiences over the last five to 10 years has helped us think very carefully about how we have gone about the deconstruction, demolition and ultimate rebuilding of columbia villa. So I wanted to assure you of that. In a minute i'd like to turn it over to our staff and the consultants and our contractor, with us today, to give you more of the technical details about how we're proceeding with that. I did want to therefore, before that, provide you with just a bit of context and the constraints under which we're operating. Teddy roosevelt advised us early in the last century, to do what you can where you are with what you have, and that's basically summing up our approach of this project. We set ambitious goals, not only physical goals, but also economic, social, and educational advancement goals. Daily our staff and the consultants have to weigh how we allocate those resource and to accomplish that mix of goals, from removing all trace of the 60-year-old temporary housing to erecting new housing opportunities, both for public housing, affordable housing, seniors, and market rate apartments, as well as home ownership opportunities. A budget that was already tight from the beginning was further constrained because we did not receive the \$6 million deconstruction grant that we had expected. Regardless, our staff and our consultants redoubled their efforts and looked for creative and cost efficient ways to do some deconstruction before they did total demolition on the site. While it might be an overstatement to characterize this as a financial tightrope, I think maybe a balance beam would be a way to think about how they're approaching this project. Every day I think each of those people rise and they say personally how can i, and as a team member, do the best we can on this site, and to build something that will stand the test of time. Finally, i'd like to say that h.a.p., nor its contractors, has cornered the market on good ideas. We're looking for ways to improve. So therefore we're open to constructive criticism and critiques and recommendations. And we're only human, so if they can be constructively communicated by the general public, as well as by our partners, that would be appreciated. I think one of the joyce of working on -- joys of working on the h.a.p. Board is working with staff members like julie livingston sitting with me today. She's done an outstanding job as our in-house design manager, overseeing the design and development process. And I have to stress the word "has," because we're losing julie shortly. She's taking a self-imposed sabbatical, resigned because of project burnout. There's a personal price that people are paying to work on this project, not only in terms of hope 16, but across the agency. In the last two years we've got 56 positions, nearly 20% of our work force in order to have a balanced budget. So every day people get up and they face these kinds of financial constraints and the choices that they have to make in terms of which goals they try to achieve. And I hope that you would join me in thanking people like julie for the dedication and perseverance that they've exhibited during their work here on the project. So thank you. I'd like to turn it over to julie and our consultants and our contractor.

\*\*\*\*\*: As kandis said, many residents of h.a.p. Housing --

**Katz:** Introduce yourself.

**Julie Livingston, Columbia Design Contract Manager:** Julie livingston, housing authority of Portland. I manage the design contracts. Many residents have disabilities and other health issues that must be addressed if the housing that the agency provides is to be safe and appropriate to their needs. It's a practice of h.a.p., when in redevelopment work or in rehabilitation, to very carefully consider the impact of building materials and finishes on peel with chemical sensitivities and a host of other health problems. As a result several years ago our public housing capital improvements department rewrote their construction specifications to minimize or eliminate indoor contaminants. Our public housing units are now largely free of many of the chemical compound, most aggravating to the elderly, the very young, and to the others with specific health problems. New development

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work undertaken by the agency follows similar guidelines within the constraints of the extremely modest construction budgets that we have. Our commitment to environmental sustainable development it's evident. Much of what we've been able to accomplish has been done through direct participation of our partners, some of whom are here today. Steve from b.e.s. Is here, bureau of environmental services. Rob bennett from the office of sustainable development is here. Margie harris is unable to join us, but here in spirit. And our design team. And of course bob walsh from walsh construction, our general contractor. With the help of these people and many others, we began assessing opportunities for sustainable development while granting the -- writing the grant application. The office of sustainable development hosted a green building workshop in january of 2001, instrumental in incorporating our approach. That workshop led to the creation of the sustainable infrastructure southbound committee that the city -- that the city of Portland organized and hosted. People from all city bureaus have been involved in the project. The sensible approach has carried us through two further workshops, most recent in april, again hosted by the office of sustainable development, to help us assess the appropriateness of applying lead standards to the mixed use buildings that we will develop on north trenton street. If you don't know, we will develop two mixed use buildings with commercial on the ground floor, 72 units of housing above, in what we're calling our main street development area, where we will provide services, property management offices, other facilities for the residents of new columbia. So with that i'd like to hand it over to mark who is the mastermind behind our master plan, as well as the phase one housing at new columbia.

**Mark Smedley, Project Manager, Mithun Architects:** Thank you, julie. My name is mark smedly with mithun architects, the master plan architects, architects for phase one of housing and also one of the two mixed use buildings julie just mentioned on the main street. At the outset of our master planning, we looked at the housing itself and working again within the confines of quite a collaborative team, including members of the city, walsh construction, and the housing authority's own staff, and looked at the various systems that were in place in Portland for establishing a benchmarking for housing and design. So we reviewed the -- p.g.e.'s earth advantage system, the Portland development commission's own greening of affordable housing for Portland document, and lead. One of the issues we discussed at that point was that this project on this scale doesn't fit a lot of these existing systems. In fact, the usgbc is still working on developing beyond their first and only actual rating system, which is the new construction. That does apply to the mixed use buildings. It has been used for larger scale residential, but their current investigation into a separate smaller scale residential rating system is still a year to two years from fruition. There are also -- they have a couple of pilot programs for commercial interiors, existing construction, and several other programs. New columbia was featured in a discussion at the national conference in pittsburgh just a couple months ago as a model along with several other hope 6 projects in developing their new neighborhood design criteria. So these systems are out there in formative stages. They don't exist now. So we were really at the forefront with new columbia and the city Portland in investigating how do you evaluate and create a benchmarking system. On the site level, we did a great job in establishing targets. You know, i'm proud to say as the infrastructure is under construction, 100% of the stormwater stays on site. So nothing is being discharged into the columbia slough. And very innovative negotiations with the state, and I believe a model for the rest of Portland to look at how they manage water on site and it's also got a component of education in that it's a visible system, it incorporates native landscape. You'll see it on every corner on the site. And it's also being incorporated into the park design. So I think that on that level site design has more than met our early goals. When we come to the initial phase of design of the buildings, we said that what we would do, and we recommended to happen, it was accepted as we will use the Portland development commission, greening of affordable housing checklist, we will try to hit all of the threshold level criteria and go beyond that into as many of the voluntary criteria as we could.

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This is definitely difficult given the housing and urban development funding mechanism. I'm happy to report that we're at about 25 of the 37 criteria. We have several that are still being used on portions of the site, but because of the economics could not be used for the full 175 units that we're doing in phase one. Some examples are given the -- the square feet cost that we're dealing with, we're using electric baseboard heating and wall heaters. A lot of points are designated in the energy efficiency category for forced-air gas. And we're saving quite a lot of money as a first cost. We're also piggybacking with the energy trust of Oregon, because we have an electric system. Some of their grant money to use highest efficiencies. So one of the key points I would like to point out is that inspect the original new -- in the original Columbia villa, 1200 residents. The new plan will have over 1800. In water usage alone, we're at half the existing water usage for 50% more residents. So we've brought the efficiency down by meeting codes and by doing some additional efficiency measures through those checklists. On the energy itself, we're 40% below the national model energy code with our new designs, and 10% below the Oregon code. And that, again, is using some of the -- the measures through the energy trust of Oregon, more efficient appliance, florescent lighting, etc. When we move into the design -- and we're in early schematics on the two mixed-use buildings -- we're using the lead checklist, and at this point the discussion is whether it's just a certified level or if we're going to move to the silver level, which would mean we're going after the business energy tax credit through the state. And at this point, this early in design, we've targeted those points and we'll develop that further. So one of the things we focus on, and we feel we bring to this team, is that we're looking at a healthy environment for the neighborhood level, for the region -- or our specific phase one housing, and also writing guidelines that were being used for the for sale developers and for the second and third phase architects. We feel that the performance of new Columbia in the end will be above and beyond what many, many hope 6 projects are doing, and will be in the realm of meeting the threshold development guidelines in the p.d.c.'s greening of affordable housing document. I think I need to close here and let Bob talk a little bit about the great things they're doing on site now that construction has started.

\*\*\*\*\*: Thanks. Thank you, Mark. Two things I'd like to --

**Katz:** Identify yourself.

**Bob Walsh, Walsh Construction:** Bob Walsh, the president of Walsh Construction Company. Two things I'd like to touch on this morning. One is the commitment of Walsh Construction Company to the green building movement. I won't belabor the point -- belabor the point, but there are a number of projects we've worked on. We have a showcase building to what you can really do when you roll up your sleeves and go after sustainability. You know you don't get very far away from Spencer. He's in my office periodically and I'm in his office periodically. It's the continual, "what are you doing?" we've joined a group effort with them to preserve 50,000 acres of property to be roughed for sustainable wood development. And we're giving them advice and trying to incorporate some of their products into a number of our buildings, including one we're currently under construction with the housing authority. The second thing we've done is that we worked very closely with p.d.c. in establishing the g-rated system. We priced a number of the alternatives for them. We were their unofficial outside consultant in trying to develop what that whole system ought to look like in residential construction. And I think it's been -- it's been very successful to date. Following up on commissioner Saltzman, what have you done for me lately theme, the work that we've done so far at new Columbia I think has been outstanding. The activity to date basically has been the deconstruction, decommissioning, and in some cases demolition of existing structures. We moved 23 buildings offsite, which are being rehabbed and sold into redeveloped units. We deconstructed several of the buildings in place. We have a huge list of salvage materials, some of which have gone as far as away as the kingdom of Tonga, to be reused in building homes in Tonga. They've gone to churches in Washington, chicken coops in southern Oregon. Windows, doors, bathtubs, a whole list of things recycled out of the project. Additionally, trees that were on the site, because of the site



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plan, needed to be removed, either were milled and became timber or were ground up. If you've been at the site, we have piles of what we call hog fuel. Hog fuel is used in stream restoration, used in just keeping mud down on the site while we work. Ultimately on the -- in the course of three years out this, we will recycle virtually all of that groundup lumber material. Concrete foundations were all ground in the gravel and concrete that comes out, will be reused for structural fill. Rock under the existing roads. Asphalt, all ground up, to be reused on the project. In the -- in new construction, we'll employ a number of methods that Mark spoke about. Using sustainable products in our building construction. Smart building techniques. How do you build with less lumber? How do you build with less materials to create the same structural integrity of buildings? So I think collectively we've taken a strong approach on it. It's a commitment that this entire team has to producing a top-quality project at a very affordable budget, creating great value with a very strong underscore of green sustainability.

**Saltzman:** Thank you. That's very -- very impressive report. I guess I just have two areas of questions. First on the mixed-use buildings. You said you're going to -- you're considering whether to seek lead certification or lead silver. I guess my question is, are you actually going to do the -- just use it as a checklist or actually submit it for independent verification, that you'll meet either the lead certification level or the lead silver standard, because that in fact is what our city policy speaks to, is the actual attainment of one of those certifications -- well, city policy speaks to attaining the lead certification level, but having independent third-party verification of that fact. Is that part of the plan for the mixed-use buildings?

**Smedley:** At this point we're going through the lead certification process as it is in the usgbc guidelines. So the answer is yes, we're going through that. The question is whether there are enough points to gather through the design process to hit silver, and thus be able to access the additional tax credit money.

**Saltzman:** So you're actually submitting for the actual certification?

**Smedley:** That's the plan right now.

**Saltzman:** Not just using the document as a checklist.

**Smedley:** No.

**Livingston:** That's our current plan. We are evaluating the additional costs to the project for doing that right now.

**Saltzman:** Ok. Well, there are additional costs to certification.

**Livingston:** Yes, they are.

**Saltzman:** I guess my point is, our city policy requires that public money invested in projects where a lead certification is available, those projects must seek lead certification.

**Livingston:** And currently the city's investment is in the infrastructure on site. There's actually no city money in the two mixed-use buildings located on main street. If we pursue the lead certification of these buildings, it's not tied to the city dollars in the project.

**Saltzman:** Well, I guess, I look at it on a much broader level than that. \$20 million is a substantial public investment, and, you know, I believe p.d.c. Looks at it in those broad terms as well. So I think you're covered by our policy, and I guess I'd want to -- I guess I need further assurance that you will in fact seek the actual certification for our city -- per our city policy.

**Livingston:** We will -- we'll work very closely with the office of sustainable development as we move through the process and be sure they're continually updated on our progress and you'll note the final outcome.

**Walsh:** Interesting point on the infrastructure is the stormwater retention that Mark talked about, which keeps all the stormwater on site, that delta to the project is about \$2 million, or the entire alley and infrastructure development related to that, so it's an expensive -- expensive process, and I think Candace spoke earlier to the -- walking the tightrope, which I would liken more as a tightrope

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than a balance beam, deciding whether stormwater is more important, and lead certification.

There's a real balance. And this project demands a lot of -- a lot of this.

**Saltzman:** And that was my other question, was the concern about the tightrope and oftentimes in these tightrope situations a lot of laudable goals get -- remain nothing but laudable goals. And so you've given us a good presentation today, but, you know, you're probably just getting the actual expenditure -- some of the money, it's a construction project. There's always, you know, something that's going to happen that you weren't counting on. I guess i'm, you know, again seeking assurance, maybe from the h.a.p. Chair, that many of the environmental attributes, sustainable attributes of this project, will not fall by the wayside.

**Nunn:** I think you have the commitment of the board to do everything it can within its power to achieve those goals. We have tuck wilson as our project manager, and this isn't anybody who's going to be a tougher taskmaster in eking out every single resource that we can apply to the project, to do it in a way that we don't leave laudable goals left behind.

**Saltzman:** Ok. Thank you.

**Katz:** Have you figured out potentially what the additional cost would be, or is that something you're doing now?

**Livingston:** We're doing that now. The preliminary numbers on lead certification for the two mixed-use buildings are coming in around \$350,000, which is a -- it's a substantial percent of our construction budget.

**Saltzman:** What's your contingency set aside?

**Livingston:** We carry a contingency of 5% on --

**Katz:** What's the number?

**Livingston:** About \$400,000.

**Saltzman:** So there's not --

**Walsh:** Just on those buildings.

**Katz:** Excuse me?

**Walsh:** Just on those buildings.

**Katz:** Those buildings?

**Walsh:** Yeah, the two mixed-use buildings.

**Sten:** I'd be interested in at some point, why it costs so much to get a building certified. To be blunt, that sounds unreasonable. We're doing low-income housing, and I don't think anybody's going to question my work on sustainable issues, but it's hard to say, \$350,000 equivalent of the subsidy to do five more housing units for very poor people. That seems like an extraordinary number. I'd like to have counter work also done that's collaborative with this group to talk to the people who do the certification, you know, is there some way to get a more reasonable number on -- on low-income projects, because, I mean, that's not a -- that's not a number that says, ok -- I mean, a rational person is going to look at that number and say, if I can do everything to make the building the same, but not certify it and put \$350,000 back into low-income housing, i'm not going to certify it. I think this is a major issue if that's the actual number on two buildings. So, I mean, you know, I know it needs to pay for itself and everything, but that number has my jaw dropping on this. I'm actually very sympathetic to not certifying it, which I don't want to find myself self to be.

**Saltzman:** That's not the number of the actual certification itself. That's the number of getting a project to meet the attributes of lead, but the actual third-party verification is not \$350,000. It's probably about a tenth of that, if anything.

**Livingston:** That number includes about 1% to 2% in additional construction costs, as well as additional design fees and certification. It's the package.

**\*\*\*\*\*:** The certification is about \$35,000.

**Smedley:** The commissioning for the mechanical systems, we have an estimate for \$60,000 for the two buildings combined. The fees for registering are, you know, nominal, but the additional, as you

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point out, the additional money for the hard costs of elevating window to the correct rating, doing some of the other additional systems, is the large part of that cost.

**Sten:** Ok.

**Katz:** Ok. Thank you.

\*\*\*\*\*: Thank you for having us today.

**Katz:** This is a presentation, but it's before us. So is anybody else -- does anybody else want to testify on this? We don't need to vote on it. I just want to thank all of you for coming and sharing this information with us.

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

**Francesconi:** Julie, thanks for all your work for all those years.

**Katz:** Ok. 478.

**Item 478.**

**Katz:** Ms. Yvonne?

**Yvonne Deckard, Director, Bureau of Human Resources:** Good morning, mayor and council. My name is yvonne deckard, the director for the bureau of human resource. Under the city's negotiated contracts there are provisions stipulating that should the amount of city's self-insured core plan exceed the actual plan rate, the labor management benefit committee may recommend the differences be paid from the available excess reserves in the health fund. In keeping with this language, over the past few years the lmbc has recommended to council that excess reserves be used for this purpose. The council has accepted the recommendations and authorized the use of excess reserves for this purpose. This ordinance is in keeping with this practice. The city's self-insured city core medical plan costs exceeds the city gap this year ranging from approximately \$53 from one-party coverage to \$128 a month for family benefits. The excess reserves also are used to pay the difference between the city's contribution for kaiser northwest coverage and the actual premiums ranging from approximately \$43 for one party coverage to \$110 monthly for family benefits. In total, the estimated cost for subsidies provided for these plans is \$5.9 million. The majority, \$4.7 million, is attributed to the city core plan. The balance, \$1.2 million covers the kaiser northwest plan. This action is anticipated to reduce the excess reserves to \$3.8 million by the understand of the fiscal year, absent any other action. We're aware of the potential depletion of the reserves by the end of the fiscal year and is undertaking a review of the city's plan and their funding. This year -- this issue has been an issue of topic -- this issue has been a topic of discussion since the retreat last winter. As a result the three subcommittees have been formed. One include each group to study benefits, to look at cost and funding, examine ways to communicate with employees about costs, trends, health information, that is important to them. we have a timeline for reporting its findings and recommendations back to council this november. This will provide time for consideration of this report as the council begins its budget planning cycle. it's unanimously recommended council recommends the use of excess reserve to cover the gap for fiscal year 2004-2005. I recommend that you accept and adopt the recommendation.

**Katz:** Thank you. Questions? Anybody want to testify on this item? If not, roll call.

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

**Katz:** Mayor votes aye. [gavel pounding] 479.

**Item 479.**

**Deckard:** The city established a three-pronged approach to the -- in an effort to contain rising health care costs. That approach was increase city contribution, plan redesign, and employee premium share. Two components of this three-prong approach has been everyone meant. Increase city contribution in the form of a one-time adjustment to the city cap of 10.5% and a use of a medical c.p.i. modifier with a floor of 2% and a ceiling of 10%. Plan redesign, which has occurred, and that's led to the development of the city core plan. The third -- the third component of this process, employee premium share, was scheduled to be phased in, but has not yet occurred. City

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core premium share were negotiated in all city contracts and were to begin July 1 of 2003, with monthly amounts of \$10 for one party, \$20 for two party, and \$30 for family. The premium shares were waived for this fiscal year because the city core plan one-party rate was above the cap. A contribution was not required for the Kaiser plan. And all Kaiser plans were over the cap this year by \$19 for one party, \$31 for two party, and \$40 for family. When the city entered into negotiations with the DCTU last fall, health care costs were an issue. Eventually the focus became an extension of the premium share holiday through 2006, which would be the duration of the DCTU contract. The city's negotiating position, after executive session discussion with the council, was to continue the -- was that if the -- was that continuation of the premium share holiday should be an issue, since the actual -- since it would have effects on the health care reserve. The city and the DCTU agreed on the site letter that if the DCTU made a motion to the LMBC, management members of the LMBC would support that motion to ensure that the matter could be heard by council. The DCTU made a recommendation to the LMBC to extend the premium holiday for employees for an additional two years, from 2002 to 2006, which is the life of the DCTU contract. The DCTU made this motion on the 29th of April, and it passed unanimously. Various LMBC members expressed concerns about the continuation of a premium share holiday given the high amount of premium share contributions employees would face for the first time if -- if they were obligated to pay. There was general acceptance that employee premium share is a necessary part of the LMBC discussion. At the time of the vote the LMBC understood that excess reserves are expected to be gone in early fiscal year 2005-2006. The LMBC understands that it is council's decision to continue the premium share holiday. The issues are, the health care -- the health fund excess reserve is being depleted and projected to be gone in early fiscal year 2005-2006, if not sooner. As discussed in the previous council action covering the cap gap, it's expected that approximately \$5.9 million to be paid out of the health fund reserve this -- this fiscal year 2004-2005. The beginning fiscal year of 2005-2006, excess reserve balance, is expected to be at \$3.8 million. The management agreed with the DCTU to support the premium share holiday motion in the LMBC in order to move the discussion to the council. This is not necessarily an endorsement of the idea. Employees will be looking at premium contribution next year that will be considerably higher than lower premium shares otherwise required this year. The required premium share for fiscal year 2004-2005 would be \$11 for one party, \$22 for two party, and \$33 for family. On a pretax basis, what an employee -- the difference that an employee would see in their take home pay is \$16.72 for two party, and \$25 for family. The required payments for those not subsidized -- or not subject to Medicare or FICA would be \$22 for a family. It's already much lower than what would be paid out on the reserves on behalf of employees. Premium share is a very common component of employees' health benefits and it's always preferred to introduce contributions in order for employees to get familiar with the practice. Now I'm going to stop here and we can open up this for discussion.

**Katz:** Let me ask the question. If we extend this to 2006, what do you anticipate the premium share to be at that time?

**Peggy Anet, Benefits Manager, Bureau of Human Resources:** The amount of -- mayor, for the record, my name is Peggy Anet, the benefit manager. In 2005-2006, on a family coverage, we're looking at an out-of-pocket expense of in excess of \$200 on a monthly basis.

**Saltzman:** Family?

**Anet:** Family. It ranges from 100 to 200 and like 48 dollars.

**Deckard:** \$241.

**Katz:** That's assuming we don't do anything now, or -- give me the scenario.

**Deckard:** The scenario is if we were out of reserves, and currently the way each labor agreement reads, is that in the absence of a reserve, that if there's a difference between the actual cost and the city's contribution, that would be picked up by employees. By fiscal year 2005-2006, in the absence

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of a reserve, and if the city took no other action, a family coverage out-of-pocket for the employee would be approximately \$242 a month.

**Katz:** And if we -- if we did not have a premium share holiday, what would it be?

**Deckard:** Well, the premium share holiday actually means that we would not -- that about \$1.1 million would not go into the reserves. And so if that \$1.1 million, \$1.2 million went into reserves, we're still going to run out of reserves. That's why we're breaking into three committees and bringing back to council of what we need to do to resolve the health care problem long term. The real issue is what could happen if we didn't do the premium share, is that employees could very well have a premium share holiday, but because there's still a difference between the city's contribution and the actual cap -- and the actual premium, that employees could wind up having a premium share, but still be on the hook for the difference of the cap gap.

**Katz:** Could you explain to us what the thinking was of the committee on this particular issue? Since the premium share that's described is relatively small.

**Deckard:** Well, I think there's a couple things. One, the dctu brought forth the motion that they were obligated to bring forth under contract negotiations. That was the only motion that they could bring about and have the motion pass so that we would get to discussion here. Anything short of the recommended motion that you -- that they made would have meant that management or the management team of the lmbc would not have to support it. I think there was a lot of concern within the lmbc about the -- the premium share holiday. The lmbc understands the critical issue and the critical point that the health fund is at. I think it was a very hard issue for them to discuss, but they wanted to move it forward. And, you know, I think that's where it was. I'll let peggy speak more to that, because she actually runs the lmbc meetings.

**Katz:** Peggy?

**Anet:** As yvonne explained, it was a difficult discussion for the lmbc. I think that in conversation privately with dctu members, as well as other members of the lmbc, they would have been comfortable with a shorter period of time. And the view was that given the review that the lmbc was coming forward with, this may well be recommendations that affect employee premium share. However, because of the nature of the understanding reached in the agreement between the city and the dctu, there was really no alternative then to request the two-year rate -- or premium share holiday. I don't think that there's an issue of a lack of commitment to the necessity of a premium share. I think it was the nature of the agreement that pushed it out for two years. And we know that as part of the lmbc discussions it is going to be imperative that we look at employee premium share. And I think that there were feelings expressed that it would be good to implement or introduce a premium share in a smaller amount as opposed to having such a large premium share effective 2005-2006. There's an expectation that there will be ways to reduce the amount of premium share. It was a difficult discussion. I think that there was a clear understanding of what the issues are, and that we know that we need to look for solutions in 2005 or 2006, or prior to 2005-2006, but there was the language that we had to deal with, which is what we dealt with. And there was a range of views within the lmbc about how to address it. But nonetheless, the recommendation did go forward as it had been developed through the dctu agreement process.

**Saltzman:** If we don't do the premium share, we'll institute -- i'm sorry. If we don't do the holiday, we'll institute the \$33 a month family in 2004-2005?

**Anet:** Correct.

**Deckard:** July 1, starting this July 1.

**Saltzman:** Ok. And then were you saying that even if we do that, then, in other words go ahead with the premium share, we won't be able to keep those rates in 2005-2006? I thought I heard you say that, that we'd fall off the precipice and be looking at the much higher rates.

**Anet:** That is correct. There are two elements here. One element is implementing the -- the actual concept, or the practice of employee premium share at a lower level to familiarize employees with

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it. The other question relates to the amount of out-of-pocket expense that employees will be facing in 2005-2006 as a result of the depletion of the reserves. The implementation of the employee premium share will not mitigate in an appreciable way the requirement that there be a premium contribution for employees, absent some other financial recommendations related to program funding for 2005-2006. Generally speaking, as a practice, as a benefit practices, it is always preferable to introduce a lower-level premium share to familiarize employees with the concept, as opposed to having continually premium share holiday or rate subsidization and then get to a point where you're looking at the first time you have a premium share of something in the \$100 to \$200 range, which needless to say is not the most popular way to approach employee relations. And of course then there's always that other expectation that there's going to be a way found to reduce that impact on employees between now and the next budget cycle in 2005-2006.

**Saltzman:** So if we do the -- if we go ahead and implement premium share now, there will be an accustomization to premium share, but still in 2005-2006 there's rate shock one way or the other.

**Deckard:** Right. There will be rate shock. Even if we were able to get to, let's say for example where the county is now, which is about \$90 a month for a family for premium share on employees, you know, it's -- the concept is that it's easier to go from \$33 a month to that point than it is to go from zero to that point. But peggy's right. We know and the lmbc understands that we have to come in november with pretty aggressive recommendations to the council that's going to be looking at, once again, our health plan, as well as the city's contribution, as well as, you know, education to employees in order to try to come up with a long-term solution for our health care issues.

**Francesconi:** So the \$1,130,000, doesn't buy as much in the savings, it's more the principle.

**Deckard:** Right.

**Katz:** I'm going to take the emergency clause off.

**Deckard:** Mayor, let me just make you aware, the recommendation came in late from the -- you know, from the dctu, because this wasn't an easy issue for them to bring forward, but we do have an issue -- the reason we have the emergency clause on is because we have to post the rates in order to do open enrollment. If we take the emergency clause off, we have to come back for a second reading, then it means that we can't implement council's direction until 30 days out.

**Katz:** Right.

**Deckard:** Which means that our ability to implement the premium share pretax dollars, we lose that. And the contracts actually requires that the premium share is pretaxed.

**Katz:** All right. Let me pose an issue. There are not -- there may not be a unanimous vote on this. So what do we do?

**Francesconi:** Then it fails. Then what?

**Katz:** She explained what the impact of that is.

**Saltzman:** Are we going to hear testimony? I mean, we can discuss maybe where we are, but --

**Katz:** We'll hear testimony. You'll have to come back and explain to us what the actual result would be if we have to implement -- if this gets implement 30 days from now.

**Deckard:** Ok. I'll do that.

**Katz:** All right. Let's open it up for testimony.

**Katz:** Go ahead.

**Rick Henson, Business representative for AFSCME 189:** My name is rick henson, the business representative for afscme 189 and secretary/treasurer for the dctu. Wanted to try and answer questions in this, as I was a voting member of the lmbc meeting where this all occurred. Our interest, expressed by our represented employees in the room, was in having a comprehensive fix to the problem. We've all identified there's a problem. We can see where the problem's likely to occur in the time frame and we all know the numbers. I don't think anyone's trying to dodge that reality. But with the new leadership in the lmbc, I think that group is working better together. We've planned, as was previously noted, some committee work to try and find answers to bring for your

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consideration later this year. So when we approached that meeting we actually intended to ask for a six-month extension of the rate holiday to allow us to get to that point where we had a comprehensive proposal to give to you, and we were advised by city council that the city was going to hold us to the precise language that we had negotiated in the labor agreement which outlined two years. We said what about a year? There were legitimate problems with six most, because it affected an employee's ability to access their accounts or pretax dollars. So I understood that. We were advised again, no, if you deviate one word from the precise language that was negotiated, then the city would not be obligated through its representatives on the lmbc to vote in favor of the motion. As you may know, or may not, on the lmbc, it's half labor, half management folks, so it takes 12 votes to pass any motion. If the management side goes one way it's a dead issue, just like if labor is united on that issue. We want a comprehensive fix on it. Our members, I think someone said earlier, that everyone was paying -- well, that isn't accurate. The p.p.a. Is still in bargaining as you're aware. They have not changed plans, as our members did now I think 2 1/2 years ago to a reduced benefit plan. It's still a good plan, we're not claiming it isn't, but our folks are paying out-of-pocket fees and have restrictions on their plans that other city employees don't currently have. When our members committed to premium copay, it was with the understanding that everybody was going to be in the same plan at some point. Probably at some point they will, but they're not this yet. And so for our folks for over two years have been making those extra premium payments, and had the reduced plan benefits. So we think our folks have already paid some of that price. The -- i've already touched on the two-year piece. We would not object to you folks deciding that it was a one-year extension as opposed to a two-year extension. I think that's certainly within your realm of ability to do that. We, as pointed out earlier, the premium copay if our folks does not fix the problem. You know, it may delay the premium reserve fund from going to zero -- or zeroing out for a couple, three months, but not going to do much more than that. We've got a large problem, we need to deal with it. I'd ask you to honor kind of the city's commitment to folks when our members agreed to take premium share and very contentious bargaining a few years ago. Frankly your commitment, and the recent extension of our agreement, which was to consider this, if we brought it forward to you. So we have. Any questions?

**Katz:** Rick, did I hear you say you would not object for extending it to one year as opposed to two?

**Henson:** That's accurate. Our interest is getting through the planning process so we can bring forward a comprehensive kind of long-term fix to the program. And that really is our interest. We're not trying to long-term dodge the fact that our folks are probably going to make premium copays. We're suffering similar discussions in just about every jurisdiction that we bargain contracts. We're all faced with the same thing.

**Katz:** Go ahead.

**Saltzman:** You do acknowledge premium copays are part of a long-term solution? No disagreement on that.

**Henson:** I believe so, unless the city council in its wisdom decided that they wanted 100% employer-funded plan. Certainly that's at your discretion, but I think the political reality is, yes, we expect a premium copay. In fact, it's part of our contract.

**Leonard:** And I guess the concern I have is that -- I mean, if there is any light at the end of tunnel, it is truly a train coming the other way, and to somehow not get everybody engaged -- what I mean everybody, I mean the members -- engaged in trying to find a solution we are creating some kind of false hope by not causing at least this minimal copay, which I know is hard, but the ramification of not doing that, I think, is depleting the reserves down to an unreasonable level, and then going off the edge of the cliff and have people pay outrageously high copays. When we were talking about this in the last week, you know, I asked what are we looking at in terms of fixing the plan. What are the -- what is out there for us to look at? I think we need to start talking about, if we need to hire

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somebody as a consultant that can help us brainstorm about what might be available, let's do that. But to avoid what would appear to be a more catastrophic copay, I think we have to not accept this recommendation. I mean, I think that we're causing more harm to the employees by accepting this than by not. I'd be interested in how you responded to that.

**Henson:** You know, we're going to face the -- the reality doesn't change substantially by implementing the copay at this point. We have a problem at the -- you know, when the fund is zeroing out.

**Leonard:** Uh-huh.

**Henson:** That's still going to be a problem, even with the copay. I mean, I think the question is more clearly the commitment that was previously made to employees and under the circumstances they agreed to the copay. So engine the city has a commitment to our members, anyway, on that level, that I would like to see them live up to. On the other hand, we all recognize that there's a problem here, and that we're going to fix it. My local union, and I believe everybody else that's in the Imbc, is committed to addressing that. And directly addressing that. You know, I think peggy and others would -- you know, there's been no stall tactic. There's none of that going on. I mean, I think we're prepared to go in and have the tough discussions we have to have. Engine frankly the tougher discussion's going to be for the folks sitting up there with we come back in november.

**Leonard:** But for people who receive the health benefits now that are not actively participating in this debate, are we somehow creating this impression that, you know, we're crying wolf all the time, that there's a problem, and avoiding trying to get them to buy in to helping us come up with solutions by constantly setting aside copays? I mean, are we really magnifying the problem for you and us in the long run if we -- if we have avoid even doing a \$10 copay, and all of a sudden it's \$220, how do we explain that?

**Henson:** We've attempted to be honest with our members, and haven't turned this into a political fight, we're going to force the city to blah-blah-blah. It isn't that kind of a thing. This is a bright work force. They get it.

**Leonard:** I'm not saying that. It's kind of like in government, when we say, if you pass this tax limitation measure, these horrible things will happen, and then the measure passes, and then they don't happen, it kind of doesn't -- it creates in people this kind of skepticism that there really is a problem versus if we say, you know, as of this date you're going to do a copay, and then somehow we're able to avoid it it doesn't cause people to try to come up with solutions, because I think we'll always come up with a fix.

**Henson:** Well, but I think similarly, by just passing the buck, if you will, to the -- to the -- in terms of premium copay, you're dodging the issue again. I mean, we haven't taken a comprehensive look at how are we going to fund this program in the long-term. What does the program look like? You're saying, this is going to help us dodge that look. That was frankly our concern. We wanted to get to the table, have that discussion, and then move forward from this. We recognize, as I think I indicated to the mayor, that premium coshare is part of that.

**Francesconi:** The prior commitment that you think would be violated if we voted this down --

**Henson:** I wasn't here, but my understanding of the bargaining three years ago, was it, the -- the -- during that bargaining there was -- we had the fight over premium coshare, right? And implementing for the first time an obligation on folks to premium share. And the detu, as I understand, was the first to accept that as part of their agreement. The commitment that was made to our folks then was everyone's going to roll into this same program as their contracts expire. That has been true with the exception of one fairly large unit, who has a right to bargain their contract, as we all know, you know, is quite a protracted process. We think our folks accepted that with the understanding that they were not going to be paying until everybody was paying. And in fact, you know, they haven't paid yet, and not everyone is paying. But since that time, our folks have been making point of service fees and prescription drug cost fees and have diminished benefits, so they're



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already suffering, if you will, or are already under a revised plan that is not as good a plan and costs them more money out-of-pocket. So they're already paying.

**Francesconi:** Right. But that was three years ago, and the premium share hasn't even been implemented yet. I was here. There was an understanding, it wasn't going to take three years to begin this process.

**Katz:** Commissioner?

**Saltzman:** Well, I guess premium share to me is an important element of the cost control approach, and without it we're losing a valuable tool of basically putting more eyes on the bottom line of health care costs. The consumers' eyes as well as the employers' eyes. And that's why it's been a contentious issue. I served on the school health benefits advisory committee and they wrestled with this issue, and it appears the teachers are coming around to the notion, too, that they need to do premium share, not just because it's shifting the cost, because it's an important controlling element of cost containment, too. The issue about the one bargaining unit that still isn't on the premium share I believe the commitment we made last time for the lmbc expires on June 30, and I don't intend to support any further extension for that bargaining unit, should it pry back any other recommendations, he wouldn't support any further extension of that. I believe if we vote not that institute the holiday, we'll be bringing everybody online to a premium share by July 1 of this year. That's why I would urge that we not accept this recommendation. I do think it's, as I said, premium share's an important thing that people sort of have to start getting used to get paying. It's a recognition of a reality that's here in this day and age, and again the mixed signal bothers me, too. It's somewhat -- if we were to install a premium holiday, it just I think sends the message that somehow, you know, we can strike up the band one more time and the ship's not going to sink. And that's the wrong message to be sending.

**Katz:** Thank you. Yvonne and Peggy, come on up. I usually try to give the council opportunities, if we don't have a unanimous vote, to take off the emergency and to deal with it down the road, but I am sensing that this is no support -- he may be wrong, but I'm sensing there's no support for this particular ordinance. The question I ask -- I want to ask of you, if I do take -- if there is some support, we take the emergency clause off, we have really nothing left, because of the timing. Is that accurate? Ok, go ahead.

\*\*\*\*\*: As I understand it, you probably want some of --

**Katz:** I'm sorry. Go ahead and testify.

**Susan Keil:** I'm Susan Keil, a member of the lmbc, on the management side. I would agree with much of what Rick said in terms of the committee working well together, and there's a lot of expertise among the union members, particularly who serve in multiemployer kind of situations. Were it not for the agreement to bring it forward to you, I don't believe it would have passed. Did we not have that constraint of that previous agreement with DCTU? Frankly, I think it's a bad idea to institute -- or carry through on the premium holiday for all of the reasons that Commissioner Leonard and Commissioner Saltzman said. I mean, it brings the users of the system into the cost containment equation and we need to send that signal. There are only really three things that impact the -- the cost for the city on that cost containment, and one is the premium share and another is the deductible and another is the copay. We can tinker around in the lmbc and shave things off, but purely and simply, if you want a full health care those are the things that will help pay for that. So frankly I think what I'm hearing from you I think is the right approach, that you -- that we should not be continuing that. We need to send the signal and we need to bring the employees into the management equation.

**Leonard:** Frankly, what I'm concerned about, is what's going to happen we run out of reserves. That's when I'm freaked out about.

**Keil:** It's a very large amount, yeah, that you're talking about.

**Leonard:** And we need to start working now trying to find a solution to this problem.

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**Leonard:** Absolutely. This exacerbates it.

**Keil:** Yeah.

**Leonard:** I'm open to creating solutions outside of the current agreements. I mean, don't let me send any wrong signals here. If there's something outside of what the parameters of the current collective bargaining agreements are, there are solutions, let's talk about that. But the inevitable dropping off this cliff so that people one day are paying, you know, nothing, and the next \$220 a month is something none of us want.

**Keil:** Right. You've got a committee that understands that, and is really willing to put the effort and thinking into getting the job done.

**Katz:** This was good discussion. I think I know what i'm going to do. I think we're going to vote on this and see where it lands. Anybody else want to testify? All right, roll call.

**Francesconi:** Well, we do have to institute some good unfortunate but needed practices including premium share, so i'm going to vote no on this. We do have to recognize, though, that afsme is doing some things, and the dctu is accepting reductions that others haven't yet, and we have to recognize that. And they're also helping lead the way in looking for some other solutions. So we appreciate the spirit at which you're working at this, rick, and your members. This is small compared to what could happen. So I hope we're also looking at the ideas of larger pools beyond just the city to create statewide pools, because that's what it's going to take. It may take change in legislation. We can't sit back and wait for the federal government to do what they should do, so we'll have to approach this at a statewide level as well. We do have expertise in our own group to address this. It's really been terrific that the labor folks have really upped their expertise and we have very good expertise on the management side. So this is just a preliminary kind of warning to our -- our own management, but also our employees, that the cliff's coming. Three-month delay isn't going to help that much. It's more the signal that's being sent here. So if there's ways outside the box to help, but this is just a good business practice we have to institute for our taxpayers as well. Aye.

**Katz:** No.

**Francesconi:** I mean no.

**Leonard:** I actually explored what some of the folks at b.h.r., the idea of a bigger pool, and was told that that just kind of readjustments where you sit. It doesn't really at this point affect premiums. I'm interested in things like, is this some ability for our online prescription coverage to come from canada. Have we looked at that? And what restrictions, if any, are there with that? And what would that save us? Have we thought about trying to actually literally go in and negotiate with the different p.p.o.'s lower price. I mean, that's what we -- we can't keep going at this problem the same way, because it's not getting us anywhere. We have to do something completely different than what we have been to contain costs. But my concern is, is that, you know, in an effort to lessen the blow on the valuable employees that work for the city, we're really delaying a death blow, and that I cannot in good conscience do. No.

**Saltzman:** Well, I want to -- I want to express my appreciation to the work that lmbc is doing and tackling these tough problems ahead. For whatever reason, how this got to us is simply, you know, the wrong message to be sending at the wrong time, and it's only going to postpone a deeper sticker shock that may have even more profound effect on employees if they don't at least have some idea of the premium sharing by starting it july 1. No.

**Sten:** Well, a couple thoughts. I mean, i'm also going to vote no the argument on both sides. I mean, I think that the employees that have taken the biggest hits are taking another hit here, and I understand why there's a reason to put it off for a couple of months. And I do agree that -- I think the labor management committee is doing better work and really beginning to come together. A couple of themes that i've sounded at the council level that.to sound here, is I think the council is going to have to dig in with this committee because there's hoot of sound bites thereon out about we

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ought to do this or that, and all of them are important, and they will all add up, like doing the pool, but none of them are close to adding up to the number that's coming. If the council doesn't get in that soon -- at the same time we're talking about whether or not to, you know, charge people \$10 to \$30, we've got proposals, some of which I support, some of which i'm still thinking about, to lower tax rates and bring down the general fund balance in this year's budget. So, you know, we've got a cap gap that's huge in next year's health benefits alone, and active proposals that aren't getting enough debate, whether we bring down business tax, change other pieces, and the conversation we're having in this room, you know, it's -- it's kind of like there's a fire burning and, you know, we're talking about changing -- changing the lock on the door. I don't know what the right analogy is, but engine we've got a lot of work to do on this, and I think it has a tie to the whole general fund picture that the council has to have a discussion about, so when we make choices on amount of money coming into the general fund and other things, that it's clear what the implications are down the road and who's going to get cut for that. Is it our employees? Is it services? Is it other things? It's a very big hole. So I would like to support this, because I think the work, rick, you're doing is not unfair in terms of the argument your employees are making, but I think it is a first step to kind of getting reality into this. So I vote no.

**Katz:** I'm going to vote no, too. And I think commissioner Sten really hit the whole issue. We've talked about this and the huge financial impact that this is going to take on the part of the general fund to be partners with our employees so that we can share some of that burden. And the council is going to have to make some very tough decisions vis-a-vis the increase in the owner's compensation in january, whether this is where they want to go or not, assuming we don't have additional revenues coming into the general fund. We knew that this potentially was going to be a huge hit on the general fund, and so I want to flag that. I hope that we don't need to go into our budgets, but there's some issues still outstanding that the council will have to tackle with. No. [gavel pounding] all right, thank you. Rick, thank you very much. That was helpful. 480.

**Item 480.**

**Katz:** Let me open it up by saying that we have a wonderful opportunity to join four other communities. We would be the only one in the western hemisphere to join in making a bid on a new 300-millimeter silicon wafer plant at siltronic. We're working this time with not only our own city economic development commission and the state, but we've added another component, and that's the private sector. We made a bid for a 300-millimeter silicon wafer plant once before, and we did it with -- with all of our governmental jurisdictional partners. We didn't include the private sector. And quite frankly, even if we did include the private sector, east germany gave them a blank check, and there was in way that we could even come up with resources to even be competitive. Siltronic is a company that wants to stay in Portland. I think deep in their heart of hearts they want to expand here, but they need help. We'll be looking at perming and working with our superfund partners to see if we can get environmental issues resolved quickly as we have in other -- in other areas, and looking and exploring reducing costs of water and energy and sewer costs. We're also working with private partners, head by peggy fowler and other leaders in this community to see how they would raise a considerable amount of money. One of the other tools that we have is something that I identified about three years ago -- three years ago, but didn't have the possibility of building that tax base, is to create an industrial urban renewal area. With this potential we could in fact create an urban -- industrial urban renewal area, that would include swan island and part of the giles lake and also give us the tools to deal with building an infrastructure and cleaning up contamination and providing infrastructure for other companies. You know that we are constantly looking at expanding the urban growth boundary for industrial land. And that's a whole other issue that i'm not going to get into now. But if we can identify industrial land that is blighted, that is a brownfield, that has inadequate infrastructure, and build on that, we may be able to do something here on -- on existing industrial sites rather than expanding the urban growth boundary. You know

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that there was an industrial urban renewal area when we first bought -- the city -- none of us were here at that time -- brought siltronic from germany to locate. All the bonds have been paid. The urban renewal area has expired. So what this is a request of Portland development commission, is to begin to examine the possibility of creating an industrial urban renewal agency. If we are selected, then we'll come back and ask the council to see if they would be interested to create a strategic investment program, which is a tool that the legislature gave local jurisdictions. And that would be the county that would be going after that. So there are a lot of ifs. There are a lot of maybes. There's really a lot of heart and a lot of energy going into making this a reality. This is about good, good-paying jobs. And about keeping a company here and giving them the opportunity to expand. So I know I did most of the talking. I apologize. But I wanted to present that, because this is very exciting. Now you can fill in all the details.

**Marty Harris, Economic Development Director, Portland Development Commission:** Thank you, mayor. My name is marty harris. I'm economic development director at the p.d.c. Mayor and commissioners, it is truly exciting to be here for all of the reasons that the mayor outlined. We are asking in this resolution permission to develop a plan and report for the establishment of an industrial u.r.a. Based on the findings of a feasibility study. Bob alexander, leading the team on this, will go into more details and can answer specific questions you have. Actually we view this as three incredible opportunities in one. The one that the mayor referred to, why the timing of this is accelerated the way it is, in terms of the development of the urban renewal wear, because it is a critical ingredient in our ability to compete successfully for the siltronic 300-millimeter wafer plant. Second, though, it will high school give us an additional tool that may help us in attracting new investment at and related to key industrial employers elsewhere in the city, such as freightliner, and third -- and this perhaps gets me the most excited long term -- is that it's a key element in the city's effort to reuse fallow industrial land often contaminated and keep it industrial so that we continue to attract both directly and indirectly new investment and new jobs in the city without expanding the urban growth boundary. And even if the urban growth boundary were expanded, that would only have indirect benefit on Portland. This has direct benefit on Portland. It's achievable. In fact, the one point I want to make on this is that even if we were not successful in had our bid for siltronic, it still make great sense to proceed with the urban renewal district. And of course, in every respect, this is absolutely consistent with the economic development strategy that p.d.c. Undertook at the direction of the mayor in october and completed in october of 2002. So with that, I will turn it over to bob.

**Katz:** Thank you.

**\*\*\*\*\*:** Thank you. In addition to what marty --

**Katz:** Bob, identify yourself for the record.

**Bob Alexander, Portland Development Commission:** I'm sorry. I'm bob alexander with the Portland development commission. In addition to what you had said mayor relative to siltronic and what marty had indicated, in terms of properties represented, there's about 119 property owners representing 6500 employees within this area. In addition, there's 12 known brownfields with a variety of contamination. And all four of those specific areas we've outlined on the map. In addition, in terms of improvement of infrastructure, we need roads, water, sewer, and sanitary sewer in many of these areas. We hope that the formation of the industrial urban renewal area will assist us in some of that effort as well. We have the issues of the superfund. We don't anticipate the proceeds from the industrial urban renewal area to be able to help us per se with the superfund, but help address related issues, the upland issues, soil contamination upland is a large area. I thought I might go to the map for a moment and just indicate, here we have 375 acres. About 192 on swan island. Roughly 80 acres for siltronic. And this is the. Autovina was one of the top taxpayers a decade ago and it's a bare lot today, which is also contaminated. So the combination of what we have to offer relative to an industrial urban renewal area is significant, and I think if we were able to

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form this, again not only being able to attract siltronic, but solve many of the other issues that have come up, would be a certainly benefit to the city. In terms of what a feasibility study might address, it really looks at the positive nature of what -- is there a financially positive benefit for the formation district, and that is will the assessed value pay for the costs generated that need to be fixed in this area. We would go through that as part of that study. We would like at total acreage. Right now the preliminary analysis shows it's less than 1% of our total acreage in the city. The total right now would be at 13.9, so it's adds something like .8 of a percent to the total acreage. The assessed value is also, with this new district, would be roughly 10.4. So both of those fall below the 15% threshold. In terms of process, if you were to pass this resolution today, we would be going through a very public process, analyzing every one of the properties, characterizing the issues on those properties, trying to come up with estimates for cost, and then look at the impact on the other taxing jurisdictions. So all of those things would be something we would be doing over the next three to four months. And we would hope to be assuming the feasibility analysis as a positive, enter into the plan and report phase of this process, and coming back to you within approximately five months. So I think in terms of our overall objectives, of course as marty mentioned we would hope to achieve a successful result with siltronic. Even if we're not successful, we have many other purposes this district could serve. With that i'll turn it over to questions.

**Katz:** Questions by the council? Commissioner?

**Saltzman:** I understand why we're doing this now with siltronic. And it's very important that we do this, but I guess I can't help but looking at the riverbed and wondering wouldn't it be prudent to include the riverbed, at least where the superfund sites are in this urban renewal area? I mean, right now we have only one possible source for city contribution to cleanup, and that's sewer ratepayers, and we already know that sewer rates are the second highest in the country in the city, and only growing in the next few years. So I guess i'm thinking -- i'm for the saying we would necessarily tap into urban renewal to assist with cleaning up the riverfront -- or the riverbed, but it wouldn't be - - he mean, it might be prudent to have that option, that tool in our toolbox, as we figure out how we're going to pay to get this river site cleaned up, because it is in and of itself an inhibition to economic development. You know, we've heard people will not locate on the superfund site because of their concern about liabilities.

**Alexander:** Right.

**Saltzman:** So it's a big liability out there. There's not a lot of tools that we can see to get it cleaned up, other than if there's a public contribution, there will be private sector contributions, maybe this is something we need to have in our toolbox, too. So I guess I would suggest -- I don't know if we're adopting a map today, just sending a resolution to p.d.c., but I would request that p.d.c. give that strong consideration.

**Alexander:** Well, I think the answer is it's the adjacent properties which have the stormwater effluent that create problems that drain into the river itself. Whether you actually add the river bottom or not I think it's a moot point, only because the -- the constraints that we find for development are related to the individual property owners adjacent to the river. So it's -- you know, it's the effluent and the stormwater that's created on their surface, where they face potential liability. In the case of autofina we tried to have a development there in the last 12 months. We were able to resolve every single issue on the site, except for protection against nuisance lawsuits, once the superfund was settled 10 years out. And that was one issue that we couldn't resolve. With this we may be able to put in some sort of protection for those kinds of cost so they could go ahead and redevelop on those sites. We may be able to accomplish the same thing.

**Saltzman:** Yeah. I accept what you're saying, but nevertheless chug the river bottom in the urban renewal area engine would be a prudent thing to do. Not necessarily we would ever want to avail of our tax increment resources, but it seems a prudent expansion of our ability to respond to this issue. Something will to be done to the river bottom at some point. In all predictions I have, there's

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something that has to be done to the river bottom, and to remove the stigma which affects us. I think we should include the river bottom, and i'd urge p.d.c. to look at that.

**Katz:** It's like chicken soup. It wouldn't hurt.

**Harris:** That's right, that's right. Might help.

**Katz:** All right. And further questions? Anybody else want to testify? Roll call.

**Francesconi:** This is a terrific effort, and it's one of the most important in the last 25 years. We have to go out and try to land this -- try to land this siltronic. This proposal also gives us the opportunity to try to help freightliner expand. I started this morning talking to small business folks on woodstock, then visited a manufacturer before this council, and I talked to the workers, and their jobs are being -- are going to china, they're going overseas. So we can circle the wagons, we can play defense, we can just fund everything with government services, whether it be important -- very important things, like police, fire, parks, low-income housing, or we can go for it and try to grow our revenue in this international economy. And getting this plant here, which would retain siltronic, 1100 jobs, with another 500 jobs just to start, one of the major suppliers to intel, which is our research university here, this is absolutely critical for our -- if our kids are going to have any shots here, not to mention the 810 construction jobs, \$29 million in income tax, etc. So we have to play offense. We have to go for things like this. And we have to do whatever it takes to try to make it happen. And I really appreciate the work you're doing. That doesn't mean we don't also need to support small business so they can grow the business income tax to support important services. And that's why we're talking about a small reduction, to try to help grow the fund, to fund housing and parks, but we need some big hits like this. We need some big hits to keep this thing going. So I really appreciate the efforts that you're doing here, especially with freightliner and siltronic, which help feed the kind of jobs we need to keep, not to mention all the small suppliers. So even if it doesn't happen, we have to go for it to set the stage for other efforts. As you said, to have land available for other recruitment and retention efforts that you're doing. So thanks for being aggressive on this. Thanks for assembling some private sector partners to help in this effort, and this is exactly the right thing. I appreciate it very much. Aye.

**Leonard:** Well, this is an urban renewal district for working class Portlanders. This is not about creating high-end condos or dwellings or signature shops. It's about creating industrial jobs. And let's not make any mistake, if you have people that are working-class Portlanders that have family-wage jobs they go home at night they have money to spend in the small businesses that make up their community. That's how it works. From original being briefed on this till now, i've been excited about the possibilities of what this can create terms of good jobs for Portlanders. And this is how -- this is the highest and best use of urban renewal districts. Aye.

**Saltzman:** This is an exciting strategy, exciting opportunity for us, and lots of good jobs if we win this. Good luck. We're here to help all we can. Aye.

**Sten:** Thanks. I've had time to spend time looking at this, and I think this is a thoughtful approach. I hope people will take a good look at it. I have a lot of concern about how do we get into chasing factories. People talk about that a lot. I think you can get into a situation where you pledge more than makes sense. In this case I think this being kind of built off the experience of the county's s.i.p. Program is very well argued in the sense that, you know, I think it brings in a property tax base of \$100 million if done correctly, there's a way to do the urban renewal, and if we could pull this off would be a huge win for the city that really needs it right now, and it also would create tax rates, and I think be a fair project. So i'm ready to help. I also want to thank mayor Katz for putting a team together so quickly and moving on this. You know, I wish I really knew what was in the minds of the people making the decision between Portland and singapore.

\*\*\*\*\*: So do we.

**Sten:** It's hard to understand how you could be in the same league with the two cities they're so different. Aye.

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**Katz:** Thank you. May 19 will be our first response to siltronic, so this is an important first step. As I said, if we're chosen, we'll come back with an s.i.p. that the county has also heard about and will be supporting as well. One of the differences between this attempt and the one previously is that we now have the ambassadors and heads of large manufacturing companies in this community who clearly understand the importance of this. We also have Multnomah county, the port of Portland, the state of Oregon and our congressional delegation, so there's a lot of pieces that will be pulled together. I know he can count on working with the superfund partners to get through those issues quickly. I know I can count on b.d.s. On the permitting issues, and I know that I can count on our partners on energy issues to see how we can reduce, whether it's system development charges or make sure that the use of water is -- is very energy efficient. So good luck. We'll be working with you. Aye.

**\*\*\*\*\*:** Thank you all very much.

**Katz:** Aye. [gavel pounded] all right, 512.

**Item 512.**

**Katz:** Roll call.

**Francesconi:** We're going to continue to work, I trust p.d.c. will continue to work to avoid condemnation, about the public purpose here is a park, and acquiring the park for the land values escalates from other investments we actually make there is the right thing to do for the future residents and for the taxpayers. Aye.

**Leonard:** Aye.

**Saltzman:** Well, I agree the public purpose of a park is a valuable one, i'm also cognizant that in order to get there it's going to displace an active business, which is pretty important these days, too, so i'm not comfortable supporting condemnation at this point. I would feel a lot better if I knew where p.d.c. was in terms of working with the business to relocate it. My comfort level might be increased with that, but I think adding condemnation at this point is premature and not worth the necessary impact of eliminating a business at this point, so i'm going to vote no.

**Sten:** Aye.

**Katz:** Mayor votes aye. Motion passes. We have a 2:00 session, and we have a 6:00 budget session in st. Johns. All right, we stand adjourned until 2:00. [gavel pounding]

At 11:28 a.m., Council recessed.

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MAY 12, 2004 2:00 PM

**Items 513, 514, 515.**

[Roll call taken]

**Sten:** Mayor Katz is still working a little less than full time recovering from surgery, so she won't be able to be here today. Karla, read all three items today.

**Sten:** Terrific. I'll ask planning staff to come up and give us an update on where we are and then we'll go from there.

**Joe Zehnder, Bureau of Planning:** Good afternoon. I'm Joe Zehnder with the Bureau of Planning. Today we're going to go through a package that was provided to you in advance that has the items that were raised at the last city council hearing regarding the gateway planning regulations project, and a number of amendments that are in response to that testimony. Also, you've been provided with copies of replacement set of findings, and so we would ask today that there be a motion to accept those replacements out of findings.

**Sten:** Ok.

**Joe Zehnder:** With that, we can move into going through the report. Or do you want to --

**Sten:** Sure. Do I have a motion to replace the findings?

**Leonard:** So moved.

**Francesconi:** Second.

**Sten:** Any objections? Hearing none, so ordered.

**Joe Zehnder:** With that, let's go into item number one for the gateway regional center, which is the issue of building height along 102nd and 103rd. We heard testimony regarding this relatively narrow set of blocks between 102nd and 103rd in the regional center. The proposal with the gateway regulations project is to reduce the max height for this area to 75 feet, and a stepdown of height between this area and adjacent single family house zones. Residents who were -- have properties within this cm-zoned area raised a number of issues about the potential impact on their property. Just briefly I want to recap for the council the zoning history of the property and the reasoning behind our recommendation. When the properties were part of Multnomah county they were in a medium density residential district, so for long time the history was for multifamily zoning of these properties, and as they were annexed that kind of -- that order of magnitude of zoning was brought in with them. Currently today the provisions that were adopted with the outer southeast community plan for these properties allows a maximum height of 120 feet, an 8-1 f.a.r. We've tried to make a more effective transition, while still meeting the objectives of the advisory committee and opportunity gateway plan to have 102nd work as a signature roadway corridor for gateway. Our proposal is a maximum of 75 feet to reduce the allowed floor area ratio to 6-1 and create the two-step height transition. Another question was raised regarding the -- than alternative. The possibility of using urban renewal funds or compensation for properties affected by this zoning change, and currently p.d.c. and the urban renewal area has no plans for that addition along this corridor. Staff recommends to city council that we keep the proposed height reduction to 75 feet and two-step.

**Sten:** Great. Let me just ask, do you want to -- are we going to take public testimony now?

Because we're going to have some amendments. Do we want to walk through all the issues and then take public testimony before --

**Francesconi:** Didn't we already have public testimony on it?

**Zehnder:** Yes. Unless there's an amendment on this one, then we could move on without public --

**Sten:** You want to take them one by one?



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**Zehnder:** Yes.

**Sten:** We're going to go through the issues one by one that came up at the last hearing. If there are not any amendments, we're not going to take public testimony because there aren't any issues. Ok?

**Zehnder:** Thank you.

**Sten:** Great. Let's proceed.

**Zehnder:** So with that the recommendation is to -- for city council to accept the planning commission recommended provisions.

**Sten:** And I don't think we need a motion on that unless --

**Francesconi:** I'm fine with it.

**Sten:** General agreement on that?

**Saltzman:** Yes.

**Sten:** Ok, next issue. On the first issue, just described, there won't be any changes from the planning commission's recommendations.

**Zehnder:** Item number two, parking maximums and parking structures. This was raised by several representatives of the project advisory commission and others to waive or create an exemption for the parking maximums that are in effect in gateway for parking built in structures. The thrust of the testimony was that there was a desire to promote structure parking over surface park, wherever possible, and also a desire to increase -- or waive the maximums to allow gateway to compete with suburban markets, which the testifiers would argue is the most comparable to attracting employment and retail development. The staff's recommendation to keep the planning commission's imposed maximums on parking ratios. The reasoning behind this -- and this is also the recommendation of both the bureau of planning and department of -- the office of transportation. The parking maximums are the most effective way that we have to promote transit use in our -- especially in our transit station communities, although we wanted to point out that part of -- that exempting the structures from this maximum parking ratio policy is consistent with metro policy. It's not the practice that we've used elsewhere in -- in the city, in Portland. Exempting the structured parking from parking maximums also is not likely to be sufficient incentive to generate structure parking. We have a 1996 study by eco northwest of the clackamas regional center that found that the only incentives that really were going to make a difference in leveraging structured parkings were financial incentives. Also, finally, we'd like to argue that at some point the parking maximum reduction in gateway could be an appropriate step, but it should be considered as part of an overall parking strategy. If you can imagine, gateway will, when it develops to be the more intensely developed regional center that the plan calls for, will have issues with onstreet parking and park-and-ride, potential conflicts with drivers to -- who are accessing transit and also to the other uses that we hope to see developed there, that there's very likely to be a situation where it will be a district that benefits from the creation of a transportation management association, and the kind of provisions that we experienced in the lloyd. At that point when you've got other tools in place, we think you could be much more free to consider elimination of the parking maximum. Finally, the ratios in -- that we're proposing in gateway currently, in our provisions, allow additional parking for office and medical use up to 4.9 space per 1,000. Even in part, we've made some concessions that are more reflective of the kind of development you're going to see in gateway to make it more competitive with suburban markets.

**Francesconi:** On this one, if it's all right with commissioner Sten, if jean could come forward. On this one, I thought there was a compromise. I see it in the recommendations where there's some suggestions of a compromise proposal under subsection 2, allowing more flexibility, still keeping parking ratios. Go ahead, jean.

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**Jeanne Harrison:** Thank you. Jeanne harrison, Portland office of transportation. We went back and look at the ratios and looked at the requests from the testifiers and felt we could provide flexible use if we raised the parking maximum to be consistent with the rest of the city, and that is if the parking is in a structure, which is what the community wants, as well as what the policy would indicate. We also went back and looked at the 4.9 ratio for medical/office, and felt that on reflection it makes more sense to have those brought into alignment so that that higher ratio for medical/office was also linked to putting the parking in a structure. Obviously it's not a compromise that please everyone, but it's more consistent with the policy that's been adopted and more consistent with the community's desires to see a push to get parking in structures overtime.

**Francesconi:** So that's an amendment from the planning commission.

**Harrison:** Correct.

**Francesconi:** That's what I would like to propose, but i'm not sure the exact language now. Maybe you could state it and I would make a motion. Maybe you want to take testimony on that.

**Harrison:** Ok. The new language that's being proposed is shown on exhibit a, page seven, that would establish --

**Francesconi:** Oh, there it is, yeah.

**Harrison:** -- that would establish -- we actually did it in the same format that the rest of the code is.

**Francesconi:** Ok. So what i'm moving is the language on page 7. That's my motion.

**Sten:** Everybody had a chance to look at that? Is there a second on the motion?

**Saltzman:** Second.

**Francesconi:** Thank you, commissioner.

**Sten:** Why don't we take testimony on this one. Sorry, guys. The best process for this. Would anybody like to testify on this amendment argued parking maximums, which you can find written out on page 7 of your packet?

**\*\*\*\*\*:** Go ahead.

**Sarah King, Portland Development Commission:** Ok. Good afternoon. My name is sarah king and I work for the Portland development commission. I work in the gateway urban renewal area, and have been working to try to fulfill the regional center vision. I support the amendment that commissioner Francesconi is proposing, and I want to add just one thing to it. I guess it's a compromise, if you will, or a blending of the amendment that's on the table. I just want to say, as I said earlier, we're working very hard to fulfill the regional center vision, and that does involve, of course, a dense urban form with a mix of use. P.d.c. Recognizes the importance of employees to use transit and support all incent test to do so. I think it's important, too, that gateway remain competitive with the kinds of suburban markets that it competes with, primarily vancouver, Washington, gresham, and clackamas town center area. This brings us more in line with the kind of parking requirements that they have, thus not being a disincentive or economic disadvantage for gateway. However, I do want to talk about medical uses. Gateway has a niche of medical office uses right now, adventist medical center, former woodland park, and still waiting to see what happens to the future of that. We've got a lot of -- of medical-related clinics and offices in the area. And while employees of medical -- of those medical uses will use transit, many of their clients do not. And I think that the planning commission was right on when they allowed both structured and surface lots for medical uses to have a higher ratio. I think 4.9 was the one that they had proposed. So what i'd like to request is an addition to the amendment that commissioner Francesconi has proposed. I would like to ask that medical parking lots, whether surface or structure, be allowed at the -- what is it? The higher -- the 4.9 ratio. So it's a bit of a blending, if you will, of both the planning commission recommendation and the amount on the table.

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**Sten:** Ok, thank you.

**Dick Cooley:** Dick cooley on behalf of the pac. I support the amendment. I also strongly support what sarah just said. I think it's important to keep that surface parking with those high levels for medical. I think the planning commission thought so also. And I think they would continue to think so. I also believe that it's a mistake to require -- in order to go above 3.7, which is the nonmedical/office, it's the 294-square-foot, I think it's about 3.7, in order to go above a 3.7 you have to build everything in structured, and I think if you make that rule, according to this rule, you'll never have any structure. The whole point of the incentive was for people who wanted more than they could do on the surface, they would do it under structured, they could do the extra spaces structured. Before it was none at all. I'm happy to accept the idea that there's more of a lid, and even 3.7, although it makes me a little -- although it makes me a little nervous. My point is this, that the staff is absolutely right, no one will be incentivized to build a whole new 4,000-square-foot structure so they can buy themselves 1 per 1,000 added parking. The only way this will be an incentive, which is what it should be, is if it allows you to build extra parking above a basic surface parking allowance. So I would urge you not to -- not to jump at this as a "compromise" if it's not going to take you any place at all. Still a compromise if you put a lid on it, but you allow that parking only for the added part.

**Francesconi:** I don't understand what you just said.

**Cooley:** I'm sorry. Ok, let's take --

**Francesconi:** You want to go back to -- you want to go back to the planning commission essentially.

**Cooley:** Well, whatever the process requires. I am saying that -- that nonmedical office, nonmedical office --

**Francesconi:** No. That's what I meant.

**Cooley:** Which is now allowed, let's say, three under the code, ok, ought to be allowed to do additional parking above three if that additional parking is structure. So does that make sense?

**Francesconi:** All right.

**Cooley:** And this says if you want additional parking -- well, you can make a maximum. Yeah, I think if -- I think there should be no maximum, but i'm willing to accept that as a lid -- or as a compromise, which I think is what the spirit here is. So whatever you feel the maximum ought to be, but frankly we're trying to get people to build structured park. In the long run you'll be able to play that to everybody's advantage. If you're nonmedical office, you can build above the limit, as long as it's structured. This goes further, saying you can build above the limit, but you have to build everything in structure. That's a devastating economic impact for -- you know, what you really want is somebody to come in there and build their three on the surface, and then go build another one or two in structured. Now you have an asset that you've added to the community that's going to come in later on and pay nothing but dividends. You won't get it if you require them to build it all. Am I answering your question? Going back to council, I don't know if you have to go back --

**Francesconi:** No. I didn't mean that. I meant the recommendation.

**Sten:** The original recommendation by the planning -- we'll make a decision today.

**Cooley:** The medical surface 4.9, really, really important. If you try to turn that into all structured parking, you lose all your medical business out there. I mean, even the hospitals. Yeah. Sorry to be confusing.

**Sten:** Thanks. Would anybody else like to testify on this measure? Or this piece? So we have a motion and a second. Let me ask for council discussion. Commissioner, would you like to bring some staff back up?

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**Francesconi:** I need Jeanne to respond. Let's start with the medical and the dental on the surface parking.

**Harrison:** Jeanne Harrison. I have to admit that when we first started talking about 4.9 for medical and dental, on a very abstract level, I said, well, that's the ratio that is used throughout the city for medical/dental office. I think it's fair for gateway to -- because it's a niche market. I truly do believe that for medical/dental. That they be able to compete. What I didn't realize, that there was also the underlying policy values developed for gateway that more parking go into structures, that we get away from the vast areas of surface parking lot that's typical of the area now. I believe if we have the 4.9 for surface or structure, we will not get away from that development pattern of the surface lots. And that by requiring the higher ratio to be in structures, that that will lead in that policy direction. I think medical/dental are one of the types of uses that it works quite well to have the parking in structures, and it tends to pay for itself over time, but that won't happen if there's no constraints involved. That's what I believe.

**Francesconi:** Well, but so other medical and office have 4.9 now.

**Harrison:** Correct, in the city.

**Francesconi:** This then does put them in a competitive disadvantage, unless the structures are built, right?

**Harrison:** Correct.

**Francesconi:** And do we know if the market can support the structures right now?

**Harrison:** Well, if you look typically around other large medical centers that have stand-alone office buildings, in denser areas of the city, a lot of the parking is in structures. If you look at northwest Portland, for instance, almost all the new parking for medical office does go into structures because of the land and the density. It's not there yet, but, you know, that's the direction we want it to go, need to provide some kind of carrot along with a stick, or stick along with a carrot.

**Francesconi:** What's the carrot?

**Harrison:** That we're encouraging people to be more efficient and get that -- allow them to have the higher amount of parking in the structure. It's ultimately a benefit to them, because they're spending less on land.

**Francesconi:** I assume the p.d.c. hasn't talked about subsidizing with their money, have they?

**Zehnder:** Not that I'm aware of.

**Francesconi:** Is there a way to ratchet down the parking ratio over time as the market -- as the conditions improve?

**Harrison:** We've done that in other parts of the city, but we've always tied it to the change in transit service. So if you look at gateway today, it's got -- other than the downtown -- the best transit service in the region. It's hard to justify ratcheting it to some other level. We will have more transit service when the light rail corridor is completed in 2005, you know, in that corridor, but it already has more transit than other parts of the city where we've done that ratcheting. I'm not saying it couldn't be done, but it's not as consistent with the way we've done it before.

**Francesconi:** Joe, do you want to tell us anything?

**Zehnder:** I just think that there is some validity to the -- gateway does have a niche market in medical offices, that the planning commission's recommendation recognized that, and that's why it granted the 4.9. So the policy issue for us is relieving -- eliminating the maximum and as an incentive to structures. I would hate to see us lose the .9 that really is, I think -- 4.9 that really is, I think, important for the medical offices at the expense of trying to create an incentive for parking structure that's not going to incent anything.

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**Francesconi:** I agree with that. What we should do, Jean, when light rail comes, we should look at taking it down then, and decide whether to do it, but I actually agree with Joe and the planning commission. Would that mean leaving section b in?

**Zehnder:** It would just mean, as the planning commission recommended it in your original report, which does not eliminate any parking maximums for parking structures. They just set parking maximums, but regardless of structure or surface parking, but they set a higher parking ratio for medical and office. Right?

**Harrison:** Right. What commissioner was asking, is if 2-b would stay, and the answer is yes, 2-b would stay as the language, and the part in the new b would come out that deals with medical/dental.

**Francesconi:** Ok.

**Saltzman:** So to deal with the issue that Dick Cooley is raising, though, don't you have to tweak the new paragraph b about the issue of all parking?

**Harrison:** Right, that's correct.

**Saltzman:** I thought there was --

**Harrison:** If I understand what Mr. Cooley was saying, he would want us to rewrite that so that you have a split ratio. You would get 3.0 if your parking is in surface. An increment above 3.0 if your parking was structured. We had recommended 3.4 as being that higher lid number. He's suggested 3.7. That would have to be rewritten, that's correct.

**Saltzman:** If we truly want to incent structured park, that reflects a true incentive, whether 3.7 is enough of an incentive, but I buy the logic.

**Harrison:** What we found in studies is that if you provide 3.4 per 1,000 for typical office buildings, that allows every employee in the building to have their own parking space. So there's really not a lot of incentive for employees to use transit, which is why we had suggested 3.0. That's a little -- you know, if you knew exactly what kind of office was going to go into gateway, you could be more precise about what the right -- exactly right ratio was going to be, but that's the typical that we've seen across the region, and based on D.E.Q. and metro studies. 3.7 would be extremely generous and would allow a lot of empty parking spaces on a given day.

**Saltzman:** As Dick was saying, it would get a structure built, which probably benefits in the long run the gateway area?

**Harrison:** It could, it could.

**Zehnder:** It could.

**Saltzman:** Yeah.

**Zehnder:** We think that probably that incentive, to the extent there exist one, could be done at 3.4, more consistent with city policy. If I can recap, because we got three proposals on the table right now. One is the planning commission proposal. Keep the parking maximums. One is the language we brought back to you today, which is that we allow higher parking ratios, higher caps, if all the parking's in a structure, and then I think the third is the one that Sarah from -- Sarah King from P.D.C. recommended, which is a surface or structure, higher parking ratio for medical office, and then we have a higher parking maximum for regular office if you put it in a structure. And what we would recommend that parking maximum be for the structure is 3.4 based on the evidence that Jean just presented, that that's one per employee for the metro region.

**Francesconi:** Ok. So process-wise, commissioner Saltzman, if you'll withdraw your second, I'm going to withdraw my motion.

**Saltzman:** Yes, I'll withdraw my second.

**Sten:** The motion is withdrawn.

**Francesconi:** Now I'd like to move the third alternative.

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**Saltzman:** Second that.

**Leonard:** We'll do the 3.4 versus the 3.7 being suggested?

**Francesconi:** Right.

**Sten:** So we have a motion and a second. Anymore discussions? Roll call on this one.

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

**Sten:** Aye. [gavel pounding] motion passes. We'll move to parking along the light rail line.

**Zehnder:** Great. This is issue number three. It's on page 9 of your report. Under the current code parking and loading areas and driveways between a primary structure and a light rail line is prohibited, which means it can't be allowed even by modification or adjustment. This is based on a model that we use in the central city. What we're -- what we believe is true is that gateway is in a basically different circumstance, because it's -- it's a grade separated line creates a barrier. It's not in the street as it is in the central city. And just the block pattern and the development pattern make it distinct from the central city, so that modifications or variances or adjustments of those provisions could be appropriate in gateway. In discussions with the office of transportation, we've reached the conclusion that if we create a strong enough, a clear enough purpose statement, and the purpose statement is what those granting modifications or adjustments look at to see whether or not they're valid, if we create a strong enough purpose statement we can validly add the extra flexibility of making those loading areas, driveways and parking areas not allowed rather than prohibited. So staff recommends both planning and pdot, recommend that we clarify the purpose statement for the parking provisions in both the regional center and the east corridor plan districts, and these are -- all these changes are shown on exhibit b, page 11 of your report, that he change the restriction the parking and access from prohibited to not allow, so that allows the modification or adjustment, that we -- also there's a clarification in this provision of the language pertaining to parking structures near light rail that -- that clarifies that these provisions for the structured parking of light rail and whether or not they have active ground floor uses applies within 100 feet of light rail alignment.

**Saltzman:** And what's the difference between prohibited and not allowed?

**Zehnder:** Not allowed means you can get a variance or modification. So if you can meet criteria - - if you can meet the intent of the purpose statement, that is shown on page 11, bureau of developmental services can grant a modification or adjustment to allow you to have that driveway.

We've encountered circumstances on burnside and properties -- commercial properties next to burnside, where we believe that the driveways in some of these facilities are legitimate, and that working on those issues really showed us that gateway is different than the model we used for the prohibitive language, which was downtown. So you can get a variance.

**Sten:** Great. Shall we -- this is an amendment.

**Zehnder:** This is an amendment.

**Sten:** Would anybody like to testify on this amendment? Doesn't look like it. Do we have a motion to adopt this amendment?

**Leonard:** I'd move to adopt the recommendation.

**Saltzman:** Second.

**Sten:** It's moved and seconded. Roll call.

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

**Sten:** Aye. [gavel pounding] the amendment passes, or the motion passes. Next up is the issue of connectivity and dedicated rights-of-way?

**Zehnder:** Correct. This is issue number 4 on page 5. As you recall, connectivity, providing for new streets and new connections in gateway is one of the most important needs of the district and high school one of the most important elements of the opportunity gateway strategy. The approach

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that we've taken in the planning regulation project is to use the powers that are granted to city -- or that are confirmed to the city through title 17 and having an adopted master street plan for the regional from to put -- to reserve the city's rights to review and to require dedication up to dedication and improvement of right-of-ways with the development of parcels within the regional center that would impact, would touch, or be crossed by these proposed right-of-ways. The recent - - actually maybe i'll turn this over to jean to explain in more detail, but this the recent amendment to the transportation system plan, we've really strengthened our ability to do that. The city engineer does have the ability to require these dedications or reservations or dedications to improvements with improvements and land use decisions that for gateway regional center we also have an adopted street plan, and that the testimony at the last city council hearing was requesting that we require dedication through the regulations and not depend on the judgment of the city engineer through title 17, that any of these shown on the master street plan be required to be dedicated any time a review of that is triggered. What we get in title 17 through the city engineer's review is flexibility to say what level of dedication or reservation is appropriate, and also to consider alternative needs to protect the dedication of those right-of-ways based on the kind of -- the scale, the size, and location of the development that's proposed. We think keeping that flexibility is important to really implementing this, and we believe we have a strengthened title 17 ability to do this. So staff recommends not adopting an amendment that would require dedication any time this is triggered. I'd like to just have jean add to that.

**Harrison:** Ok, thank you. We worked with our development review staff, and they feel they have adequate authority. We verified that with the city attorney's office, that policy and code clearly give us the authority to ask for the dedications that are shown on the master street plan when new development comes in. But we believe we need the flexibility and don't wish to put developers through an extra review process when we can work out with them what the appropriate extent and level of dedication or improvements is on a case-by-case basis.

**Francesconi:** I free. I don't think we need any amendment on this.

**Zehnder:** Well, just if you look at exhibit c on page 17, there is some language that actually we staff are recommending as revised language to implement this approach that we just described, that was approved by the planning commission. So we would ask that the city council adopt the revised language shown in exhibit c. The gist of it is to use title 17 to review -- as the means by which to require connectivity for both the gateway plan the district and the east corridor plan. And we mentioned this the last city council hearing, but we've brought forward the specific language to add a provision to title 17 to get these two -- the land use -- the zoning title 33 and title 17 to work together in this -- in gateway more effectively. And also I wanted to point out that one of the issues that was in the public testimony, one of the things they were concerned about, is that there has been a past record of missing some of these opportunities, where at least in the -- in the experience of some of the testifiers, opportunities to get street segments were overlooked. That was before we had the strengthened language that was done with the transportation system plan, but also we're going a step beyond and trying to work out with the tract system a trigger at the permit desk for projects in gateway that are affected by the street master plan, to flag them as permits come in, so they can be more effective in not missing any of these in the future.

**Leonard:** That's the language on 17, 18 and 19?

**Zehnder:** Yes. We're asking that exhibit c, and the language on 17, 18, and 19 be adopted as an amendment.

**Leonard:** I so move.

**Francesconi:** Second.

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**Sten:** Ok. We've got it moved to adopt the language on pages 17 and 18, essentially a rephrasing, but it's an amendment.

**Leonard:** Some on 19, too.

**Sten:** 19, too. Thank you. Would anybody like to testify on this amendment? Anybody else, if you'd like, please come on up.

**Cooley:** I'm in favor of this.

**Sten:** Restate your name for the record.

**Cooley:** Dick cooley. First of all, thank you for being so thoughtful about gateway. Your thoughtfulness is very important over the long term. I appreciate that. This isn't everything -- this isn't the requirement I'd like to see -- I asked for the requirement in the code, but I didn't realize there were these existing discretionary powers reinforced by recent things, and I'm ok with city engineer being in charge of doing that, but I want to tell you that I'll be here to ask you to step up to those individual powers when the time comes for that engineer to make that decision, and he's not sure he really wants to make it, because that's the weakness here, is the discretion and the pressures that are exerted on the engineer, on whoever's in charge of the department. I just want you to remember this testimony five years from now when the critical moment comes and we need that critical piece of right-of-way and people are waffling. Thank you.

**Sten:** Thank you. Would anybody else like to testify? Roll call on the amendment.

**Francesconi:** Thanks for your work on this, everybody. Aye.

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

**Sten:** Aye. [gavel pounded] the amendment passes. On to issue 5, which is the gateway apartments and the change of zone on page 21 of your exhibits.

**Francesconi:** Jean, you can relax.

**\*\*\*\*\*:** Thanks, Jean.

**Zehnder:** The issue with this was that the city council heard a great deal of testimony on it at the last hearing, was the propose to rezone an rh-zoned property -- or a set of rh-zoned properties on 102nd from r.h. to c.x. The planning commission's recommendation was based on creating a consistent pattern of c.x. zoning along 102nd. There's large areas of that zoning already, and it's consistent with this desire to create a pedestrian-friendly boulevard. The c.x. zoning was viewed as creating greater flexibility for a dense multifunction development on a large development parcel that ran from 102nd all the way through to 99th, and that that kind of development would be more consistent with the gateway transit station objectives. And more intense possibly commercial development was a good opportunity to create a signature building at this important corner of pacific and 102nd. The proposed rezoning of this property and the other properties in gateway result in no net loss of housing. In fact, there's a net increase in housing. I'd like to also point out that the c.x. zone in itself allows residential uses, so there's nothing inherent in the proposed zoning change that would not allow an existing apartment building or the development of additional new housing, although it is primarily a commercial zone and we're putting it in place with the expectation that there would be primarily commercial development there. There was a lot of testimony about the impact on the gateway apartments, and the city council heard testimony from the property owner that addressed -- or attempted to address some of those concerns about notice whether or not -- whether or not tenants would be displaced and how they would be treated. As I said, nothing inherent in the zoning proposal actually results in that -- that action on the part of the landlord. Another issue was raised, which was how to -- in light of the apparent lack of adequate notice to the tenants of that particular apartment building, how do we improve that in the future? I wanted to point out a number of ideas that staff is going to recommend for future projects to accomplish that. In st. Johns, for instance, we worked with local community development



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corporation and other groups to do specific outreach to spanish-speaking and asian populations so we knew we had a likelihood of possibly not having adequate outreach, so we contracted with these organizations to help us with that. That's something we're going to do in the future. We plan on consulting with the housing -- the bureau of housing and community development, p.d.c. Housing staff and others, nonprofits, others out there, working with rental housing and more difficult to -- in particular constituent groups to identify how we do better outreach to tenants. And we also, in initializing -- when we're starting up planning projects, can work with organization like the community alliance for tenants to identify populations that they know of and craft a way to be more effective in our outreach with them. Specifically we're starting a project on division to look at commercial development along division, and these kind than of approaches we're incorporating into that outreach as well. With that said, as ideas for how to improve our outreach, we're not recommending any amendment to the proposed zoning from r.h. to c.x. for these properties.

**Sten:** Ok. Commissioner?

**Francesconi:** Without amendments on this last issue, but do you need any -- do you need anything in writing in terms of any -- you know, to do outreach like we did in the st. Johns, to contract with local agencies, so we don't have a repeat of this? I mean, i'm not asking for an amendment on the gateway plan, but how do we institutionalize this so it doesn't happen again.

**Zehnder:** Within neighborhood planning, commissioner, we are actively institutionalizing it in our practices. I head up neighborhood planning. This is how we're scoping all our projects from here on out. I don't know we need a dictate from city council to follow that.

**Francesconi:** Consider this an oral dictate.

**Zehnder:** Got it.

**Sten:** Is anyone proposing an amendment? If memory serves, the faces I see in the back of the room are largely the tenants from the apartment building, and we're just taking testimony on the amendments. I want to check with the -- what the interest of the council is. I'd be willing to have a representative from the tenants come up if there's anything like to share. I don't think i'm going to open it up to testimony from everyone on the issue.

**Francesconi:** It's your call.

**Sten:** Would you like to do that? I don't quite know who's -- and of course, ted, if you'd like to update anything. You know, you've got 15 people down here, who obviously came for a reason, where there's not anything we're changing that has to do with the lap lord/tenant law, but i'll essentially do a communication at this point.

**\*\*\*\*\*:** Is it all right if he provides translation?

**\*\*\*\*\*:** Sure.

**Ian Slingerland, Director, Community Alliance of Tenants:** For the record i'm the director of the community alliance of tenants. I came today to speak with you regarding the gateway planning regulations project, urban renewal, and the gateway apartments. [speaking spanish] let's make no mistake about it. The pending displacement of tenants from the gateway apartments is the face of urban renewal gateway. It is the direct result of urban renewal and years of planning tied to the city's vision for a regional center at gateway. [speaking spanish] the absence of any direct public financing for a redevelopment project at gateway apartments as of yet does not change the fact that the displacement of tenants stems directly from the urban renewal process. There's ample evidence connecting the displacement of tenants at gateway apartments to urban renewal and the gateway revitalization process. The city's vision for the gateway apartments is currently outlined in the gateway planning regulations project is redevelopment. [speaking spanish] the planning commission is recommending the city change the zoning of the land on which the gateway apartments sit. The clear goal of rezoning is to facilitate redevelopment of the site to another use.

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If it weren't, there would exist no rationale for a zone change. In fact, the planning commission's recommendations to council reference a public/private partnership for a project on this property as part of opportunity gateway led by the Portland development commission. [speaking spanish]

**Slingerland:** And we know that the tenant displacement is a result of urban renewal because the owner said so. An april 12 notice to tenants includes the following statements -- the city of Portland has designated the gateway area as an urban renewal district. [speaking spanish]

**Sten:** Do you have a lot longer on this?

**Slingerland:** A little bit.

**Sten:** You're well over your time. So i'm trying to give you time for translation. If you've got a written piece, we could take that as well.

**Saltzman:** Why don't we do that.

**Sten:** You can have a couple more points.

**Slingerland:** Well, ok. So I think the main point is that to say that the owner could displace current tenants with the existing zoning, while it's true, is also irrelevant, that it's clear from the history of what's gone on between the landlord and tenants and through this process that the decision to demolish the property as a result of plans tied to redevelopment. The owner said so himself. So that's the first point. The second point is a little update on where things are with tenants. There were some impression given at the last testimony that everything was resolved with regards to tenants. Tenants subsequently met with the owner. At that meeting he did say there's no urgency for tenants to move. He high school said, his -- he also said, his only obligation to tenants is to provide 30 days' notice and that he continued to plan on demolishing the property. What asked what the timeline was for those plans, he refused to give tenants an answer, aside from saying he had heard tenants' concerns related to their desire to have their kids be able to stay in school for the remainder of the school year. With 30 days' notice, that's a week from now. It's still clear this tenants face pending displacement. It's clear that there's a connection between urban renewal, the gateway revitalization placement and the displacement of these tenants. The urban renewal plans for gateway include a lot of commitments around protecting tenants from displacement and serving folks who live there now. So here's the opportunity, yet the only thing we've heard from p.d.c. is there exists an obligation on the part of city to keep the tenants from displacement.

**Sten:** Ok, thank you.

**Leonard:** Just so that I understand your position, because I did have the impression after the last hearing, was -- was characterized, as you stated it, that the tenants were considered that they'd be displaced before the end of the school year. And while I don't think anybody's said this precisely, my impression was they wanted to have time, which made sense to me, to find other appropriate places to live. Are you now saying that beyond having whatever reasonable amount of time would be necessary to locate, they're not wanting to relocate at all?

**Slingerland:** I think the answer to that varies from tenant to tenant, whether or not folks want to relocate at all. I think consistent amongst all tenants is the belief that they want adequate resources and assistance to move to -- to comparable housing in the neighborhood, because they depend on the transit for their jobs, for their health care, and they want to stay in the neighborhood where their kids go to school, not just for this year, but the remainder for their kids' time in school. This is the neighborhood the tenants have called home for a long time. There's a vibrant community that exists there. And tenants want that to continue.

**Leonard:** That is different than what I heard the other night. Maybe I misunderstood, but that's a different position.

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**Slingerland:** Ok. I don't believe that's a different position that tenants have. I think the other thing to recognize is that if -- if there were -- if there were a more direct public financing of a redevelopment property right now, there would be significant obligations for the developer. Part of what happened after the initial notice was p.d.c. contacted the owner and said you need to send a new notice that distances your action from urban renewal and also informed him of potential obligations tied to the urban renewal area. The owner now says this isn't a result of redevelopment plans, it's a decision related to the condition of the property. I think that shifting rationale raises a lot of questions about what the real motive is, and if what's happening is an attempt to avoid obligations that might exist under the uniform relocation act to tenants.

**Sten:** Great, thank you. Would anybody else like to testify?

**Ted Gilbert:** My name is ted gilbert. As promised at our meeting a few weeks ago we rescinded our notice. We met with the residents. Originally there were 52 units here, and currently there are 18 units occupied. I believe there were representatives of probably 15 of those units at that meeting. We listened. We asked questions. And my belief is that it was constructive. Listening to mr. Slingerland's comments about what I said or what he interpreted I said, you know, I was taught early not to let misstatements or inaccuracies or omissions go unaddressed for the record, but i'm mindful of some counsel that commissioner leonard gave me about three weeks ago, that sometimes it's better not to say something than to say something, so I will heed that counsel. At a minimum I want to point out again the primary reason that these units are being vacated is because these once originally temporary-designed structures are beyond their economic and physical functionality. That is the reason. In any event, out of deference for the residents, out of respect for you in this process, but also out of respect for all of those citizens of gateway who have invested, I would say, thousands of hours in a public process called opportunity gateway that I don't want to be penalized for this, i'm prepared to make another commitment today. While I don't believe i'm required to do so, i'm going to make a commitment, and if the interpreter would like to come up, or do it after the fact, but the commitment i'm prepared to make is that every resident who is there will be given not less than 90 days' notice of their need to vacate. I don't believe we're obligated to do it. I can promise you it's going to be expensive, but I hope that it will be meaningful. Thank you.

**Sten:** All right. Well, thank you very much.

**Gilbert:** Any questions?

**Sten:** I don't know if this is a question. I just want to -- I think that's a great step. And I think I just want to be explicit, because, you know, today, I just want to say again for the audience, we're voting on whether or not to amend a planning bureau recommendation to change the zoning on this piece of property. The council, I think, is just going to support amending the zoning. To speak to commissioner leonard's issue, as the housing commissioner, i've been approached by just about everybody on this. My style is put the issues on the table and they won't be decided in this hearing. One is what's right and fair from a moral sense to give the residents a chance to get their lives in order, make the change that's going to happen, because this building is going to get knocked down. That was the issue of getting through the school year, which happened last time, and I think the 90 days. The other issue is a legal one, and I know the tenants are represented by lawyers, and p.d.c. Is represented by their lawyer, and I don't see a lawyer with ted, is whether the tenants are due relocation benefits based on federal law. That's a specific standard. If federal money is used to redevelop a building, the tenants have the right to a very described benefit package under urban renewal and federal law, and the question is whether or not that law is triggered by the possibility of city investment this property, which hasn't been requested at this point, but -- I won't make the argument for the different sides. That clearly will have to be decided at a different venue. I wanted to allow the two sides to put their point of view on the table because it's here in front of us. I think

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that's what's happening here. Both sides are trying to work together on the first issue of what's fair and on the second issue of what does the law allow, I expect p.d.c.'s housing department to be sure that p.d.c. is following the letter of the law. That's all we can do at this point is put that on the table.

**Mickey Ryan, Oregon Law Center:** My name is mickey ryan from Oregon law center, and I represent some of the tenants. I guess the third issue, I think, is the council's duty under -- when they create an urban renewal district. I've been searching, and i've sent a letter to sarah king, looking at the documents and the commitments and promises that council made when they created this urban renewal district, that they're going to prioritize the needs of the residents most at risk of displacement, and focus on policies and programs to address the threat of gentrification or displacement. I'm not finding what is being done, and here we have real people being displaced, and there's -- i'm hearing there's nothing to do to help them. And I think it puts a very bad face on urban renewal. It's exactly the thing that we all dread about urban renewal, and that we say we aren't going to do here. And I just think that the council has a responsibility, maybe not legal, moral, as eric perhaps, and a commitment that they've made to the community under their promise when they brought in this urban renewal district. Thank you.

**Sten:** Thank you.

**Francesconi:** Then that raises a fourth issue. Why do we do urban renewal at all? And do poor people benefit from doing urban renewal? There have been days in times past when urban renewal was used to wipe out areas for poor people, but this council has used urban renewal to build low-income housing, and without urban renewal we wouldn't be building nearly anything approaching the need of very poor folks. So we also have to -- that doesn't mean that we don't have both moral and legal obligations to existing low-income folks and the law center and the community of alliance of tenants and the advocates are doing exactly the right thing in -- in pushing for their moral and legal rights, but we also have to understand that urban renewal, if used properly, can be a benefit to poor people. Now we have p.d.c. here prepared to testify about the low-income housing we're going to build in gateway, but I don't think we need to go there right now. But we do have to understand that we have poor people now that we have to deal with fairly in this tenant -- in this complex, including 90 days, and maybe more, but there's going to be more poor people that need housing, too.

**Sten:** Thank you.

**Francesconi:** If you want to testify, leave that up to commissioner Sten. I mean, maybe you should come here, be brief, a very brief --

**Chip Lazenby, Portland Development Commission:** Good afternoon. Thank you, commissioners. For the record, my name is chip lazenby, general counsel with the portland development commission. When we first saw mr. Gilbert's eviction notice to folks and the direct reference to urban renewal activity, we moved pretty quickly to contact him and to have meetings with him for precisely the reasons that commissioner Sten pointed out, that relocation, both under the federal statutes and the stay state law and our obligations as an urban renewal district are technically legal matters that we take very seriously, both in terms of notice to tenants when we're engaged in getting ready to purchase a piece of property or when we're beginning to finance and put public dollars into -- into a project. Those are obligations that we have under law that we take very seriously and in fact that we vigorously pursue to let tenants know. We anticipated when we saw his original notice that it would trigger these types of concerns, that folks would make that connection between his incorrect prefatory language saying it's because of p.d.c. that this is happening, and people would think that they were legally entitled to relocation benefits. It's for that reason that we met with him, and he rescinded his original notice and removed references to

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the p.d.c. and the city of Portland being responsible for that. At this point in time we don't have an investment in any potential project that could occur on this site. And mr. Gilbert's reasons for doing this are mr. Gilbert's reasons. That's the only point I wanted to clarify.

**Sten:** Why don't you go ahead and address the obvious question of what the laws say if down the road you invest in this property once people are already gone.

**Lazenby:** My understanding is that from the moment that we get involved, there's a bit of a look-back period, and commissioner, i'd have to get back to you on the precise time, but it's a significant period of time in which there's a look-back for previous tenants that may or might have been caused to move. I know that under federal law, when we're using community development block grant dollars, when we're engaged with an owner even in negotiations for potentially obtaining the property, we're required, and do give notice to current tenants telling them we may obtain the property, you may be entitled to relocation benefits, and our notice says, don't move, stay where you are. If you move prematurely, you may forfeit those benefits that are going on. But each instance, commissioner Sten, for each tenant's circumstances, in the event -- there's so many ifs labeled in front of this, that I want to be clear. If at some point in the future we determine that we want to enter into an agreement with mr. Gilbert, or subsequent owner of this property, and if we invest dollars, depending on what the nature of those dollars are, you see how fragmented this is getting, we would analyze claims for relocation on a tenant-by-tenant basis, but there is a look-back period from the time we started getting interested.

**Francesconi:** Are there any discussions under way to acquire an interest in mr. Gilbert's property?

**Lazenby:** We have a proposal from mr. Gilbert for funding for a project at this time that we not have acted on. And some time ago, I believe there was a proposal that was included in the first unsuccessful new markets tax credit application, and that was left unfunded. And so it's not in this current batch of successful funding that just occurred within a week.

**Francesconi:** I don't know what the look-back provision is, the length of time.

**Lazenby:** We can provide you with that, but it won't have any bearing, commissioner Francesconi, on the individual cases, because it's based on so many supposition of things that might happen in the future.

**Francesconi:** Well, you know, I think if you decide to acquire an interest, you better factor in something for consideration of dislocation costs for these tenants.

**Gilbert:** And if I might just add, this came up at the meeting with our residents, and people said, is this likely to happen and what would be the impact? Frankly my counsel is, if in fact a project happens and if in fact the public makes an investment in it, you may be entitled. So by all means you may want to, but honestly is a project going to happen here? The honest answer is I don't know. When is it going to happen? I don't know. Is the public invested in it? I don't know. I can't be more honest than that.

**Sten:** Ok. Thank you. There's no action on this, so we'll move to item 6, which is the east corridor display and storage.

**Zehnder:** This item pertains to the east corridor planned district, and the issue of exterior display and storage on 122nd avenue. We heard testimony at the last hearing regarding from the community and from representatives on the tonkin corporation on this issue. Under the current planning commission recommendation, we're leaving the prohibition against exterior display and storage in the planned district zoning provisions. This has created a difficulty for the tonkin corporation in terms of their interests in accident happening on to new sites. We have amended the ordinance to try to eliminate some provisions that were obstacles to renovation of existing sites, and those are not at issue. Although we're not recommending changing -- changes to this interior

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display and storage at this time, we're proposing to undertake a study of the pedestrian district along 122nd to examine the design issues related to having automobile dealerships and other auto-oriented uses in a pedestrian district, how to design them, if there are design solutions that make them more compatible with being in a pedestrian district, and if there are improvements to 122nd that may get a better -- make it a better location for commercial uses and a more supportive environment for transit use. We believe that there may -- we may find inroads to this issue through design solutions to both private development and the public realm, and that's the study we're undertaking. The tonkins have agreed to participate in that study. A critical part of doing that study is going to be also adopting -- creating a street master plan for this part of gateway. We talked about the street master plan and the regionalist and how important that is for connectivity here. That does not exist here, so we'd like to accomplish that as well. Right now we're seeking funds from the state to allow pdot to be able to do that. I believe we will be successful in doing that. The community testified that they were concerned about the validity of the study, if there's private sector funding, just to emphasize, this is a practice that we've employed in a number of studies, both transportation and planning, to add -- bring together the resources to move something up, a work program that we couldn't get there otherwise, and there was the commitment in accepting those funds not to have an influence -- have it influence the outcome of the project. There was also testimony, concern that we have scoped this future study too narrowly, just going from glisan to stark. It's agreed we would like to expand the scope of this, but don't believe we have the resources right now to do it. We believe we can validly just look at the pedestrian district. We'll attempt through our own resources to extend it up to halsey. We're going to seek future state funding to do a corridor study of all of 122nd to address the community's needs. With that being said, staff would -- is not recommending any amendment to the provisions as planning commission recommended on this issue.

**Sten:** Ok, so no amendments.

**Zehnder:** No amendments.

**Sten:** Any amendments proposed by the council? In that case let's move on to --

**Francesconi:** This is good work done by everybody.

**Sten:** Minor correction?

**Zehnder:** One remaining issue. This pertains to the pedestrian standards and their application to school or institutional uses. We have provisions in title 33 about pedestrian standards, and the enhanced pedestrian street standards, and we had built into our previous draft what was intended to be an exemption for institutional school properties, specifically with the most specific example being the adventist main and 99th, where it's the school building built in the middle of a very large site, and the provisions apply to that, development woods would require any additions to the school to be located far from the central building since it's far from the site, so we've acknowledged that in our original proposal amended it to exempt that use. This language is a variation on that language, that we -- that says that development on a site that's zoned institutional/residential, so which is what adventist academy and adventist hospital are zoned, where it's an institutional use, must meet -- i'm looking at page 29, exhibit d -- must meet the standards of either provision b-2-b or b-2-a. Basically that's an exemption. There's similar language proposed under the enhanced pedestrian street standards in the paragraph below on page 29. Once again, this would exempt, in the case of adventist academy, the academy as long as it was an institutional use. There's a recommendation from the community in at least written testimony that suggested changing institutional use to school use. That would be acceptable to the bureau and to adventist academy. The academy has raised one issue, which is that the provisions as we've written them here would only apply to the school if the school stayed in an i.r. Zone. We have also recommended changing the comp plan

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designation to r.x. in the future. If the school was to sell to a development for a different use, we wanted to clearly signal that the future use of the property should not be considered commercial, it's residential. Adventist academy is concerned that if the exemption is tied to zoning, that the city could, through its own action, over their objections, rezone the property and they would lose the exemption. In our research the city has never done this to a property, so we didn't consider it a realistic threat, so that's why the language in front of you in exhibit d was prepared the way it was. If the council is concerned about that prospect facing adventist academy, we can write language that says, in effect, you're exempt if you're a school -- exempt if you're a school that exists as of the date of the effective date of this ordinance. So it's tailored specifically for this and won't apply to future schools on future lots. That's the most specific way to do it, and we have alternative language to do that if the commission would desire.

**Sten:** Ok. We've got some amendments there that need to be moved.

**Zehnder:** Yes.

**Saltzman:** I'd be interested in that additional language.

**Zehnder:** Ok. Let me distribute this.

**Francesconi:** Does the additional language do any harm?

**Zehnder:** The harm that it does is code complexity, but it does limit the impact of this exemption just to this individual property. So it doesn't -- we believe it doesn't have any other unintended consequences for other properties.

**Francesconi:** Ok.

**Sten:** Is there an amendment?

**Saltzman:** I'd offer this -- does this exhibit incorporate your changes, plus the new change?

**Zehnder:** Yeah. The exhibit I just handed out would be the exhibit with language that would adhere to the adventist academy's request.

**Saltzman:** Ok. So he would move this as a substitute.

**Leonard:** Revised exhibit d.

**Saltzman:** Yeah.

**Leonard:** Second.

**Sten:** A motion and a second. I'll take public testimony on this if there's any.

**Francesconi:** You're winning. Do you need to testify?

**Leonard:** Yeah, unless you're trying to kill it.

**Sten:** You can't improve your position.

**Roger Alfred, Perkins Coie:** We'll keep it very short. I'm Roger Alfred of Perkins Coie on behalf of adventist academy. We support revised exhibit d. You've got a letter written earlier this afternoon, before we had seen this revised language, so we didn't know whether we'd be here in support or not, but we are, and we appreciate the work that the staff has done on this, and we urge you to adopt the amendment.

**Sten:** Terrific, thank you.

**Randy Robinson:** Randy Robinson. I would echo Mr. Alford's comments in terms of our support of the revision that we received and appreciate staff's work on that.

**Sten:** Terrific. Thank you. Roll call.

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

**Sten:** Aye. [gavel pounded] is that all the issues?

**Zehnder:** Yes, that concludes all the issues from the public hearing.

**Sten:** Will this move to another reading at this point with amendments or can we vote on it today?

**Zehnder:** This will require a second reading, but not anymore additional testimony. We ask that you move the recommendation for the ordinance as amended.

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**Sten:** Ok. So the amendments have passed. Do we need a roll call on 513, karla, or just move it to second reading?

**Moore:** They should move to second.

**Sten:** So all three. For the record, on the public docket of 515, there's a star indicating that this is an emergency ordinance. That is a scrivener's error. I'm giving public notice that it will move to second reading, as will 513 and 514. Obviously no harm in it taking longer. It would be the opposite if it weren't an emergency ordinance. So we moved it forward. With that, all three items move to second reading. Do we have a date for that, karla?

**Moore:** The 19th. The afternoon is a 6:00 p.m. Do you want to hear those in the 6:00 p.m. or in the morning session?

**Zehnder:** Morning session is fine.

**Moore:** They'll come back on the morning session on the regular agenda.

**Sten:** So back on the morning session of the 19th. There will not be any public testimony, unless there are amendments, which at this point i'm not expecting. Thank you, council. Thank you, staff. We stand adjourned. There's a budget hearing tonight.

At 3:19 p.m., Council recessed.



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**Closed Caption Transcript of Portland City Council Meeting**

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

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

**MAY 13, 2004            2:00 PM**

**Items 516 and 517.**

[ roll call ]

**Katz:** Let's read item 516 and 517.

**Frank Hudson, Deputy City Attorney:** Good afternoon, everyone. State law requires that the city read certain rules for public hearings, so i'm going to take a few minutes to read that. Today's hearing is an evidentiary hearing. This means that you may submit new evidence to council in support of your arguments. This evidence may be in any form such as testimony, letters, petitions, slides, photographs, maps, or drawings. If you haven't given the council clerk a copy of the evidence you plan to submit, you should give it to the council clerk after you finish your testimony to the council. Any photographs, drawings, maps, or other items you show to the council during your testimony should be given to the council clerk at the end of your testimony to make sure that it becomes part of the record. The order of testimony will be as follows. We will begin with the staff report by b.d.s. staff for approximately 10 minutes. Following the staff report, the city council will hear from interested persons in the following order -- the applicant will go first, and will have 15 minutes to address the council. After the applicant, the council will hear from individuals or organizations who support the applicant's proposal. Each person will have three minutes whether you are speaking for yourself or on behalf of an organization. Next, council will hear from persons or organizations who oppose the applicant's proposal. Again, each person will have three minutes. If there was testimony in opposition to the applicant's proposal, the applicant will have five additional minutes to rebut testimony given in opposition to the proposal. Council may then close the hearing deliberate and take a vote on the hearings officer's recommendation. If the vote is a tentative vote, council will set a future date for the adoption of findings and the final vote on the hearings officer's recommendation. If the council takes a final vote today, that will conclude the matter before the council. Next i'd like to announce several guidelines for those presenting testimony and participating in the hearing. These guidelines are established by the zoning code and as I mentioned earlier, state law. Any testimony and evidence you present must be directed toward the applicable approval criteria for this land use review or other criteria in the city's comprehensive plan or zoning code which you believe to apply to the decision. The b.d.s. staff will identify the applicable approval criteria as part of their staff report to council. Before the close of this hearing, any participant may ask for an opportunity to present additional evidence. If this kind of request is made, the council will either grant a continuance or hold the record open for at least seven days to provide an opportunity to submit additional evidence and will hold the record open for an additional seven days to provide an opportunity for parties to respond to that new evidence. Under state law, after the record is closed to all parties, the applicant is entitled to ask for an additional seven days to submit final written arguments before the council makes its decision. If you fail to raise an issue supported by statements or evidence sufficient to give the council and the parties an opportunity to respond to the issue, you will be precluded from appealing to the land use board of appeals based on that issue. Additionally, if the applicant fails to raise constitutional -- excuse me -- if the applicant fails to raise constitutional or other issues related to the proposed conditions of approval with enough specificity to allow the council to respond, the applicant will be precluded from bringing an

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action for damages in circuit court to challenge the conditions of approval. After the council has heard all the testimony and has deliberated, they will vote, which will result in one of two outcomes. Either council will vote to accept the hearings officer's recommendation and approve the proposed comp plan amendment and zoning map amendment. Alternatively council may vote to reject the hearings officer's recommendation and deny the application. Thank you.

**Katz:** Thank you. All right. Conflicts of interest? Declaration of? None? Ex parte contacts? I went out and saw the site, or at least part of the site. I couldn't see the entire site, but I saw part of the site, and somebody needs to fix alberta street. Ok. Let's start with the staff report.

**Sylvia Cate, Bureau of Development Services:** Good afternoon. I'm sylvia cate, the assigned planner for in -- this review, and i'm here to present the hearings officer's report and recommendation to the city council. The applicant requests the comprehensive plan map amendment and concurrent zone map amendment to change the existing zoning on this site from single dwelling r-7 to a combination of three different zones. A large portion of the site, generally the easterly two-thirds of the site area, would be redesignated to mixed employment and rezoned to eg2. The westerly portion of the site would be divided into two residential zones, single dwelling r5 and attached residential r2.5. The airport landing overlay zone would remain as is. The eg2 zone allows commercial and industrial uses by right. Institutional uses such as parks, schools, medical centers, day care and religious institutions are also allowed by right. Retail sales and office uses are limited in floor area, but are allowed if certain standards are met. Residential household living is allowed in the eg2 zone as a conditional use. The conditional use review criteria for household living if this zone promote the preservation of land for industrial uses while allowing residential uses in limited situations where they will not interfere with industry. The applicant is not proposing any specific uses or development on this site at this time with this land use request. The site consists of two large parcels that are a portion of a former gravel quarry. This map shows the existing r7 zoning on the site. This zoning map illustrates the proposed new zoning pattern for the subject site. The easterly two-thirds of the site are proposed to be eg 2h while the westerly portion would be a combination of r5h and 2.5h. This illustrates the existing zoning pattern in the immediately surrounding areas, which includes general employment 2, general industrial 2, multifamily r2, the small open space of sacagawea park, and the r7 residential zone. The final animation shows how the proposed zoning will fit within the existing zoning pattern. Future development on this site is tightly regulated. No development can occur on a residential portion of the site until a future land use review for a major subdivision is reviewed and approved by the city. In addition, a type 3 north cully development review will be required prior to the issuance of any building permits. The application requirements and approval criteria for this future review are found in the Portland zoning code at 33560.040 and .050. The purpose of these future reviews is to implement policies within the adopted cully neighborhood plan and ensure compatible redevelopment of certain large parcels in the cully neighborhood. This site is one of the special large parcels subject to this additional future review. Future development on the eg2 portion of this site is also tightly regulated. No development can occur until a future type 3 north cully development review is submitted and approved by the city. It is also important to note that the approval criteria for development on this site includes the prohibition of vehicular access into the site from northeast alberta to ensure that the local service streets serving the residential area directly south do not have heavy truck traffic. And at future -- and that future development requires a buffer to be established along the southern edge. The type of buffer required will be determined during this future review based on the actual use and development that is proposed in the future. It is also important to note that there are specific additional approval criteria in the north cully plan district for this site that not only prohibits vehicular access and requires a buffer to protect the residential neighborhood, but the criterion found at 33.560.050 h3 requires the development to, quote, include a mixture of housing and commercial or light industrial. The purpose of this required review is to

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ensure compatible redevelopment of certain large parcels as set forth in the cully neighborhood plan. This aerial photo shows the entire farmer killingsworth quarry and a portion of the quarry that is subject to this land use review and proposed zoning request. This aerial photo shows the site and the former quarry in context with the major neighborhood streets, sacagawea park, and a development pattern of residential uses to the south and west and light industrial uses to the north and east. The site is part of a special focus area identified in the adopted cully neighborhood plan with the notation to rezone lands within special focus areas from industrial to employment and acquire property for redevelopment. Other cully neighborhood policies call for master plan development reviews for the landfills and gravel pits in the neighborhood. These policies were codified in the zoning code as part of the north cully plan district regulations. It is important to note that the cully neighborhood plan includes a vision statement that speaks to encouraging the expansion of sacagawea park because the neighborhood is park deficient. However, the strategy to do this is not part of the adopted neighborhood plan because it requires either further study and/or a commitment of funds. The neighborhood plan does note that new parks and park improvements will require a block grant or other special funding to accomplish an expansion. An adopted objective, 4c-4 of the neighborhood plan states, quote -- support park acquisition through redevelopment of the eastern portion of the site to residential, commercial, and clean compatible industrial uses or mixed uses, end quote. Now let's go in a quick virtual tour of the area proposed to be rezoned. The site is currently vacant and undeveloped. This is a view looking to the west at the corner of the site as northeast 74th and roselawn street. Adjacent residential development along the west side of northeast 74th can be seen in the background. This is a view looking north near the intersection of 74th and roselawn, and the adjacent residential development to the north of the westerly portion of the site. The site's frontage along northeast roselawn is not improved to city standards. This is a view looking towards the southeast, across the portion of the site that is proposed for the eg2 zoning. The residential development abutting the site along northeast alberta street can be seen in the far background. The topography of the interior of the site varies, and an example of the variations can be seen in this picture. This map roughly indicates the topographic elevations inside the former quarry, though it is slightly out of date from current conditions. The area proposed for residential zoning within the green box is relatively flat and roughly even with the surrounding land to the west. The area proposed for general employment zoning within the yellow box is significantly lower than a residential area to the south. This is a view from the south side of the site looking north, with a portion of the ball field at the head start and sacagawea park in the foreground. This open space area provides views across the site to the north as well as views of mount st. Helens we see here on the horizon. Northeast killingsworth is located approximately one block north of the zone change area and fronts the most easterly portion of the former gravel quarry. The north side of killingsworth in this area is zoned eg2 and ig2, industrially oriented business uses and development are seen in this picture taken east of northeast 75th avenue and killingsworth, and in the next picture, which is looking east along northeast killingsworth, again, near northeast 75th avenue. We are now approaching the southerly portion of the site. This picture is of a parcel just east of the corner of the quarry. This is along northeast alberta street just west of 82nd avenue. Going farther down alberta, you can see that it is not improved to city standards. The south property line of the site is to the right in the photo, and residential development is to the left. The area of the site proposed to be rezoned to eg2 is to the right in this photograph, and the actual land is approximately 20 to 30 feet below the grade of alberta fence -- below alberta street behind the fence. This view is from northeast alberta looking north across the undeveloped site area.

**Katz:** Go back to just -- go back to the last slide, because that is what -- so the potential industrial commercial development to the right, because of the sloping land, would drop?

**Cate:** That's correct. It's approximately 20 or 30-foot drop.

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**Katz:** And I don't recall, is the proposal to have that as the back of the development, or the front of the development, or we don't know that yet?

**Cate:** At that point we don't have the development proposal, but this is the edge of the site that is required to prohibit vehicular access into the site here, and also some form of buffer.

**Katz:** Probably would be the back.

**Cate:** It mostly would be the back.

**Katz:** And the reason I raise it, council members, because there are single family homes right across from that -- from that part of the site.

**Leonard:** I appreciate you raising that issue. And you mentioned a buffer possibly being proposed?

**Cate:** A buffer will be required, and what that buffer actually becomes is subject to a future type 3 review that would be triggered when actual use and development is proposed for the site.

**Leonard:** What are the options for a buffer that would be reviewed? What does that mean?

**Cate:** It could be anything from a landscaping, it could be additional setbacks, it could be a combination of that. It could be something else that's -- that the applicant may propose that i'm not creatively thinking of off the top of my head.

**Leonard:** I'm thinking of, for instance, when we did the northwest plan, I recall the term "buffer" being used between the residential areas and the industrial areas. And what are -- is that where the hotels are, and those kind of things we're calling a buffer?

**Cate:** The buffer overlay zone typically prevents vehicular access, allows pedestrian and requires certain levels of landscaping and certain setbacks.

**Leonard:** What i'm asking about is in northwest, what is that that we're calling a buffer? What is that that is currently there that is referred to as a buffer?

**Cate:** I'm not totally familiar with that particular plan.

**Katz:** I think this is a -- more of a natural buffer. Yes, no? Landscaping, walls?

**Cate:** Correct. What could go in here. You've also got the natural --

**Leonard:** Is that what they are in northwest, buildings?

**Katz:** Separation between the industrial area and the residential. Correct me if i'm wrong, that we're looking at more of a natural setting buffers.

**Cate:** I would assume that would get proposed in the future.

**Katz:** In fact, the council could require whatever buffers they want.

**Leonard:** Could? Could that be part of what we do here today, is --

**Katz:** Not today. When it comes back to us in type 3.

**Leonard:** Ok.

**Cate:** Ok.

**Katz:** Am I right on that?

**Cate:** The future land use review is -- requires a public hearing before the hearings officer. If it gets appealed, then you would see that future review. But certainly that review and the intent of that future review as codified in the zoning code is to look at what is proposed in the future and then require appropriate buffering methodologies that make the development and future uses more compatible with the neighborhood.

**Katz:** Ok. Go ahead.

**Cate:** This is a view from northeast alberta looking north across the undeveloped site area. Industrial uses and development can be seen in the far background. All these businesses have frontage on northeast killingsworth. This is a view looking east along northeast alberta near 76th avenue. The south property line of the site is to the left. Again, behind the fence, and residential development is on the right. Finally, as part of our tour, this view is looking south along 76th avenue where 76th dead ends into the south edge of the site, and on your right is the edge on sacagawea park. The hearings officer made findings in his report and recommendation to you that

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the proposal on balance is supportive of the comprehensive plan goals and policies, and is consistent with the adopted cully neighborhood plan. Both Portland transportation and the Oregon department of transportation recommend conditions of approval to address frontage improvements and traffic impact mitigation measures. These are discussed in detail in the hearings officer's report.

The hearings officer recommends approval of the proposal with conditions to address the frontage improvements, traffic mitigation measures, and to ensure that prior to development, formal permission is received from odot to connect to their storm water facility so that storm water management on the site complies with the city's storm water management regulations. A number of issues were raised before the hearings officer by citizens in opposition to the proposal. The hearings officer addressed those concerns. He found relevant to the approval criteria in his findings and in his report to the city council. It's important to note that the housing unit potential on this site is a range of 67 to 80 units when you factor in a 15% of the area would be used for internal street access and circulation area. This potential is preserved by the proposed r5 and r2.5 zones on the western third of the site. The no net loss of housing units is not an optional policy that can be waived. In fact, preservation is a code requirement when a comp plan map amendment and zone change request rezones residential land area to nonresidential zones. The code provides a number of ways which the housing potential can be preserved, one of which is upzoning residential areas to higher densities, as is proposed here. Traffic impacts and unimproved streets were also issues raised in opposition. At time of development, streets abutting the site would be improved to city standards as required by the city engineer. The record contains a thorough analysis of traffic impacts and associated mitigation measures. The hearings officer found that the proposed r2.5 zone is consistent with goal 12.6, preserve neighborhoods. The hearings officer also found that the goal 9.1 was met by proper and adequate notification mailed by the city, proper posting of the site by the applicant, and by a presentation of the proposal to the cully neighborhood association prior to submittal to the city. The hearings officer found adequate public services are available to serve the site and future development allowed by the proposed zones. Infiltration of storm water on site is not feasible. However, an odot storm water suer is available in northeast killingsworth. The record shows that odot has indicated permission for future development to connect to their facility. The hearings officer has recommended a condition of approval requiring formal odot approval to connect to their facility prior to building permit issuance. The hearings officer found that the proposal is consistent with goal 8 of the comprehensive plan which speaks to environmental issues.

Also with me today are bob haley of Portland transportation, and kelly hide of b.e.s. to answer any technical questions that may arise during this hearing regarding the city's regulations and the hearings officer's findings for transportation impacts, and storm water management. This concludes staff's presentation.

**Katz:** I have a question. Could you -- who referenced the fact that the no net loss of housing policy is outdated?

**Cate:** That was a concern and an issue that was raised by one of the citizens in opposition to the proposal.

**Katz:** Further questions of staff? We'll call staff back at the end of the testimony. I'm sure there will be other questions. Let's have the applicant. You have 15 minutes. Some familiar faces here.

Ok. Who want to start?

**Steven Yetts:** Mayor Katz, members of the council. My name is steven yetts, my address is 5949 northeast cully. 97218. I am the principal member of the landowners here, and also I am a property owner in other parts of cully. I own a business in cully, and it's a family business, it's been there since 1934. And I plan to remain in cully. Also, i'm the current chair of the cully association of neighbors, although i'm not representing them in this matter.

**Katz:** You're the chair?

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**Yetts:** Yes, ma'am. And I have been involved in the association since the early 1990's when cully was writing their plan, and I filled various chairs in that association. Also in the last eight years I've been the land use contact individual for cully, and feel I know cully very well. This piece of property is -- has been extremely difficult to resurrect, and has taken a lot of planning to get to this point. For four years to date and pending. And this first step. We have tried to strike a balance between a difficult topography development around us, which has preceded our involvement in this piece of property. The laws and wishes of the city of Portland, the neighborhood, and the partnership. Cully is a neighborhood in transition. It was incorporated in the mid-1980's. At that time cully was punctuated by a rural nature, a lot of large open unimproved tracts of land, a lot of r10's, a lot of r7's. The city overlay zoned all the r10's to r5, about 10 or 15% of the r7's to r5. All the commercial and residential has been rezoned by the city. And since then, why, the neighborhood has been evolving along the guidelines set forth by the planning bureau. Infill is not a popular subject with neighborhoods, and is very poignant in cully because of its history. This large area is in rural nature, which is now changing and becoming more integrated with the general overview of what you'd see in the city of Portland. And every time we've had issues come up, infill or development of large r2 lots, it's always been controversial. And I usually hear the same kind of comments from the citizens, changing the real nature of cully, streets can't handle the traffic, it's overcrowding our schools, it brings people in that are undesirable, and today I really have seen only a good come out of most of the improvements of cully, and this plan here is really a part of a process that represents my wish to improve and advance the neighborhood. And it's not 100% popular, and you'll hear from people that are not in agreement, but that's their prerogative. Thank you.

**Katz:** Thank you.

**Don Hanson, OTAK:** Don hansen with otak, the planners and engineers working with steve on the project. Just by way of introduction, we certainly concur with the hearings officer's decision. We think it's very thorough, that it addresses compliance on the part of the planning side, as well as the infrastructure side, which we looked at extensively. Therefore, I just like to quickly overview our idea for the property. I'd like to talk about our outreach process with the neighborhood and the public, and then I'd like to talk briefly about next steps, what comes next for us on the project. The zoning decisions for the site were really driven by site conditions. You've heard some dialogue about the site elevations and contours, as well as the surrounding area and the cully neighborhood plan, which was an excellent guidance document for this area. It really sets out a positive vision for the neighborhood. The portion of the site that we're proposing is employment, is lower from the neighborhood. And it relates very strongly to the north, to killingsworth, where traffic and truck movements are. The portion that we're proposing is a residential -- is residential in two zones, r5 and r2.5 is up even with the neighborhood, and directly relates to the residents around it. We know on the eg2 land that we can buffer that from the neighborhood. There's nothing like having an elevation change to begin with. We're confident that we can come up with a good design. We're also as I mentioned, not doing access on to alberta, but improving alberta. So the truck movements will all head out of the neighborhood towards the north. The residential zones of 2.5 and r5, they're an appropriate transition. As you may recall from staff's mapping, the area to the north of us is zoned r2. We're transitioning from that to r2.5, to r5, and then to the r7 lands that's around us. And what we've discovered in the r7 zoned land of the existing neighborhood is that a number of the sites are smaller than r7. It more accurately reflects an r5 neighborhood. All infrastructure to the site is there with the necessary capacity. We've had dialogue with all the bureaus to determine that that's the case. In terms of our discussions, we've talked with planning obviously early and often, and asked them very plainly, is this a good idea. And their anxious has been yes from the beginning. We've talked with transportation about future streets, how they should circulate on our site, what the patterns should be to improve response time, emergency vehicle access, as well as,

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again, kind of separate truck movements from residential movements. Our proposed residential does not increase traffic volume in the neighborhood as compared to the current r7 zoning. So we feel good about that. Parks, we've talked extensively with parks, in particular about sacagawea park which is directly south of our site. And talked with them about how we should treat the edge of that park, do they want to expand it, you know, we're really not certain at this point, but we know if they do want to expand it, it's an allowed use, and -- in the residential zone we're proposing next to it. Riley whitcomb from the parks bureau has been in our pre-app, and we continue to talk with him about the project. Public outreach, we've posted the site twice. We think we've done a good job there. We've attended four neighborhood meetings out in cully, and as staff mentioned we've had our public hearing, which was noticed. We've always been completely forthcoming about what we are proposing, and we will continue to be. Which takes me to the next step. You know, what we're asking council to do now is really make a conceptual decision with us on zoning and how the site might best be organized for use in the future. But the details of this are very important. They're very important. And some detail items that we're going to focus on are first of all the buffering that commissioner leonard referenced. There will be detailed design documents for that that illustrate how it might be. We know it will be at least a site object securing fence, probably evergreen tree planting on the bank area along alberta to separate the two uses. And luckily alberta provides additional spacing between the residential homes that you saw in our neighborhood at the north end. We'll continue to talk with transportation about streets, as well as pedestrian circulation through the neighborhood. We're proposing to kind of separate industrial traffic and residential traffic. That doesn't mean we should separate pedestrian movements. It should -- it would be nice if people who lived in our housing worked in our eg 2 zone. The residential design for the infill portion of the site is something that we'll pay close attention to also. It's been an issue around Portland. Particularly in the east side neighborhoods. But i'm encouraged right now about that, because planning is embarking right now on some infill residential design standards. We think this is a great place to put those standards into place in our r5 zone and our r2.5 zones. So we want to make that happen on this site. The other thing that I think is important is that the public dialogue is going to continue on this. Staff mentioned the cully plan, and this was a great idea, really set out and mandated that we advance a master plan for the site that has much more detail, and we also advance that through a type 3 land use approval process, which at least goes to hearings officer and at least kind of keeps us open for public dialogue in the future.

**Jack Hoffman, Attorney, Dunn Carney:** Thank you. Good afternoon, my name is jack hoffman. I'm working with waybo partners in connection with this project. I'm an attorney with the dunn carney law firm. I want to stress to the commissioners and the people here in the audience that this team and this owner is committed to neighborhood involvement. That there's -- that the neighbors, neighborhood, and neighborhood associations are key elements and key partners to following up and going forward in the next step. That without their involvement, there will not be any success. From a regional perspective, the urban growth boundary was moved in 2002, has been moved again in 2004 for industrial lands, and will be moved again in 2007. At the regional tables, both mtac and mpac, at the elected table and the technical table, there's always been this question that, can we efficiently and effectively develop land within the ugb and be compatible? This is an example in which city of Portland can take back to the regional table and say, yes, it can be done, it can be done, and in a compatible method and a compatible design. So when the discussion continues in '03, '04, '05, and '06 in terms of, are we going to go out onto farmland or are we going to be smarter about using our land inside the u.g.b., this is a primary and stellar example of what can be done. The concept that we're trying to do is basically create family jobs and homes for families, and the -- to create and keep that job housing balance. That we're going to not lose, we're going to keep and maintain 75 homes approximately with no increase in traffic. And I think the key thing on the housing units is that these are family housing units, and that they give options for young families,

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young families with children, that they can live and work inside Portland city limits as opposed to being forced to go out to gresham, hillsboro, or sherwood. The vitality -- increase in the vitality of the cully neighborhood is critical to the city of Portland, it's critical to the schools. And so this allows the city of Portland to give those families an alternative. Finally, the vitality of Portland neighborhoods, the vitality of Portland as a regional center is critical to the vitality of the region, and this team is dedicated to increasing that vitality to furthering that vitality, and to also working with the neighborhood to achieve that end. Thank you.

**Katz:** Thank you. Ok. Questions?

**Francesconi:** You know, there's a lot of good reasons to do this, in the sense that development can help cully, which is a poor part of town the way that steve said. The idea of having industrial land, more industrial land providing jobs to our citizens is important the way jack said. And then the issue of family housing is important for schools and everything else. But there was a very thoughtful letter here written by susan nelson. This question is for you, steve. But other people can address it. Susan talks about that cully neighborhood bears a heavyweight of the industrial zone close to the residents, the proposal would eliminate r7 zone, replace it with some industrial land and also more density, it would put homeowners on three sides of the property right up against industry with high potential for traffic, but also create zoning for skinny lots with attached residential houses adjacent to the industrial area. Then it goes on to say, if we -- so it points out the problems, but then it offers -- i'm not saying this would be acceptable to the whole neighborhood, but susan is trying to be helpful and trying to come up with some ideas, and she goes, if we must give up the r7-8 zone that is now the gravel pit, please consider it for the uses as a neighborhood park. As cully is well underserved by parks, the proximity of a park would make skinny lots and townhouses acceptable. I'm not saying that would be true with the whole neighborhood, but the point is, you know that this is a park deficient area, and apparently don, had you -- you had discussion was whitcomb, you referenced 90 your testimony, that maybe we'll do this. But the question that I have for you, steve, is, a little less industrial land perhaps that allows housing, but a dedication of some of that land to an expansion of the park in an area that's park deficient would make this easier for me to accept. Not kind of wishes and hopes, but more specifics.

**Yetts:** The partnership has never been interested in not having an expansion of sacagawea park, that's one thing i've explored through the years with parks on an informal basis. Just how much of the property, the parks may or may not be interested in has gone from a few acres to six acres. Partnership would not be opposed, and to giving up and selling some or all of the property portion going to residential right now to be dedicated to expanding sacagawea park. Back in the late 1990's, exploring this with parks and pdot, there was some issues on transportation. I've had otec draw up a possible scenario that satisfied both parks and pdot. It did utilize some land now currently owned by the school district, although school districts -- the school district has indicated that this is something they're not going to be using in the future. I think it would be a benefit to the neighborhood to expand sacagawea park. One of the reasons for choosing e.g in the area we've chosen is because of the topography of a north line and a south line makes locating residential on the north of this piece of property very difficult and very close to a pretty severe drop-off. And there's no road action says -- access from all of our east boundary, and certainly no road access to the north of the piece that we want to change to eg. I know this -- I don't know if this answers your question or not.

**Katz:** Why don't we go ahead with the public testimony before we problem-solve.

**Leonard:** Related to that, if I could raise what I am cautious to call a concern, because I want to hear the entire discussion, but i'm just curious what other examples we had of any other neighborhood in the city where we have gone from a residential zoning to an industrial zoning. Are there any?



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**Katz:** These would not be the right people to -- but there may be people from b.d.s. here who can help us, and if not, get the answer to the council and the commissioner.

**Leonard:** I can tell you for the proponents or anybody else, that's a hurdle for me.

**Katz:** Ok.

**Leonard:** Take a current residentially zoned area and rezone it into industrial. So if you have remarks you're going to give later, it would help me for you to address that.

**Katz:** All right. Let's hear testimony. Does b.d.s. have an answer to that, or do you need to spend a little bit of time? Ok.

**Moore:** There are no supporters who signed up.

**Katz:** Anybody who supports this application? All right. Let's take the opponents then.

\*\*\*\*\*: [inaudible]

**Katz:** Ok. Three minutes each.

\*\*\*\*\*: I thought we got 15 minutes. We were the major opponent.

**Katz:** Well --

\*\*\*\*\*: We usually go three minutes for hearings officer recommendations.

\*\*\*\*\*: No.

**Katz:** You did not -- you said three, but we usually give 15. Actually, it's 10, 15, and then five, but we'll do it -- that's fine. Why don't you take 15 and then we'll give the applicant another five.

**John Wallace:** Thank you. Good afternoon. My name is John Wallace, my business address is 6025 northeast prescott, 97218. I'm the vice chair of the cully association of neighbors, and the acting chair of the land use committee of c.a.n. in the matter before you today. This proposal has been presented to c.a.n. a number of times in the past few months. In most land use matters that have come before us, in the year or so since I've been involved with cully, we receive information and have continued to ask questions. But we usually do not take a position on the proposals presented. Our c.a.n. bylaws state membership in c.a.n. shall be open to all persons who live, work, or own property within the boundaries of c.a.n. This leads me to understand that we try to give a fair hearing and seek to find some balance among these different constituencies. At our regular monthly meeting held on April 13, a few of the neighbors who live near the site under consideration attended and asked c.a.n. to lend our support to the petition which they had submitted directly to the city. This would be the petition labeled X H-4 by the hearings officer. The petition bears the heading, petition with the undersigner opposed to the residential zone changes for the Killingsworth quarry due to traffic, parking, and housing density concerns. The petition, which we received 57 signatures at that time, I believe over 85 signatures have been gathered to the present. Because c.a.n. was being asked to lend our support to this petition, I asked for a copy and then made copies for the c.a.n. board so that we could read what we were being asked to support. The cover letter indicated the chief petitioner felt the proposed changes would be detrimental to the livability of the neighborhood due to housing density, traffic, and parking concerns. The cover letter went on to request that the neighborhood property owners who agree with this position should be taken into consideration before making any final decisions. These neighboring residential residents are concerned placing 84 units of housing on a reduced area of acres is unreasonable. They are concerned about unimproved grows in the immediate area and the potential future residents would have a negative impact by parking additional vehicles on the local streets where parking is already quite limited. The Metro 2040 growth concept calls for more compact development to encourage more efficient use of land, promote nonauto trips, and protect air quality. This document also includes establishing both a minimum and a maximum number of parking spaces that can be required by local government for certain types of new development. The petitioners are also concerned about increased noise from additional vehicles in the quiet residential area, and extraneous traffic from driving through the residential streets to avoid the traffic light at the corner of 72nd street and Killingsworth which is already a problem. In addition, they're concerned about

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the safety of the children walking to nearby schools on streets which, according to the petition, will continue to be without sidewalks. The challenge for the applicant seeking this zone change is to try to make available a larger important -- parcel for industrial development, which according to the recommendation of the hearings officer on page 17, number 4a2, is in accord with a relatively newly developed interest by the city, the Portland development commission, metro and the state of Oregon to increase the supply of developable employment land. At the same time, the applicant is seeking to comply with the policy of the urban growth management functional plan in order to not have any net loss of housing units due to industrial development. In addition to this, the applicant is also seeking to address the expressed desire for diversity of housing types. The urban growth management functional plan under goal two, section 2.2, titled urban diversity, quote -- promotes a range of living environments and employment opportunities for Portland residents in order to attract and retain a stable and diversified population. This proposal also attempts to comply with goal four, housing by providing housing of different types, densities -- density, sizes, cost, and locations to accommodate the needs, preferences, and financial capabilities of current and future households. Objective 4-c-4 on page 18 of the same recommendation seeks to encourage expansion of sacagawea park. Parks have come up a number of times in the cully association neighborhood meetings during this past year, both the applicant and c.a.n. Have been working to advance the development in parks in the cully neighborhood. It seems to me as an objective person that an objective person could conclude that the applicant and perhaps at times the city council itself may feel caught between the policies of the regional urban growth goals and objectives and the concerns of neighbors to limit the impact of change on the livability of their neighborhood. To meet both of these outcomes desired by the city, the aforementioned petition has suggested a compromise which is the following, and I quote from the petition, "i feel the e.g. 2h zoning change would be agreeable for the 9.42 acre site as requested, but the current r7-h zone should remain the same for the residential housing instead of being unnecessarily changed to r5-h high density and r2.5h attached housing. This allows the applicant marketable sites and with development the streets and adjacent areas can be improved without the congestion, enhancing the livability of the neighborhood." when presented to c.a.n. on april 13, the majority of those present voted to support this petition. There was also another airing of some of the neighbors' concerns at our regular meeting two nights ago on may 11. Last evening I stood at the bottom of the gravel pit, which is about 30 feet below alberta street on the south boundary, and about the same depth of the level of the ground facing 74th street on the western boundary. It seemed reasonable to me the section which is proposed to be changed from r7h to eg2h is the logical way to develop that piece. As far as the density of housing on the remaining sites, i've been led to believe it is within the discretion of the city council to grant the request of the neighboring residents to keep the zoning at a lower density if that is the desire of the council. I thank you for the opportunity to speak on behalf of the members of the cully association of neighbors and I want to relinquish the rest of my time to kathy, who has done so much work to bring this matter to our attention and to yours. Thank you.

**Katz:** Let me just give an assignment to the staff on the no net loss housing issue. That is, within our code, you'll have to explain it later on, because at -- reading kathy's testimony, she doesn't think that's an issue. And I want to make sure that we come back and share that information. Kathy, go ahead.

**Kathy Fuerstenau:** Ok. My name is Kathy fuerstenau, and I live on 4930 northeast 73rd. I'm trying to squeeze up to 84 units of housing into a reduced area next to an industrial site would be unfair for current and future residents. Saying that having the industrial site be 20 feet below really doesn't buffer in terms of noise and pollution. The overwhelming response of the 138 cully neighborhood property owners who signed the attached petition opposing the zoning change, which is my exhibit a, along with the cully association of neighbors who voted against the proposal, needs to be acknowledged. The cully neighborhood plan, which was adopted in 1992, supports existing

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residential zoning that encourage owner occupancy, objective 4a2 is not being supported. An r2.5 attached home would typically become a rental. Who would want to purchase a thousand square foot home next to an industrial site? Would you? I know I wouldn't. The hearings officer amiss in his report -- admits the proposed zoning designations would not be consistent with the strategies and that it does not maintain the same zoning. The cully plan only encourages zone changes from r7 to r5, not to r2.5 and eg2h. The suggestion this was adopted own 10 years ago and should be ignored is simply wrong. The cully plan to be too objective advocate better enforcement of the existing zoning is being disregarded here. Monica, a northwest community coordinator for d.e.q., feels the air quality of the neighborhood would be impacted by the increase of car emissions. The exhibit b, objective 2b5 of the plan which is to encourage the reduction of air pollution noise is not being met along with title 12 protection of residential neighborhood regarding air quality. Sacagawea, head start director deb barry strongly disagrees with the zoning, fearing for the health and safety are of the children and families who walk to the school on unsafe streets. Objective 2c2 of the plan creates safer streets, yards and open space not being supported. Regarding policy 8.24, reclamation of aggregate sites, hearings officer mr. Ian simpson has disregarded the letter, exhibit d, which details dumping of tires into the quarry. D.e.q. Landfill site manager tim spencer feels that d.e.q. should be brought into this process as soon as possible because of the potential methane gas generation and storm water problems that had been found on similar sites. Objective 42 ensuring excavation fill and future development has not been done. Building a park as suggested by the acquisition program parks 2020 vision would be a more feasible plan. See exhibit e. In parks you can handle storm water runoff by creating a pond, according to barbara piece, program coordinator for d.e.q. Riley whitcomb, property acquisition manager for Portland parks informs me changing to a high density zone could make the property more expensive, making it less desirable. Changing the zoning would be detrimental to the cully plan objective, encouraging public acquisition of area three. It does not state to me or that I could find, that the no net policy -- no net loss housing policy is -- has to be done by applicant alone. I read that metro reviews the zone capacity of residential and nonresidential at the end of the year. Since two new housing developments in the cully area with a combined total of 67 housing units balances capacities, this makes r2.5 zoning request unnecessary. Development is needed, but not when it impacts the current neighborhood in a negative way. An r5 zoning designation over the entire western part of the site would be less invasive and relieve some of the parking, traffic, and housing density concerns of many neighbors. Applicant representative jack hoffman would like to you believe that this site is shovel ready. It is far from that. There's no master plan, as required by the cully neighborhood plan, d.e.q. has not beneficially notified. Odot permits specialist gary hunt says, quote, no official requests have been received in connection to this site, and no tentative permission was given to connect to odot's sewers. The only per nation would have been granted to kevin timmons is permission to apply for permit application. Rodney wick, d.e.q. hydrologist, will not allow constructions of the u.i.c.'s on the landfill site. The adequate public services criteria of zoning change requests has not been satisfied. The hearings officer uses such terms as on the balance, and generally regarding his approval comments. Doesn't that seem to indicate the criteria has not been met? Goal 3.6, neighborhood plan, to maintain and enforce neighborhood plans that are consistent with the comprehensive plan and that have been adopted by the city council has not been supported by this proposal. Since neither city nor the cully association of neighbor has the funds to update this plan, the cully neighborhood plan should be respected and allowed to stand. The proposed zoning change has not met with all the criteria of the cully neighborhood plan, title three of the planning and zoning code, therefore, the proposal cannot be approved as stands. I hope that you will support the neighborhood and the cully association of neighbors by voting no on the proposed zoning changes. Thank you.

**Katz:** I need a clarification. You're the vice chair of the cully neighborhood?

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**Wallace:** Yes, ma'am.

**Katz:** And you came forward with a -- what you call a compromise?

**Wallace:** No, ma'am. The petitioner here that was part of her petition. I was just quoting.

**Katz:** Ok.

**Saltzman:** I just heard the compromise being r5. It was -- you had said r7.

**Fuerstenau:** Well, when -- i've sent two letters -- this has been a long process for me. Initially I sent one letter saying it would be nice to have a compromise I can understand the view of the applicant wanting to have a large industrial unit, it makes more sense. And so I thought, ok, that seems fine, as long as we can maybe do r5 and r7 in the rest of the area. The response I kind of got regarding that was, basically it was kind of a no compromise situation. And that's the feeling I got from him. So as we progressed along later, saying, if we can't compromise, let's do this or that, and it sort of has developed into this, my last testimony in that I feel that we could compromise to r5, maybe try to do a park or try to just maybe get the industrial area a little bit more identified in terms of what might be going there, obviously mr. yett has had indications from developers of what would like to go in there. So if the neighborhood could at least have some idea of what developers have been requesting, so we can have an idea what we might be in for, I think the fears of the neighborhood would be addressed more, because it's just not knowing what we're going to be living next to I think is a great concern.

**Katz:** I don't want to go into a debate on this. We'll come back --

**Fuerstenau:** I know. I was just trying to answer your question how I got from one point to another.

**Francesconi:** That was a very honest, direct response. Thanks.

**Fuerstenau:** Thank you.

**Katz:** I heard something else in your testimony that I want to raise. I don't -- you don't need to answer now, but one of the reasons you didn't want a higher density, because you were afraid of rentals.

**Fuerstenau:** Not just -- no, not afraid of rentals, just that one of the parts of the r2.5, most of the people who live in those kind of units cannot afford housing, and suggesting people that cannot afford housing into a smaller thing right next to an industrial site I don't think is fair for them, and for us, and for them to be basically a buffer between the existing zoning of the r7 people I don't think that is appropriate either.

**Katz:** Ok. Thank you. Let's keep going. We'll come back to that, i'm sure.

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

**Wanda Borland:** My name is wanda borland, my address is 7607 northeast wygant. I respectfully request the city council deny the application requesting the zone change of killingsworth quarry because of noncompliance with policy 3.5 of the comprehensive management plan regarding neighborhood involvement. First, the information was not disseminated to the neighborhood in an effective way, therefore many residents were unaware of the application for a zone change. My house on 76th and wygant is within 400 feet, within the 400-foot minimum notification area, but I did not receive any of the mailed notifications of the requested zoning change. The notice should have been sent beyond 400 feet to all the major thoroughfares surrounding the site since the quarry encompasses such a large area which would affect more people. Compliance with the policy 3.5 was virtually nonexistent. Secondly, information was not disseminated in a timely manner, making it difficult for opponents to reach and prepare an informed written testimony. A few concerned individuals made flyers and distributed them door-to-door may 1 and 2, notifying people of the may 11 cully association of neighbor meetings and the correct location where it was to be held since the public address was repeatedly wrong. The meeting was all attended -- well attended and those concerned citizens were the ones that informed the neighbors what actions they could take to be heard today. Which is certainly not enough time to prepare a well informed testimony. Therefore

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compliance with policy 3.5 again was not carried out. The cully association of neighbors was not utilized as a means of informing neighbors of the applicant for a zone change. The application for zoning change is being submitted by waybo partners only recently did many of the c.a.n. learn that the majority partner of waybo partners is also the chairman of the neighborhood association. The underutilization of the c.a.n. to bring the zoning changing issue before the residents in an active way does not support compliance with policy 3.5. It should be noted that despite the passive stance of the chairman, the members voted to oppose the zoning change in the april meeting. The application to change the zoning designation does not show how it will improve the livability of the existing neighborhoods or provide a desirable level of livability in a neighborhood it proposes to build. There is enough industrial sprawl from the columbia river south to killingsworth, let's drought boundary there. Leave the current zoning designation of the quarry as it is, build a neighborhood that encourage owner occupancy, and will strengthen the existing and long-term residential character of this small but vital area of northeast Portland.

**Katz:** Thank you. [applause] no, no, no. This is a quasi judicial hearing. This is not a demonstration.

**Jerry Fuerstenau:** My name is jerry fuerstenau, I live at 4930 northeast 73rd. I had some prepared things to say, but --

**Katz:** Could you grab the mike so we can hear you?

**J. Fuerstenau:** Certainly. Sylvia cate mentioned on one of her -- on the screen that goal 9.1, citizen involvement coordination was inadequate. Although in the hearings officer's report, he says a policy is supported because a proposed plan and zoning amendments for the site were presented to the cully association of neighbors. That's a bit of a contradiction i'd say. We didn't learn about any of these proposed changes of the neighborhood association, I think -- this is my feeling mr. Yett viewed his position as neighborhood chair to keep it as quiet as he could. The first notification we got was a may 5 mailing from the bureau of development services, and after reading it over, I was confused by what it was saying. I'm sure that many of the neighbors in the area, the vietnamese areas, spanish neighbors, even romanian neighbors would be a lot more confused than I am. And it just seemed like this whole process was trying to block any neighborhood involvement. Until this notice was sent out. And the fact that the site has to be posted for notice of the hearings, as of may 9 the only notice that's posted is in the far corner of the quarry near 75th and roselawn, which is about the most remote point you can find along the fence of this site. And it's still the information for the may 20 -- for the march 22 hearing has nothing -- hasn't mentioned anything about this hearing today. Another incidence where neighborhood involvement is just not there. Mr. Leonard asked about buffering, and I think my wife mentioned the fact that if r2.5 housing were allowed to be built there, they would be the buffer for the western part of the area. And to allow that for people to be the buffer for the rest of us, that's not right either. I just don't think this is really a well thought-through proposal, and I certainly hope the council will vote against it and support our neighborhood. Thank you.

**Karen Eder:** Good afternoon, my name is karen eder, I live on 78th avenue between alberta and prescott. First of all, I would like to say that I deeply resent that so many of us were left out of the loop with regard to the area in question. Tuesday was the first time I joined a neighborhood association meeting. I didn't even know that one existed up until that point. When the flyers started appearing on my doorstep, my porch last week with regards to this rezoning, we all -- this was new to us. Imagine our surprise when we did go to this might be and we learned that the applicant, the owner of the property in question, was none on other than the president of the neighborhood association, mr. Yett. Somebody who apparently doesn't even live in the neighborhood, but does own a business. I can only surmise that our lack of information was due in part to the selfish interest of a few individuals. The cully neighborhood at present I feel, and many of us feel, is a neglect and forgotten neighborhood. We seem to lack so many basic services. I don't understand

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how you plan on cramming even more people, housing, and businesses into an area that is service deficient, that is riddled with drugs, gangs, crimes, slum lords who own shacks that are just a danger and an eyesore. On any given day you can go through the cully neighborhood and see abandoned car, after abandoned car, seedy trailer parks after seedy trailer parks, car graveyards in people's yards. Houses are shack that's look as if they might fall apart in the next rainstorm. I heard horror story after horror story from neighbors, homeowners, at this meeting on tuesday, who have literally become hostages or victims of neighborhood thugs. They all expressed their frustration at the lack of response from police, vector control, nuisance bureau, slum lords, etc. You must really first address these issues before you move any more people, any more homes or any more businesses into this area. If the police, vector control, the nuisance control, etc., are unable to meet the present population needs, how are they going to meet the needs of even more people, businesses, homeowners? When I moved into the area five years ago, I will admit this was not my first choice. It was all that I could afford at the present time. The neighborhood appeared as if it was one in transition, so that was somewhat appealing. It's in transition, all right. It has transformed itself into, and I must say, an embarrassing dump. One at the present time that I am deeply ashamed of. You don't clean up a neighborhood by building more houses, moving in more people, or businesses. The only people that will benefit at this point are the thugs and the criminals and the drug dealers, etc. More victims for them. And i'm tired of being a victim.

**Caroline Skinner:** My name is caroline skinner, and I live at 2420 northwest continuum buy, so I live in northwest Portland, but I own a property at 4729 northeast 78th avenue, that's at about 78th and wygant. I found out about this issue through "the Oregonian"'s article on april 2 that focused more on the concerns about the impact of additional densities. However, i'd like to reference my experience in northwest Portland where we do have vaughn as a division between heavy industry and a dense residential neighborhood. We have a very active neighborhood association that meets our subcommittee, the health and environment committee meets monthly, we have a d.e.q. official quite often with us, and we've had a lot of negative impacts from air pollution. I understand that heavy industry is different than eg 22, but I want to say that the emphasis of the zone from the city zoned zoning book is on industrial and industrially related uses, including manufacturing and production, warehouse and freight movement, wholesale sales, and industrial service. So I would ask each of you to ask yourself, would you want either your home or your residential property to be sited across the street from one of these uses? And I am concerned about the potential lack of buffering in that one row of bushes wouldn't stop the diesel exhaust fumes and it wouldn't stop the noise from back-up alarms that could be going off potentially 24 hours away on forklifts or other clanging metal or unknown nuisances from enter the residential area. I would also like to say that i'm very excited about the possibility of acquiring additional park land for the cully neighborhood that is parks deficient. We seem to all agree on that point. I'm personally much in support of no net housing loss, and i'm concerned that if the western portion does become park land and then the eastern portion became eg2, there is a net housing loss. I guess would I like to say I would accept any combination of park and residential uses between roselawn and alberta. And i'm just asking you to take a closer look at the impact of siting industrial uses across the street from a residential neighborhood, and that is what I personally am most opposing and concerned about. Thank you.

**Cindy Lobdell:** I'm cindy lobdell, I live at 5258 northeast 75th avenue. My property butts up to the existing eg2 designated area on the northern section of this. We have a hill that is down from us. This does absolutely nothing to buffer the noise from the businesses who operate 24 hours a day, five days a week in the existing business area. We have people out talking and laughing and joking at 2:00 and 3:00, 4:00 in the morning, forklift beeping, and like she spoke, the dropping of metal. Every summer we have loud music playing 3:00, 4:00 in the morning as they pipe it over the loud speakers out of this business. So obviously the existing businesses are not following the city noise ordinances. Why are we to believe that any new business going into this area is going to obey

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these noise ordinances? And a little row of bushes and/or a concrete wall isn't going to do anything to buffer any of that from the new homes planning to be built to the west, or the existing neighborhoods that already surround this land. Thank you.

**Shams Cohen:** Hi, i'm shams cohen. I live on northeast 78th place, which is eight houses south of the southern boundary of the proposed industrial eg2. And this is the only house that I own, the only house i've ever owned, and I live in it, and I love it there. And I just wanted to say a little bit about what I love about 78th place and -- in contradiction to what other people are saying about the neighborhood. They must live on a different street. I too was really struck by all the crime and complaints at the neighborhood association meeting recently, and I was really grateful that I don't experience that on 78th place. And I actually feel that the unimproved road of alberta at the north end of the street contributes to not experiencing some of that crime. We actually recently had a high-speed car chase that ended at the end of my street because they couldn't manage going fast on that street, and the police caught the criminals at the end of my street. That's what I want to see happening, the police catching the criminals. There's an elderly woman, mary, who's 69 years old who lives across the street from me, and she has insomnia and she walks down 78th place towards unimproved alberta in the middle of the night, and this is part of her routine. If alberta is improved, if there's sidewalks put n. I'm sure that will be good for some people, and I wouldn't fight that. I would fight that if that all happens just so there can be industry at the end of my street. Right now when you turn off of prescott onto 78th place, it's this beautiful winding road, an 9¼ mile all the electric lines are behind the houses and it has the sense of openness and from the entrance to my driveway you can actually see, because of the elevation change, across the river to the hills on the Washington banks of the columbia river. I really like that. And if that has to go away, I don't want it to be so there's a concrete wall that blocks noise. I'd like it to be because there's a housing unit there that actually supports single family owner-occupancy. When I bought my house 2 1/2 years ago, I did have the wits about me to enquire as to the empty lot at the end of the street, and I was told it was zoned residential. And i'd really like to see it stay that way. When the woman who was first testifying on behalf of the hearings officer talked about the cully neighborhood plan, she said there was support for moving from industrial zoning to employment zoning, but this is a case of moving from residential zoning to employment zoning, and I don't believe that is supported by the plan. I do also deeply support and would be thrilled by the idea of parks land extending, and the original plan, sacagawea park actually extends to 78th place, which is the end of my street. So that would delight me to no end. So I appreciate the commissioners really looking at that question about the buffer zone and what happens at the end of the street there. Thank you.

**Dixie McCadden:** My name is dixie, I live on 4734 northeast 78th place, next to shams. And I also want to say that I was not notified -- I feel like the notification process didn't happen properly. It's like notifying people entering a tunnel, the person that's standing there at one end of the tunnel that something is going to change, and all the traffic has to go through the end of the tunnel, but not telling anybody at the end of the tunnel. I only 11 seven houses down from alberta street, and although some of the people that come up into our neighborhood would say that it's not the best most beautiful neighborhood you've ever seen in the city of Portland, it is to us. We like the fact that there's not a lot of access, it's residential people that live there, you see people getting in a car and go to work in the morning, we know who walks the streets during the day, during the night, and we are very familiar with our own neighbors. We love living there. But proposing to put a business or industrial type business down in that -- in the pit we call it, is not good. To me it feels like if you're driving down the freeway and a big semi truck drives up next to you, it's ok if it goes by you, but you don't want it driving alongside you on the freeway the whole time. And it just -- it's a scary feeling. You don't want that type of stuff right next to you all the time. We want homes that have families that are stable, that will stay in the neighborhood and care about the neighborhood. And cully really needs a lot of care. I just want to thank you for your consideration, and just -- I just

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hope that you'll take the considerations of us neighbors into account when you make your decision about what will happen there, because it will affect us. It's one way in and one way out.

**Michelle Santana:** My name is michelle santana, I live at 4565 northeast 78th avenue, which is in between alberta and prescott. I don't believe the proposed zoning changes should be allowed. My main arguments against allowing the zoning changes is that there will be problems due to significant increase in traffic, there are major concerns about the potential pollutions that may be caused by the rezoning, and also the proposed zoning changes will drastically change the dynamics of the cully neighborhood. According to the approved criteria for base zone changes and the 33.855.050 zoning map amendments, there has to be adequate public servicing for the proposed zone. These public services include transportation system capacity. On the hearings officer's report, under goal 6, transportation, the following is stated -- the proposed eg2 zoned area on the eastern portion of the site will generate more vehicle trips to the area than the current r zoning. This traffic would be directed to northeast killingsworth to dew to access restricts of the cully plan district. Also according to the hearings officer's report under goal 6, transportation, the following is stated -- under the 2020 -- 2023 current zoning and proposed zoning, the study document that's the killingsworth and 82nd avenue intersection will not operate at acceptable standards under existing zoning, the supplemental analysis that was supplied by d.k.s. for 2023 indicated that the intersection of northeast 82nd avenue and killingsworth street is expected to operate at a vc of 1.24. In exceeds odot's mobility standards for these facilities. The major intersections around the zoning changes are already overburdened. It currently takes about five minutes to go through the stoplights at northeast 82nd and killingsworth and at northeast -- or at northeast 82nd and prescott during rush hour traffic.

Adding even more traffic to the area will make an already bad situation intolerable. Currently northeast alberta from northeast 73rd to northeast 79th is unpaved and full of potholes. Personally, I like that. This helps to drastically reduce through traffic not only on northeast alberta, but also on northeast 73rd to northeast 79th itself. On page 28 of the hearings officer's report under connectivity, the following is stated. Though a north cully plan district plan requirement limits access from alberta on the north, alberta street should be improved from approximately northeast 73rd to northeast 79th. In addition, the site should provide north, south, and east-west connectivity tying into the existing grid system where possible. Connectivity would be provided on the sites proposed residentially zoned section as a requirement for the future land division. Due to improvements on northeast alberta and overflow from congested traffic from the major thorough fares, there will be increased traffic on the side streets, northeast 71st to 78th. This increased traffic not only disrupts people who live on the streets, the ills also increases the chances children who play on these streets being hit by a vehicle.

**Katz:** Thank you.

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

**Katz:** Anybody else want to testify? We need to do the rebuttal. Would you come up and dot five-minute rebuttal? Is there anybody else other than mr. Yet from the cully neighborhood association? I said members of the neighborhood association. Are you? Well, no, there were people here who -- officers. Sorry. You two are -- you two are the only ones? Ok. I want to talk about notification afterwards as well. Because that -- i'm -- I want to make sure that's not an institutional problem that we have. Ok. Come on up.

**Hanson:** I'll begin. Don hansen with otac. First of all, on residential density, we were under the impression that the no net loss policy was really fixed. If in fact r5, which we think is a very constructive suggestion from the neighborhood, is acceptable for the area on the western portion of our site, we would certainly concur with that. We think r2.5 works well also as a transition, but if council finds that r5 is more acceptable, we would certainly go with it. There are a lot of references to notification, and I know you'll talk about that later, but i'm going to revisit our public involvement process. We started meeting with the neighborhood association about three years ago.



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It was the first meeting I attended, a large public meeting, probably attend by 50 people and laid out exactly what we were proposing to do. We followed up before our submittal with a second meeting. After our submittal with two additional meetings. There's been no attempt to block information in any way. Quite the opposite. There's no benefit to us to block information. We wouldn't do it. A couple of comments that I just -- from kathy fuerstenau. There's no methane issue on this site. I want to state that into the record. There is no methane. The site is stable, mr. Yet's been there and has monitored that. We have no issues with d.e.q. traffic. There will be an increase in traffic from the area that we're proposing to convert to industrial. That impact will go out onto killingsworth and towards 82nd. A mitigation measure defined in our traffic study and endorsed by odot is that in the future, there may need to be an additional left turn lane from 82nd on to killingsworth westbound. And there's enough right of way to implement that improvement, and we acknowledge that that may need to be done in the future. There was testimony from some residents on 78th. The area of our site that's at the end of 78th today is already zoned industrial. It's not residential today. A couple of comments, and unfortunately the commissioner leonard stepped out, but i'll get into this. The idea --

**Saltzman:** 78th place?

**Hanson:** 78th place. Thank you.

**Saltzman:** 78th looks like it's affected.

**Hanson:** Thank you. The idea of converting residential land to -- good catch on the map. The idea of converting residential land to industrial, we wouldn't normally consider this, but the reason we are now is because of the specific configuration of the site and what it's adjacent to. We're not proposing displacing residential. Our proposal is to keep residential in the neighborhood intact.

**Hoffman:** Just to follow up on that, jack hoffman, again. Again, following up on what don said, it's the topography that's driving the request that we change this from residential to industrial. Because if you look at the topography, with the basically the cliff there on the south side, it just doesn't make sense to have r7 here and have a cliff, then continue with with -- with r7. If you combine or move the residential to the east, then you have that 20-acre piece of property that would be ideal for employment. A couple of other comments or thoughts that I had. Somebody said that cully needs care. I couldn't agree with that person more. I think that's what we're trying to do. This project is designed to infuse private dollars into a neighborhood that has not had private dollars in the long, long time. Both in the jobs and in the housing. R2.5 is not -- is something that wasn't our first request, but we're willing to work with the r2.5. We believe that can work, that won't be just rental units, that they can be owner occupied units. It's very appropriate that neighbors will say, we're not knowing where we are, what we're getting, makes us nervous, or that gives us a pause for concern. And that comes in at the next step. All we're trying to do right now is allow us, give us the foundation, the zoning foundation to do good work for this community and for this neighborhood. The next step, which is the application itself, talks about buffers, will talk about noise, talk about safety and sidewalks. It will have to address alberta. And it will have to address traffic. That's what comes into the next step. That's where the neighborhood, the neighbors, and the association, can work with the owner and work with the team, the otac team, to develop a project that everybody will be proud of. And of course obviously -- we all know that private dollars spurs more private dollars, which increases generally increases the quality of neighborhood.

**Katz:** Thank you. All right. Gentlemen, why don't you step away. Let's bring the staff, i'm sure council will have questions of individuals, but let's bring the staff and get the notification issue, the no net less policy, which the city issues, and I would like some clarification, maybe the council would as well. What are we doing right or are we in error on the notification that there were people who claim they did not get notification? Is that an error on our part?

**Cate:** No. In fact, I think it's -- if I can describe my understanding of that concern, we notified for this land use review pursuant to Oregon law as well as zoning code law the requirements are to send

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out mailed notice to all property owners within 400 feet of the site. We generate a mailing list by having a g.i.s., city g.i.s. program draw the site and then take a radius from the edge of the property for 100 feet out, and then generate that mailing list. I think some of the folks who had called me upset that they hadn't received notice lived directly across the street from that 400-foot boundary. So they lay outside the boundary. And they of course then said, your boundary should be bigger. But 400 feet is what is required. The site is also required to be posted, and the intent of that is for folks who live or work near any site in a land use review, as they pass by, they'll see posting sign that's will alert them to the fact that a land use review is being conducted on this site and hopefully call the bureau or the planner for additional information. The site was properly posted. I'm sure you're all aware that on occasion sites that are posted, the postings disappear for whatever reason. I know that the applicant reposted the site at least twice and made a good faith effort in trying to monitor whether it was the posting notices were disappearing or not. I did make mention in a hearing at the hearings officer's level that the initial first public hearing scheduled for this review was postponed at the last minute due to frankly odot needed more time to prepare an analysis to send back to the city, and we simply weren't ready to go to hearing. So we renotified and reposted the site so this process actually took longer than your average review, because we had a second hearing rescheduled. Also, and I think this is a common concern for some neighbors next to any site that's being -- has a land use review being conducted, they live next to the site, but they don't actually own the property. We mail to the property owner, so folks who rent frequently aren't aware because they didn't get notice, and there's some generally some concerns that way. Hopefully when sites are posted that -- the intent is to build a bridge that way. So folks are aware of the proceedings.

**Saltzman:** On the posting issue, we're given a photo saying the posting didn't reflect the council hearing, that the posting was a march -- of the march 22 officer -- hearings officer hearing. Are they supposed to repost it for the council hearing?

**Cate:** They're not required to by law. I actually -- at the applicant's request I prepared a posting for the city council meeting, even though it's not required, and otac representative reposted the site with that. Now, I can't speak to what happened after it was posted. But they're not required to mail in an affidavit to the city that they reposted, and it's not required. We did mail out to everyone on the initial mailing list, plus everyone who testified at the hearings officer's level a notice for this public hearing as well. So that covers the notice.

**Katz:** No net housing --

**Cate:** No net loss in housing potential, and i'm going to read some excerpts from an email that bob clay prepared. He's in the bureau of planning. Generally it describes the history and intent. It was put in place in 1991 following a "the road to perdition" ic review of the city's comp plan by the state. In order to ensure ongoing compliance with the state housing goal, which is goal 10, the lcdc requirement is known as the metro housing rule, adopted in the early 1980's, and is also known as the regional housing 6810 rule. He goes on to talk about ensuring ongoing compliance and to assure that residential lands within all metro jurisdictions, and inside the Portland urban growth boundary are being used efficiently and effectively for housing. He goes on to say, and I think this gets at mayor one of your follow-up questions, about no net loss and housing, the zoning code has implementation, mechanics to ensure that when there is a comp plan map amendment to rezone residentially zoned lands to a nonresidential zone. How to preserve those housing units or that potential so that they are not lost. And i'm not going to bore you with reading every last detail, but in summary, the zoning code provides seven different methodologies by which an applicant can, when they come forward to the city, requesting a zone -- a comp plan map amendment, seven different methodologies by which they can use to preserve the housing potential. And in this case the applicant has proposed to upzone the residential zone to higher densities on site to preserve the potential for those housing units. I think you asked --

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**Katz:** Let me play with that. What if the council decided instead of 2.5, r5?

**Cate:** You would ultimately -- and i'm thinking off the top of my head, but you would ultimately result in a loss of some housing units because of the units per acre. What the -- the code says --

**Leonard:** Can you explain that? If it's designated r7 now, how is going to r5 going to result in a loss?

**Cate:** It's r7 over so many acres. What the applicant is doing is saying, let's carve out this many acres and turn it to e.g..

**Leonard:** You're assuming we're going to approve the e.g..

**Cate:** Yes, sir.

**Leonard:** I'm not assuming that.

**Cate:** I'm --

**Leonard:** If we just changed it to r5, including what he's proposing to be eg, there wouldn't be a net loss, would there?

**Cate:** That's -- in fact there would be a gain.

**Leonard:** Exactly. And -- .

**Katz:** Let -- we don't know where anybody -- we don't know quite where anybody is.

**Leonard:** I'm about to reveal where I am. [laughter]

**Katz:** I know, but --

**Francesconi:** The suspense is killing me.

**Katz:** As if we couldn't guess. Fine. We'll come back and talk about it.

**Francesconi:** To follow up on that point, what are -- you don't have to read the other six ways, but what are some of the other ways to meet the housing goal, or requirement.

**Cate:** They can rezone and redesignate land off site from a commercial to a residential zone. Anywhere in the city. They can rezone land on or off site to the cm zone. They can participate in building residential units on site or in a commercial or employment zone off site. There's a provision in another method that results in a no net loss of housing including units from the housing pool, and it sends you to another section in the code on how to do that. Or you can go through a covenant enter into a covenant that you build housing units on commercial -- in commercial or employment zones, and that covenant guarantees that the site will remain in the housing.

**Katz:** So the bottom line is, they have to make it up.

**Cate:** Correct.

**Katz:** If we make the changes on this, assuming we maintain the industrial mixed employment, we -- and go to r5, they would have to make it up somehow.

**Cate:** Correct that would result -- and I think that's what I was understanding, commissioner leonard's direction, that would result in some smaller net loss that would have to be made up through one of the various methodologies.

**Katz:** That's all I really wanted --

**Francesconi:** There's --

**Sten:** There's minimums and maximums. I'm not convinced they would be all that different at r5. I'm just guessing the council -- it's probably going to be in the range the council could work with planning to help them meet that loss at r5.

**Leonard:** But again, my question goes to, what other example of converting a designated residential use to an industrial use do we have in any neighborhood in the city?

**Cate:** I can't --

**Leonard:** Bob?

\*\*\*\*\*[**Bob Clay, Planning Bureau?**]: Go ahead. [inaudible]

**Cate:** I would have to do a search in a database, but when you pose that question, commissioner, I thought almost immediately of two cases, neither one of which are before you yet, but are in the city's review cycle, and one is --

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**Leonard:** I'm talking about that have actually happened.

**Cate:** I would have to get back to you. I don't have the database in front of me.

**Katz:** Do you know one that actually happened?

**Leonard:** This is 9.46 acres. This isn't just like a small little boundary adjustment.

**Cate:** I'm pretty confident there are several examples if not multiple examples --

**Leonard:** I'm just asking for one.

**Cate:** I don't have one off the top of my head here.

**Katz:** Ok. Further questions?

**Saltzman:** In your opinion it's not unprecedented?

**Cate:** No, sir.

**Saltzman:** Were you done, randy?

**Leonard:** Actually, I wasn't. I guess I need more than just -- with all due respect, I need an example, because I can think of none in the city where a neighborhood has had a parcel like that converted to industrial use from residential. That seems -- bob?

\*\*\*\*\*[Clay?]: Vocational Village [inaudible]

**Cate:** That's one of the cases I was going to cite, but it's not a done case, a decision hasn't been made. But if I could at least talk to you, there are two examples that are not -- no final decision has been made, but are under current review. One is the vocational school parcel.

**Leonard:** Is that the old p.c.c. site?

**Cate:** No, the old vocational school site at 8020 northeast tillamook and 82nd school district property.

**Leonard:** The -- below madison high school?

**Cate:** Right.

**Leonard:** That's been a grade school.

**Cate:** That property has been sold on a provision to a commercial interest who -- banfield pet, who is --

**Leonard:** But it was a grade school.

**Cate:** Was zoned r5 and they're requesting a zone change to general commercial. So there's an example of a large parcel that's zoned residential --

**Leonard:** My point is one will be able to argue that somebody that bought a home next to the grade school knew it was a grade school, and didn't foresee it being anything but some use institutional use. This is an area that's -- that's vacant, and I guess i'm having a hard time how understanding how somebody would have been told, as we heard testify, that it was residentially zoned, it was vacant, didn't have a structure on it. How that somehow makes sense to convert that to an industrial use. That example I don't think is a great example.

**Katz:** I guess the question was what was -- what is it zoned at. So that's what sylvia said.

**Leonard:** My point is, livability of the neighborhood. To have a grade school next to you and it converts to a veterinary clinic, that's a little more consistent than a bare piece of land that's zoned residential and you convert it to -- bob?

**Katz:** Bob, do you have another one?

\*\*\*\*\*[Clay?]: [inaudible] 42nd street market I think that --

**Leonard:** The old fred meyer?

**Cate:** New seasons is another example.

**Leonard:** On 33rd?

**Cate:** Both 33rd and the interstate site are examples of residentially zoned parcels that either got rezoned or are in the process of a request to be rezoned to commercial.

**Leonard:** But not to be argumentative, that used to be a store. Used to be a grocery store. And i'm talking about in a residential area where you have nothing here --

**Sten:** Do you have a motion, commissioner leonard?

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**Katz:** Do you have any other questions? Let's get the questions out of the way before we make motions.

**Saltzman:** The applicant would be required to redevelop the alberta street up the street standards, city standards.

**Cate:** Yes. Per the requirements of the city engineer. And that's a condition that the hearings officer --

**Saltzman:** That would include sidewalks? Finally, what is an r5h?

**Cate:** R5 is single dwelling residential one unit per 5,000 square feet. The h is the h overlay which is the aircraft landing zone overlay that limits height of vegetation and structures for the incoming flight patterns.

**Saltzman:** Thanks.

**Francesconi:** Before motions -- just a comment, but I would like to make this comment before motions are made to see if it makes any difference. It may not make any difference with the majority of the council. For me to support this, I need more than we've got, that the park is going to be expanded. Because I know this is such a park deficient area. And that's what I need. I have a different issue than commissioner leonard. Because we do need industrial land in some appropriate locations for jobs, and this one may be, but cramming in the housing units without expanding the park is the problem i've got. It's a different problem. And so -- then I was struck with testimony from kathy in response to a question from either the mayor or commissioner Saltzman, kathy -- I guess I know that some members of council don't like to do this, but I sure would like the neighborhood and the applicant to get together with more certainty on the expansion of the park before I can approve this. If you choose not to do that, that's ok, then i'm voting no. So I just want to be clear with everybody where i'm at.

**Katz:** Let's clarify that. You want the applicant to sell us a piece of property, or do you want parks to buy a piece of property?

**Francesconi:** I've talked to parks --

**Katz:** Give us a piece of property versus buying property.

**Francesconi:** At least give us a discount. We're selling property in order to try to purchase Washington high school. That's the situation we're in. And parks is. And when we start selling the property, it's going to be controversial with other neighborhoods. But we're going to do that because of Washington high school. So we need you to -- I can't guarantee, I don't -- I tried to come here with some money to offer, but I don't -- i'm not coming here with money from parks. So we need to have some discussions about it. So the answer is, give it or reduce it at great value. That's why I was asking about the housing, to see if there was some flexibility there.

**Sten:** I agree with commissioner Francesconi. If there's any way to ask him to take a look at the parks issue, i'm very sympathetic on the housing issue. I think r2.5 is too much for this neighborhood, and I don't want to get into saying, we have to follow the code. The no net housing policy is a pretty old piece that was set up to say you can't lose housing potential in the whole city. It's -- we've put in so much high density housing throughout the city since this policy was written, i'm not going to say it's not important, because on a neighborhood-to-neighborhood base us you don't want the ability to put housing into neighborhoods. But I don't think doing r5 or something less than 10 that fits the quality of the neighborhood is at all in violation with the intent of that policy if we were to take a little time and ask otak to work with the planning staff on compromise proposals. I think it would be in the spirit of commissioner Francesconi's suggestion.

**Katz:** Would you come up and address commissioner Francesconi's issue on the park? I guess the question is, would you discount or give --

**Francesconi:** Let's start with giving it. The whole area. [laughter] let's start with that.

**Katz:** Use it for a ski jump.

**Hanson:** I'll start.

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**Francesconi:** How about donate instead of give?

**Hanson:** Now parks has a systems development charge. That's a good methodology to maybe structure some acquisition in lieu of sdc fees. That's a potential. I think step one is, we need to circle back to your staff on parks and really define how they want sacagawea to grow, what's appropriate, what's the edge much it, what's the perimeter, what makes sense. And then measure the acreage, make sure it works and it's suitable to the neighborhood too, then talk money.

**Francesconi:** I did talk with them, they -- it is appropriate bigger. It's not big enough. So that's clear. But that's what we should do.

**Katz:** Let -- did you want to add? This is your property.

**Yett:** Yes, I will address that. Partnerships main goal here is to expand the e.g portion. We feel it's right in a lot of ways. We've done our best to isolate that from the neighborhood the best we can. As a matter of fact --

**Katz:** The question was, the park.

**Hanson:** The partnership is willing to sell at reduced value some or all, may even be in a position to donate some of the land -- my personal wish would be to -- and we had a change -- we had no choice other than to crowd housing down to the west end. We couldn't find any trades to date to make. We have no access to the land pool. We had to make this proposal to know where to balance the no net housing loss. There has been a suggestion made to me by gil kelly on this issue that if parks was desirous to buy all six acres, which at one time they were, to add to sacagawea, which really fits, starting to fit now the criteria for a neighborhood park and perhaps add some school district property to that, they could conditional use an open space zone over existing residential zones. It wouldn't take it out of the housing pool, but would just be a conditional use before it became houses at some future date.

**Francesconi:** It's a creative approach.

**Sten:** I was going to suggest that, but I thought it was too much.

**Yett:** Something else I wanted to bring up here. To the north and west of this piece of property, 24 acres of an old landfill that eventually is I presume is going to go to park use for a regional park. There's 24 acres of e.g. is lost. The conditions of that site is nowhere near the conditions of this site. I doubt if it will be anything other than an open space use. This is gaining back a small portion of that loss. So I think there's a balance here. I think we can work something out. I'm sorry now I didn't come to commissioner Francesconi earlier and talk about this. I was sort of talked out of it by my advisors.

**Francesconi:** I'm sorry I didn't come to you. I was unaware of this.

**Katz:** I'd like to get to some closure on this. We can do two things. We can take a motion, or we - - do they have time to work out some details with parks?

**Frank Hudson:** We don't have to contend with 120-day rule on this.

**Katz:** What would you like to do? Would you like to try a motion and see how --

**Sten:** I don't know if we need a motion. If we do need a motion i'd move we set this over for 30 days and allow for commissioner Francesconi --

**Leonard:** I'm really intrigued by this discussion, so my recommendation would be to not vote on it today.

**Katz:** And work with gil kelley on the --

**Hanson:** No net loss.

**Katz:** The issue of the park overlaying the housing.

**Hanson:** Good. That's fine.

**Francesconi:** Let's include kathy or somebody from the neighborhood too.

**Hanson:** Fine.

**Katz:** I would -- is that all right?

**Hanson:** That's fine.

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**Katz:** All right. So we'll come back in 30 days and hopefully you can come back with a proposal that the entire council can support.

**Yett:** I think that's a good approach.

**Katz:** Ok. Good. Thank you. So 30 days, we need -- I want to set a date right now, because we are not going to notice the date. So write it down. Renotify the date, it cost general fund dollars for notification.

\*\*\*\*\*: [inaudible]

**Moore:** The next available wednesday would be the 16th of june, but that's a 6:00 p.m. session.

**Katz:** That's an evening session? Let's do -- let's do it 6:00 p.m.

**Moore:** 6:00 p.m., june 16.

**Katz:** Ok.

\*\*\*\*\*: [inaudible]

**Katz:** We don't want to open this whole thing up. We've sort of narrowed it down already. If -- there will be testimony -- there will be testimony allowed on the new, or proposal. Yes?

\*\*\*\*\*: [inaudible]

**Bob Haley, Office of Transportation:** Bob haley with the office of transportation. I just wanted to ask commissioner if when odot comes to -- and the applicant comes to talk to parks about the possible changing of the boundaries and what would become park land and what wasn't, that through a future conditional use connectivity and adequacy of services are still approval criteria, so even pdot in talking to parks has known that there are street stubs at sacagawea and the issue of improvement of alberta outside of the e.g is still an issue. So there are expenses regarding public infrastructure that would still need to be met even if it just became a park.

**Francesconi:** So you should be part of it too. Thanks, bob.

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

**Katz:** Ok. So we've got kathy, the applicant, and the team, and bob. All right. Good. Everybody. Thank you. We stand adjourned. We'll be back in a month. [gavel pounded]

At 4:02 p.m., Council adjourned.