



CITY OF
PORTLAND, OREGON

OFFICIAL
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **23RD DAY OF JUNE, 2004** AT 9:30 A.M.

THOSE PRESENT WERE: Commissioner Sten, Presiding; Commissioners Francesconi and Saltzman, 3.

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

<p>DUE TO THE ABSENCE OF TWO COUNCIL MEMBERS THE CONSENT AGENDA ITEMS WERE CONTINUED TO <u>WEDNESDAY, JUNE 23, 2004 2:00 PM</u></p> <p>COMMUNICATIONS</p>	<p>Disposition:</p>
<p>723 Request of Charles E. Long to address Council regarding a letter of encouragement (Communication)</p>	<p>PLACED ON FILE</p>
<p>724 Request of Merrick Bonneau to address Council regarding crimes committed by officers (Communication)</p>	<p>PLACED ON FILE</p>
<p>TIME CERTAINS</p>	
<p>725 TIME CERTAIN: 9:30 AM - Accept the Third Round Title 7 Housing Compliance Report to Metro and adopt a voluntary five-year housing production goal of 134 housing units affordable to extremely low and low-income households in the urban areas of unincorporated Multnomah County (Resolution introduced by Mayor Katz and Commissioner Sten) (Y-3)</p>	<p>36227</p>
<p>726 TIME CERTAIN: 10:00 AM – Approve funding recommendations for after school and mentoring programs made by Portland Children’s Investment Fund Allocation Committee (Ordinance introduced by Commissioner Saltzman) Motion to remove emergency clause: Moved by Commissioner Saltzman and seconded by Commissioner Francesconi and gavelled down by President Sten after no objections.</p>	<p>PASSED TO SECOND READING AS AMENDED JUNE 30, 2004 AT 9:30 AM</p>

REGULAR AGENDA



June 23, 2004

Mayor Vera Katz

***745** Accept an Office of Domestic Preparedness FY 2004 Urban Area Security Initiative Grant to plan for terrorism events through training and equipping First Responders (Ordinance)

178527

CONTINUED TO 2:00 PM

***746** Authorize exemption for federal grant expenditures (Ordinance)

178528

CONTINUED TO 2:00 PM

Commissioner Dan Saltzman

***747** Certify and transfer delinquent sewer system user fees to the Multnomah County Tax Assessor for collection pursuant to ORS Section 454.225 (Ordinance)

178529

CONTINUED TO 2:00 PM

748 Revise residential solid waste and recycling collection rates and charges, effective August 1, 2004 (Ordinance; amend Code Chapter 17.102)

Motion to accept amended Exhibit A: Moved by Commissioner Saltzman and seconded by Commissioner Francesconi and gaveled down by President Sten after no objections.

**PASSED TO
SECOND READING
AS AMENDED
JUNE 30, 2004
AT 9:30 AM**

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

June 23, 2004

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **23RD DAY OF JUNE, 2004** AT 2:00 P.M.

THOSE PRESENT WERE: Commissioner Sten, Presiding; Mayor Katz (teleconferenced), Commissioners Francesconi, and Saltzman, 4.

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

Item 735 was pulled for discussion and, on a Y-4 roll call, the balance of Consent Agenda was adopted.

<p>DUE TO THE ABSENCE OF TWO COUNCIL MEMBERS THE CONSENT AGENDA ITEMS WERE CONTINUED TO <u>WEDNESDAY, JUNE 23, 2004 2:00 PM</u></p> <p>CONSENT AGENDA – NO DISCUSSION</p>	<p>Disposition:</p>
<p>Mayor Vera Katz</p>	
<p>727 Incorporate new City policies and update language regarding environmentally preferable procurement (Ordinance; amend Code Sections 5.33.050 and 5.33.060) CONTINUED TO 2:00 PM</p>	<p>PASSED TO SECOND READING JUNE 30, 2004 AT 9:30 AM</p>
<p>*728 Authorize an Intergovernmental Agreement with Multnomah County to replace a prior agreement for Police Bureau use of the Morrison Building (Ordinance) CONTINUED TO 2:00 PM (Y-4)</p>	<p>178511</p>
<p>*729 Apply for a \$234,902 grant from the U.S. Department of Justice, Bureau of Justice Administration, for the Gang Resistance Education and Training local program (Ordinance) CONTINUED TO 2:00 PM (Y-4)</p>	<p>178512</p>
<p>Commissioner Jim Francesconi</p>	
<p>*730 Amend contract with Northgate Group, LLC to provide professional, technical and expert services for the Old Town/Chinatown 3rd and 4th Avenue Improvements Project (Ordinance; amend Contract No. 34833) CONTINUED TO 2:00 PM (Y-4)</p>	<p>178513</p>

June 23, 2004

<p>*731 Authorize contract and provide for payment for the Road Rehabilitation-2004 Street Improvement Project for SW Washington /Alder and SW 3rd /Arthur (Ordinance)</p> <p>CONTINUED TO 2:00 PM</p> <p>(Y-4)</p>	<p align="center">178514</p>
<p>*732 Grant revocable permit to CC Slaughters to close NW Davis Street between NW 2nd and 3rd Avenues from 10 a.m. on July 3, 2004 through 4 a.m. on July 4, 2004 (Ordinance)</p> <p>CONTINUED TO 2:00 PM</p> <p>(Y-4)</p>	<p align="center">178515</p>
<p>*733 Grant revocable permit to CC Slaughters to close NW Davis Street between NW 2nd and 3rd Avenues from 10 a.m. on August 14, 2004 through 4 a.m. on August 15, 2004 (Ordinance)</p> <p>CONTINUED TO 2:00 PM</p> <p>(Y-4)</p>	<p align="center">178516</p>
<p align="center">Commissioner Randy Leonard</p>	
<p>*734 Authorize Grant of License to Atelier Z to publish, reproduce and publicize any part of all of the entries submitted in the Living Smart design competition (Ordinance)</p> <p>CONTINUED TO 2:00 PM</p> <p>(Y-4)</p>	<p align="center">178517</p>
<p>*735 Extend certain deadlines related to the installation of security cameras in taxicabs (Ordinance; amend Ordinance No. 177794)</p> <p>CONTINUED TO 2:00 PM</p> <p>Motion to eliminate the July 1 deadline from code language: Moved by Commissioner Francesconi and seconded by Commissioner Saltzman and gavelled down by President Sten after objections.</p> <p>(Y-4)</p>	<p align="center">178526 AS AMENDED</p>
<p>*736 Authorize agreement with HCKM, L.L.C. dba Oregon Dispatch Service for central dispatching of towing services (Ordinance)</p> <p>CONTINUED TO 2:00 PM</p> <p>(Y-4)</p>	<p align="center">178518</p>
<p>737 Grant a right-of-way agreement to Sprint Spectrum, LP for three years for mobile telecommunications services and establish terms and conditions (Second Reading Agenda 543)</p> <p>CONTINUED TO 2:00 PM</p> <p>(Y-4)</p>	<p align="center">178519</p>
<p align="center">Commissioner Dan Saltzman</p>	

June 23, 2004

<p>*738 Authorize a contract with Youth Employment Institute to provide a summer work experience program (Ordinance) CONTINUED TO 2:00 PM (Y-4)</p>	<p align="center">178520</p>
<p>*739 Accept an Intergovernmental Agreement for \$10,227 from Metro to support a business recognition program for recycling and waste reduction (Ordinance) CONTINUED TO 2:00 PM (Y-4)</p>	<p align="center">178521</p>
<p align="center">Commissioner Erik Sten</p>	
<p>*740 Donate a 1980 Maxim Marauder 1500 GPM Pumper to Silverton Rural Fire Protection District, in Silverton, Oregon (Ordinance) CONTINUED TO 2:00 PM (Y-4)</p>	<p align="center">178522</p>
<p>*741 Amend contract with Portland State University Business Outreach by an additional \$17,410 for a total of \$121,959, extend contract term and provide for payment (Ordinance; amend Contract No. 35256) CONTINUED TO 2:00 PM (Y-4)</p>	<p align="center">178523</p>
<p>*742 Authorize application to the Department of Housing and Urban Development for a grant in an amount of up to \$700,000 for Portland YouthBuilders (Ordinance) CONTINUED TO 2:00 PM (Y-4)</p>	<p align="center">178524</p>
<p align="center">City Auditor Gary Blackmer</p>	
<p>*743 Cancel City liens that are being extinguished due to Multnomah County foreclosure transfer, or otherwise deemed uncollectible (Ordinance) CONTINUED TO 2:00 PM (Y-4)</p>	<p align="center">178525</p>
<p>744 Amend the fee schedule for land use review hearings provided by the Hearings Officer (Ordinance) CONTINUED TO 2:00 PM</p>	<p align="center">PASSED TO SECOND READING JUNE 30, 2004 AT 9:30 AM</p>

June 23, 2004

<p>749 TIME CERTAIN: 2:00 PM – Consider the proposal of Interstate Investment and the recommendation from the Hearings Officer for approval of a Comprehensive Plan Map and Zoning Map Amendments with adjustments to allow for the construction of a New Seasons Market grocery store at 6400 N Interstate Avenue (Hearing; LU 04-007763 CP ZC AD)</p> <p>Motion to uphold the decision of the Hearings Officer and approve the development: Moved by Commissioner Francesconi and seconded by Commissioner Saltzman.</p> <p>(Y-4)</p>	<p>ACCEPT HEARINGS OFFICER'S RECOMMENDATION</p>
<p>*750 Amend the Comprehensive Plan Map from High Density Multi-Dwelling with Design zone overlay and Low Density Multi-Dwelling to Neighborhood Commercial and change zoning from R1, R2a and R2.5 to CN2 and seek Adjustments on real property located east of North Interstate Avenue, south of North Portland Blvd. and north of North Holman (Ordinance; LU 04-007763 CP ZC AD)</p> <p>(Y-4)</p>	<p>178530</p>

At 3:32 p.m., Council recessed.

June 24, 2004

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **24TH DAY OF JUNE, 2004** AT 2:00 P.M.

THOSE PRESENT WERE: Commissioner Sten, Presiding; Mayor Katz (teleconferenced), Commissioners Francesconi and Saltzman, 4.

Recessed at 2:03 p.m.

Reconvened at 2:04 p.m.

Commissioner Francesconi arrived at 2:04 p.m.

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

	Disposition:
*751 TIME CERTAIN: 2:00 PM – Adopt the Spring FY 2003-04 supplemental budget in the amount of \$45,809,428 and make budget adjustments in various funds (Ordinance introduced by Mayor Katz) (Y-4)	178531
*752 Adopt budget adjustment recommendations and the Minor Supplemental Budget for the FY 2003-04 Spring Budget Adjustment Process and make budget adjustments in various funds (Ordinance introduced by Mayor Katz) (Y-4)	178532
753 Public Hearing to discuss proposed use of certain State Shared Revenue (Hearing; introduced by Mayor Katz) (Y-3)	PLACED ON FILE
754 Certify that certain services are provided by the City of Portland for eligibility of State Shared Revenues (Resolution introduced by Mayor Katz) (Y-3)	36228
*755 Elect to accept funds from the State of Oregon under the State Revenue Sharing Program for FY 2004-05 (Ordinance introduced by Mayor Katz) (Y-4)	178533
*756 Create one new fund in FY 2004-05 effective July 1, 2004 (Ordinance introduced by Mayor Katz) (Y-4)	178534
*757 Adopt the annual budget of the City of Portland and establish appropriations for the fiscal year beginning July 1, 2004 (Ordinance d by Mayor Katz) Motion to adopt the suggested technical changes in the revised attachments: Moved by Commissioner Francesconi and seconded by Commissioner Saltzman. (Y-4)	178535 AS AMENDED
*758 Levy taxes for the City of Portland for the fiscal year beginning July 1, 2004, and direct the Chief Administrative Officer to submit said tax levy and other certifications to the County Assessors of Multnomah, Clackamas, and Washington Counties (Ordinance introduced by Mayor Katz) (Y-4)	178536

At 2:30 p.m., Council adjourned.

GARY BLACKMER
Auditor of the City of Portland

By Karla Moore-Love
Clerk of the Council

June 24, 2004

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

June 23, 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.

JUNE 23, 2004 9:30 AM

[Roll call taken]

Sten: Good morning, everyone. We'll start with communications. Mayor Katz is still recovering, is not here today full she may be calling in by phone. If that happens, i'll stop the council meeting and probably call the roll again to have her officially here. You can take a voice vote by phone. Some of our issues today need four votes to pass. So if the mayor is able to call, we'll take her vote by phone. If she's not able to, we'll set over any agenda items that need four votes until either tomorrow or next week, depending on councilmembers we have tomorrow. An unusual circumstance, but obviously the most important thing is the mayor tends to her health. We'll deal with that as it comes along. We'll start with communications. Could you call 723, karla.

Item 723.

Charles Long: Good morning. I'm charles long. I live in northeast Portland. I'd like to speak about a tragedy of neil goldschmidt's moral lapse, not only his tragedy, but the tragedy of his victim. And thirdly, the tragedy of the public's reaction to it, which has been, unfortunately, for many, vengeful, hostile, and unforgiving. I believe that neil's pastor, rabbi emanuel rose, wrote an excellent article in last week's "the Oregonian." he said very wise counsel for us all. I'd like to read a letter that I sent to neil on may 10. "dear neil, I was deeply touched by your public confession of moral lapses. Join the club. As scripture states, we're all have sinned, but our heavenly father comes close to who confess and sincerely repent of their transgressions. There's a wonderful example of god's grace in the gospel of st. John, chapter eight, verses three through 11. Jewish leaders catch an adulteress in the very act and bring her to Jesus, but she humiliates these finger-pointers by declaring he that is without sin, let him cast the first stone. Beginning with the eldest, they slip away from the scene. Jesus asks,"where are your accusers?" "they fled in shame." Jesus says,"neither do I condemn, go and sin no more." i'm closing two copies of the most beloved text of the new testament, the gospel of st. John, which contains the story I cited. We cannot overcome our own sins, but God can reconcile us to himself through the atonement of God our savior. It is unfortunate that in today's "the Oregonian" on the front page of the metro section there's an article about the powers that be in salem are going to remove the ex-governor's portrait from the capitol and store it in a third floor obscure library where none of the public that tour the capitol will be able to see. I think this vengeful spirit is unfortunate, and I hope that some day the public will appreciate their sin in not forgiving our former wonderful mayor and governor. Thank you.

Sten: Thank you, mr. Long. 724.

Item 724.

Sten: Is mr. Bonneau here? That brings us to consent agenda. The mayor won't be able to call in, so we'll set over the consent agenda until 2:00 this afternoon. We'll move to the time certians and then the regular agenda. They're about half and half. About half are emergency ordinances that need four votes or five unanimous votes to pass and half are not. The council is going to hold the hearing on each of these items today. We'll take the public testimony, hold the hearing, and set over the vote on the emergency ordinances until such time that we have the proper number of councilmembers. So if you're here on any of these items, please testify today as we probably will not be opening it back up for public testimony either this afternoon, or tomorrow, or worst case

June 23, 2004

scenario next week. Hope that makes sense. Our 9:30 time certain is 725. Would you read that, karla.

Item 725.

Sten: I'll ask barbara sack from planning to come up and make a brief presentation on this.

Essentially the regional housing strategy adopted by metro and the city and just about all of the region's cities and counties took part in the htac report. This is actually the third round of reporting, and also involves, to let metro know where we are, and we've reached agreements also with Multnomah county, to do some of the work in unincorporated work in Multnomah county. Barbara is here. Go ahead.

Barbara Sack, Bureau of Planning: Council is being asked today to adopt a resolution that accepts our third-round report that demonstrates continued compliance with title 7, affordable housing of metro's functional plan, and to adopt a voluntary housing production goal for unincorporated urban areas of Multnomah county of 134 units, affordable to extremely low and low-income households. I will first explain the report and then the voluntary housing production goal. Metro council has determined that affordable housing is a matter of regional concern. In 2001 it amended the functional plan to initiate a series of reporting requirements for local jurisdictions under progress in achieving the goals of metro's regional affordable housing strategy. In addition title 7 also requires local jurisdictions to adopt five-year voluntary housing production goals as recommended by the affordable housing strategy. And you have had distributed to you a table from title 7 that shows what the goals are for all the jurisdictions. But first the report. In april 2002 the city of Portland submitted its first round of reporting, which constituted a brief summary of the city's action on a variety of land use and other tools and strategies designed to promote broader affordable housing opportunities. Last december, december 17, we asked you to accept the second-round report, which was presented by mike saba, and this report was fairly extensive and it's appended to the third-round report. This report focused on fundamental, legislative and policy action taken to reflect our comprehensive plan compliance with regional goals expressed in title 7. The second report also reported on the compliance for the unincorporated areas for Multnomah county for which the city has entered into an urban planning agreement. I brought this map. It's a little battered. The areas in purple of what we call the urban pockets. We've entered into an agreement with Multnomah county to do land use planning for these areas. They have adopted our comprehensive plan and zoning code for those areas. So our comprehensive plan, housing policy, applies in those areas, and our land use zoning code applies in those areas. And the only exceptions are the western part of hayden island and that little part up there near sauvie's island. So this is what we're talking about when we're talking about the urban areas of unincorporated Multnomah county that are Portland's urban pockets. That means these areas are within our urban services boundary. This third and final report addresses the outcomes of amendments to Portland's comprehensive plan and implementing ordinances related to affordable housing that were pending at the time of the second report in december 2003. So this report is an update. You had a fairly extensive report on Portland's affordable housing tools in december. And this report on what's happened since then, and this is only less than six months later. Portland has not amended its comprehensive plan housing policy, which was this was adopted in -- because this was adopted in 1998 and fairly new. The way we add new objectives and policies to our comprehensive plan related to affordable housing is area plans are incorporated, there are some policies and objectives in those plans that are incorporated into the comprehensive plan that address affordable housing. More importantly, with these plans, we've also adopted some land use planning tools to increase affordable housing production. And these are listed in the charts in this report. For instance, in the south waterfront plan, we increase the number of dwelling units required per acre in the required residential areas from 29 units to 43 units. In the pleasant valley plan district regulations, now pending, they're about to be heard by planning commission, the area of pleasant valley that Portland

June 23, 2004

will eventually annex is all zoned single family, so we're allowing duplexes at any locations in these areas once the area annexes, and this area will also be governed by Portland zoning code regulations, which allows accessory dwelling units. The allowance of accessory dwelling units is an example of a zoning code tool that promotes dispersed affordable housing. Recently we just adopted the st. Johns/lombard plan. An issue in that plan was providing some live/work housing for artists in the industrial areas. An example was in the st. Johns plan district we're allowing a small number of housing units in buildings in the general employment zone. So that this live/work space can be developed. Another thing that we report on in this third report is the public discussion and testimony on the adoption of affordable housing tools. So in this chart, which begins on page seven, i've listed the plan and the tools and the process and the public response. For instance, doing the adoption of the -- after the adoption of the south waterfront plan, hcdc wrote a letter to city council questioning our adoption of the affordable housing goals for that area and ask that the affordable housing units targets be increased. That's an example of the public discussion of the affordable housing strategy. In the pleasant valley process, i've been told by the planners working on that process that affordable housing has been a consideration in that planning process and that's one of the reasons for the adoption of the tools that I just mentioned. I've already talked about the -- what was discussed doing the st. Johns plan. Other initiatives that the city has adopted that are not land use planning tools are the proposed budget allocation of \$11 million for affordable housing over the next three years is an example of something the city of Portland is doing to promote affordable housing. Also, we participate in the citizens commission on addressing -- ending the institution of homelessness. The city has also been an active participant in the blue ribbon committee on housing resource development. And lastly, the city is now looking at changes to the new housing tax exemption. There's a proposal for rental house receiving that tax exemption. This is basically what's in this report. It's an update of the last report. And a more extensive listing is in the round two report that mike saba submitted last december. Next we're asking the security council to adopt the voluntary housing reduction goal for the urban areas of Multnomah county. This goal is 134 units. This goal is actually for all the urban unincorporated areas of Multnomah county. So it's all the areas within Portland's urban pockets, troutdale's, gresham's and fairview's. We're recommending that the city of Portland adopt the goal of 134 units because there's very little residentially-zoned land in the urban pockets of these other cities. Troutdale's land outside its boundary, but within its urban growth services boundary is mostly industrial. There's part of a road in fairview. And according to the Multnomah county planners there's only a few residentially-zoned lots in Multnomah county. So most of the residentially-zoned land is in Portland's urban pockets, and most of this land is zoned single-family residential. So a tool that would help us achieve the 134 units would be our accessory dwelling unit allowance in single-family zones. So this concludes my presentation. Are there any questions?

Sten: Questions from the council?

Francesconi: Just one question. It's not about us and our policy. It's about beaverton, gresham, hillsboro, other places. Do you know how they're doing on their housing production goals below 30%, as well as 30%, 50%?

Sack: You know, actually I don't know. Mike, my predecessor, participated in, you know, the htac meetings at metro, and i've not gotten to the point where I participate yet. The thing with these affordable housing production goals there's no monitoring of these goals.

Francesconi: No monitoring of them?

Sack: No. It says in title 7 that the jurisdictions that adopt these goals can use them to monitor their progress.

Francesconi: Well, if they're voluntary and we're not monitoring them, why do we have them?

Sack: There was a long process, talking about -- considering fair share goals for the region --

Francesconi: I know, I know the history.

June 23, 2004

Sack: Right, and this is the final outcome.

Francesconi: Well, can you try to ask -- without doing extra -- much extra work, can you try to contact some of the major jurisdictions, just to find out what they've done in this regard, if they know?

Sack: Ok.

Francesconi: Specifically beaverton, gresham. Let's see here. Some of the major cities.

Sack: Ok.

Francesconi: You don't have to do all the cities. Just a few of the major ones. See if they can give us a report on what they've actually done.

Sack: Ok.

Francesconi: Because as we all know, this is a regional issue, not just a local issue. And Portland's done a good job. The others need to do their part.

Sack: Right.

Francesconi: Thanks.

Saltzman: So we do the affordable housing production goals for the urban pockets for fairview and troutdale and gresham? Is that what you said?

Sack: We have just agreed to do this because most of the residentially-zoned land in urban pockets is in the urban pockets of Portland.

Saltzman: Right.

Sack: And so I was talking to Diane Luther about this, and, you know, she said there's almost no residentially-zoned land in urban pockets of these other cities. So Portland has -- you know, we're recommending to council that we take the entire 134 units, but it's of course up to council.

Saltzman: Oh. So we're recommending that we take them within the urban pockets of Portland, but it's a goal that -- it's a goal that technically applies to troutdale, fairview, gresham.

Sack: Right.

Sten: Further questions? Thank you. Would anybody like to testify on this item? This is a resolution, so we can take a roll call.

Francesconi: Well, we are doing the right thing by building the housing in Portland for those particular jurisdictions, given what you said about residential versus industrial. Having said that, they still need to do their part. I still believe in a regional inclusionary zoning, and we've kind of gotten away from that. So that's why I asked that the information about what others have voluntarily done. But thank you for your work on this. Aye.

Saltzman: Good work. Aye.

Sten: Thank you. We still do need a regional funding strategy, and I think the voluntary piece, which I'm not satisfied with either, has been really there to see what happens if metro doesn't take more -- well, take stronger steps. I think, you know, despite a lot of goodwill and a lot of good policy work by that committee, and it was good policy work, I think the results of what we're seeing is that metro's going to have to really consider what are the more proactive steps they can take as a regional government to make this happen. I think it's another controversial discussion, but after a couple years trying the voluntary approach, the time has come. Aye. Thank you. [gavel pounded] we will go to the regular agenda. Can you read 745?

Sten: Do we have a presentation on 745?

Moore: I don't think they're able to be here until 10:30. They may come later.

Sten: Ok. Well, in that case why don't we set this over until after our 10:00 time certain. Are the presenters for 746, 747 or 748 here, prepared to take part?

Saltzman: Yeah, 747. Is that the children's --

Sten: The children's initiative is the 10:00 time certain, which I think we should wait five minutes.

Saltzman: Yeah.

June 23, 2004

Sten: Are you here for 747? Why don't we read 747.

Item 747.

Sten: Mr. Vizzini.

Dan Vizzini, Bureau of Environmental Services: Good morning. Dan vizzini, bureau of environmental services. I'm only here to answer questions as they may arise about this collection effort we've had under way since march of this year. Essentially we're attempting to reduce a very large past-due balance -- amount of past-due balances that we have on utility accounts. These particular utility accounts are for customers who don't receive water service from the city of Portland and therefore we cannot use water shut-off as a tool for forcing payment of their delinquencies. State law allows us to, in these cases, transfer their balances to the county and have the amounts paid -- or billed and collected through the county tax system, which is what this ordinance is all about. If the ordinance passes, we will -- we're prepared to complete the necessary filing of forms and these dollar amounts will show up on ratepayer bills in november. I think i'll just stop there, keep it brief, and if you have questions we can get into the --

Saltzman: They'll show up on the property tax bills?

Vizzini: Right. Just for those 700 or so ratepayers who have yet to take care of their past-due balances.

Francesconi: So that's the total of \$1,500,000?

Vizzini: It's a little less than \$1,500,000. We started out this effort with property owners -- with delinquencies in excess of -- or I think approaching \$2.4 million, \$2.5 million. And over the course of the last three months have been able to get hundreds of ratepayers to either pay their past-due balances off or make installment payments towards paying them off. What we have left are about 700 ratepayers who haven't taken those steps.

Francesconi: I'm sorry, 700 out of how many?

Vizzini: We started with 1388. Actually if you look at the entire population, there are over 15,000 ratepayers who receive sewer service from the city, but not water service. Of those we identified a little less than 1400 to try and collect on. And of those, about 700 failed to meet the requirements and we are now looking to transfer their balances to the county.

Francesconi: How much of this is because the computer billing problems, where we weren't billing, and how much is for other reasons?

Vizzini: It's hard to say. The reason for that is that the computer billing malfunction occurred in -- between 2000 and 2002. So most of these -- all of these ratepayers have been receiving bills for at least 18 to 24 months. Once they received their bills, there were -- there were past billed amounts, so they were in effect receiving very large bills. They did have an opportunity to come in and make installment arrangements to pay those down over two years. If they had done that, they wouldn't be in this group. In addition, the city gave them a 20% reduction in that past amount, and that billed amount, under that section of city code that says if we don't bill you, then you get this break. So all of these customers received the 20% in those case where there was a delay due to the billing malfunction, but for all practical purposes more than enough time has passed for them to have either paid the amount -- the past-due amount in full or to make payment arrangements to pay it over time. And what we have are a group of ratepayers who just haven't acted in either case.

Francesconi: Right, I understand. Was it because of the billing problem that they got in the group to begin with?

Vizzini: There's a fair percentage of single family ratepayers in this group who got in this mess to begin with because they didn't receive a bill for 18 months and then they received their first bill. How they dealt with it, in some cases, was responsibly, and in other cases they simply didn't do anything. The other thing to keep in mind is that by transferring it to the county a property owner still has essentially nine months from november to pay this amount off. And it's a relatively small amount in most cases of the property tax bill. But as you know, you can pay your property taxes in

June 23, 2004

thirds, in november, february, and may. And so -- and in addition to that, we're not adding any interest or penalties to the amounts that we're transferring. So essentially we're giving these property owners an additional -- almost a year to get these taken care of by doing this.

Sten: Any further questions? Thank you. Would anybody like to testify on this item? I don't see anyone. So we will set this over for a vote perhaps this afternoon. It's 10:00, so we can go back to our 10:00 time certain, which is item 726. Could you read that, please, karla?

Item 726.

Sten: Commissioner Saltzman.

Saltzman: Thank you, mr. President. We're here today to review the recommendations made by the children's investment fund allocation committee for investments in after-school and mentoring programs in the city of Portland. As you know, the Portland's children's initiative -- or the Portland children's investment fund was created by a voter-passed initiative in 2002. It provides roughly \$8.5 million per year for five years to support programs designed to help children arrive at school ready to learn, provide safe and constructive after-school alternatives for kid, and to prevent child abuse and neglect and family violence. Eligible programs must demonstrate that they are cost effective and have a proven record of success. Prior to the recommendations, the investment recommendations that you will consider here today, the children's investment fund already has provided a total of \$3.2 million per year in early childhood investments and \$1.6 million per year in child abuse prevention and intervention program investments. Those investments are funding services to more than 2,400 children, and 475 families each year and are creating over 50 jobs in the city. Given the magnitude of our need in our community, that is something we can all feel proud about. Lisa Pellegrino will shortly present the details, but I just want to take a moment to run through the process that we've engaged regarding making these investment decisions. The children's investment fund has been part of a comprehensive -- subject to comprehensive input. We've had community gatherings, also worked with academic committee members, citizens who represented academic interests, and citizens who just represented the community, to help us develop the criteria for the request for investment and also to review the proposals for investment when they were received. We developed fair and consistent criteria, and we incorporated all the comments from the community, as well as our citizens into the request for investment that were ultimately approved for distribution by the allocation committee. When all was said and done, we received, for this round, 51 applications, representing over \$22 million in requests for the two-year grant period. Just over 14 million of those requests were for 32 after-school programs and additional 7.8 million was requested for a total of 19 mentoring programs. We took these requests for investment, 51 proposals, distributed them to teams, as I said, of volunteer community and academic reviewers, who scored them against the predetermined criteria. And in addition to the reviewer scores, the staff of the children's investment fund, also provided various other pertinent application details, such as the population served by a particular proposal, the geographic area served, and various financial information as well. And then this collective input was used by the allocation committee in a six-hour marathon meeting to make the difficult decisions about which programs to recommend for investments and in what amounts. So today you have before you the final product of those -- that process. You will be asked to approve funding for 20 grants, 12 for after-school programs, and eight for mentoring programs, representing a total of \$6.4 million in investments over the next two years. And lisa will give you more details on the kinds of programs we intend to fund. As I said before, this is, I think, the fact that we received \$22 million worth of requests for a little over \$6 million to invest over two years certainly, I think, indicates the magnitude of the request is a sobering reminder of the need in our community that far exceeds our available funding. I think we're doing the best we can to make cost-effective investments in proven programs and I hope that the city council will follow Multnomah county commission's endorsements of these investments last week with your support today. I would also like to, at the appropriate point, or maybe with

June 23, 2004

unanimous consent, remove the emergency clause, so we can just make this the first reading today and have a second reading next week. In fact, I guess I would move.

Sten: Terrific. Why don't we do that. I have a motion. Is there a second?

Francesconi: Second.

Sten: Any objections? Hearing none, the motion carries.

Saltzman: Thank you. I'll ask Lisa to walk us through the recommendations.

Lisa Pellegrino, Commissioner Saltzman's Office: Good morning. Before I walk through the recommendations, I'll give you a bit more background so you understand what you're looking at. We focused -- in the request for investment, we asked people to come forward and focus on after-school programs that serve fourth through eighth graders. We also focused on low-income families and children. And focused on cultural-specific services. Those were things that we asked folks to respond to in the r.f.i. When you're looking at the scores, if you have the spreadsheet before you that lists all the programs funded, and I'll read those for the benefit of the viewing audience. First the mentoring programs. We recommended funding friends of the children, big brothers, big sisters of Portland, the boys and girls aid society, Portland impact, metropolitan family services, the bridge builders, Oregon council for hispanic advancement, and trillium family services foundation. Those are all the mentoring programs. The after-school programs were offered by self enhancement, inc., the immigrant refugee center, tualatin valley centers, tears of joy theater, campfire u.s.a., boys and girls club, Oregon health career center, the native american youth association, open meadow, alternative school, ethos, inc., Portland public schools, and Portland opportunities industrialization center. Those were summaries provided of all these programs, but you have the details. The scores across the top reflect the scores the reviewers gave. Nine people looked at these applications and scoring the different sections of the applications. All of the committees included academics, professors, or folks in the research field people who have strong expertise in one of these areas. The community committees were, you know, ranged from parents to high schoolers to people who were active in the children's world, those type of people. If you look across the top of that spreadsheet, there's a number of variables listed. This will give you an idea of some of the things the committee considered. It looked obviously at the score that it received, and, you know, just to note in the top 2/3 the committee only looked at the top 2/3 for funding. They dropped the bottom third based on scores there's only a 14-point spread in the top third. So there's really high scoring, excellent programs will. A very difficult choice to choose between the top programs. That total score is -- gives you a sense of the range. The capacity increase column, we used that column to look at how many more children would the agency be able to serve over and above it's currently serving with the children's investment fund dollars. In some of these cases, a number of programs are offering additional services to the children they're already serving. That only points to the number increase. The number of children served gives you the projected number they're looking to serve in the first year. As you can see, all of the programs that were recommended for funding target low-income families and children. All of them serve or target minorities. Some of them specific minorities. We funded -- or we're recommending for funding six out of 20 of the programs are cultural specific providers, so those are providers of the community they're serving. We also considered the geographic disbursement to make sure we're covering the city. Just to give you a sense of the programs, the geographic spread, five of the programs that we funded were citywide. So they serve the entire city. 11 serve north Portland. 11 serve northeast Portland. 10 serve southeast. And one specifically serves southwest. So we got -- the committee considered the overall geographic spread to make sure we had a good -- a good coverage of the city. We also considered whether any of these services would add services to existing sun schools. So as you can see, from the list, many of the programs do. 14 of the programs that we recommended for funding add services to existing sun schools. Eight of them add services to schools that are on the sun expansion list. They have a list targeted where they would like to go when they have funds

June 23, 2004

available. So we're adding services to those schools as well. That was an important consideration for the committee. One other thing to keep in mind, all of these numbers that -- that you're looking at, all of these target -- service target numbers, are based on the grant proposals as we receive them.

14 out of the 20 recipients of grants received less funding than what they asked for. So these numbers, when we get to contract negotiations, these numbers are going to change somewhat. Some of the geographic areas may change, depending if they only wanted to 10 schools, and only receive enough money to change eight, that's going to change somewhat. These are going to change somewhat as we negotiate the contracts. We've asked each of the folks to come back and present us with a revised budget to take a look at that information. In its current form, we're serving a total of 61 schools around the city. And many -- they're spread out throughout all the school districts. We're serving schools in the parkrose and centennial, david douglas, as well as Portland public. Portland public has the majority since obviously it has the majority of the schools in the city. But we're providing services in all of the schools in the district. That gives you a sense of where the sort of spread of these programs. I'd be happy to take any if you have any questions about what we're recommending.

Sten: Thank you. Questions from the council?

Francesconi: One, but before I do, I can't tell you how thrilled I am with this report, how you're working to integrate all the programs, the schools, the county programs, it's all brought together with more power. The only question is Portland public. I saw the grant to Portland public, and I didn't read the explanation. Can you tell me what that is?

Pellegrino: Yeah, the grant to Portland public is to allow them to expand and put sun schools in schools where there's currently not a sun school. They proposed I think to expand to seven schools. They'll have to scale it back somewhat, but looking at the proposal I would guess that they would get three out of four schools of the funds we granted them.

Francesconi: You gave it directly to them? That's good.

Pellegrino: Yeah. Their application included their contractors they would hire to run the sun schools. They'll have a nonprofit provider of services. Same model, same basic idea. They're going to focus their extended day activities on academics, because a lot of the outcomes we're looking for are academic outcomes. That was something the allocation committee asked for in terms of choosing the types of services they'll put in those schools.

Francesconi: In addition to the money and the resources, is the effort also elevating the school of the sun schools and quality of the other providers in meeting the standards that you're requiring?

Pellegrino: Well, I mean, I think they do in essence because one of the dreams of sun schools is to be able to more services than what their basic package offers through their primarily city and county funding. What a lot of these dollars will do is allow them to extend their offerings and serve more children at the schools that they're offering services. So, I mean, the overall quality experience for the kids I think is increased when they've got a lot more to choose from and you can have more kids who are at risk served.

Francesconi: Can't tell you how grateful I am. Thank you.

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

Sten: Thank you. No further questions. Let's open it up for public testimony.

Sten: Why don't all three of you come up. You'll have each have three minutes to testify. If you look on the little tv screen on the table there, that will be a timer running to show you how you're doing on your three minutes. Come on up.

*******:** I'll go ahead and start.

Sten: Terrific.

Catherine Nyhan: My name is Catherine nyhan. A school counselor for the david douglas school district. I'm going today to help request additional funding for the reap program, which is started in the david douglas school district. Because i've worked in the district for the last three years, I felt

June 23, 2004

like I would be a good person to talk about the benefits that this program will offer for us. I want to let you know a little bit about our district. One of the things that we wanted to make sure that people knew is that all of the districts in david douglas -- all the districts in Portland, david douglas high school has the highest poverty rate. We also have the highest percentage of e.s.l. Students this. In addition, let's see, our e.s.l. Program has grown over 800% in the last eight years, and we've had an rapid increase of gang involvement in our area especially. What we're looking for is to have the reap program come in to the school district to help support both david douglas high school and specifically where I work fir ridge alternative campus. It a prescreened and preselected group of students already failing out of the main high school because of behavioral problems, poor attendance, general just apathy towards academics. Some of them are just low performers. They come to our school. When they blow out of the classrooms, they're not able to stay in the classrooms, we have them sit in an in-school suspension area, because a lot of them we would rather keep them in the school than send them home, of course, but currently we don't have staff to take care of them in the in-school suspension area. What we're proposing to do is have an immersion program with reap where we can provide comprehensive care for these kids where they'll come in, they'll have an opportunity to problem-solve with whatever caused them to leave the classroom. They'll have an opportunity to get caught up on their academics, and they'll be also to get referrals to mental health counseling, things likes that. Right now i'm dealing with students who come in, telling me that -- this year i've dealt with a student pulled off of stark street and raped and came to school. A student who came from bosnia who watched his family be shot. I've worked with students who have family members that are really involved in alcohol and drug problems, so they're not getting enough sleep, or they're using drugs themselves, things like that. This is the best time we have to work with them, to get them. I mean, they're coming to school. That's the amazing thing. These kids are experiencing all these different types of traumas and still attending school because they want help, you know, they want to be connected with someone. And the reap program will give us an opportunity to connect with them both, you know, during the in-school suspension, but also things after school. I mean, we can just -- we can really integrate that program. So I know i'm out of time, but, yeah, I just wanted to make sure that you knew how important it is. And fir ridge is a safe space for kids. The other thing I wanted to say real quick, is because our administration is changing in our school district, this is a really good time for us to have the reap program come in, because we can start them with the beginning of the school year, and the students will accept them a lot better if we can get them in at the beginning of the year rather than having them come in sometime in january when the kids won't trust them. So thank you.

Sten: Thank you very much.

Francesconi: Just one question, I think david douglas may be getting \$7 million additional from the 2648 money that came in.

Nyhan: Ok.

Francesconi: Do you know, have you talked to them about that as a potential source for this program?

Nyhan: No. Is that through the 21st century grant?

Francesconi: No. Through the Multnomah county income tax. You might talk to them about that.

Nyhan: Ok, thank you.

Mark Jackson: My name is mark jackson, director of reap program. We're definitely excited for being here once again. I want to first of all commend the chief and allocation committee for all their hard work in this rigorous process. Several programs have definitely been funded, rightfully so. The purpose of us being here this morning, just to raise the awareness of some concerns that we have as an organization that we raised at the hearing back on the 28 of may with the funding decisions. Number one, we sat down with the staff prior to the application process and got some

June 23, 2004

direct counsel and advice on how to submit the proposal. One thing very clear to us was that smaller programs would indeed be considered strongly with the funding. And having been a part of the hearing process, and it was a long marathon, I tell you, I didn't really think that we as -- that that the committee didn't really accomplish that goal in serving smaller programs. One thing that came up during the process of the hearing was a 25% cap on the annual budget of programs. That's hard for a smaller program to try to meet that restriction, compared to your stronger programs who have been around quite awhile and a larger budget, such as an s.e.i. Reap's program is less than \$25 million. It's hard to serve kids year-round. That was a concern of mine. Also that 25% cap came after the r.f.i. was submitted to the community. It would have been nice to have known about that prior to submitting the application. This number two was the score ranking issue. I thought our program scored really well. We were like nine points shy from the top scores. And I saw programs that scored less than us be pushed to the top beyond us and receive funding. I believe the committee gave over a million dollars to programs that had a lesser score than we did, and i'm still trying to understand that one. Part of the explanation to the county commissioner board last week was it was a policy priority. If my recollection serves me correctly, the priority was to hit high service areas, to hit barriers identified by community members from the breakout sessions earlier in the year, where they had service providers come and share what were the real issues that need to be addressed and how to best meet those needs. As Katherine said, Douglas has a really high need. We have sat down with district officials, the superintendent, and we got a game plan together to really tackle some of these issues in that district. I'm just really kind of surprised that we didn't see funding in the allocation of decision-making, considering we have an entire district behind our program, and went through the steps in the process to do it. I'm kind of shocked. We do have support from commissioner Naito, commissioner Roberts, from the county to make Reap a top priority. And my solution in this process where we are now is that the -- the committee -- the council committee members really would take time to really sit down and talk with the staff to assess the process and to see if possible we can be apart of the initial funding. If not to really consider with the city attorney, to see what type of reserve funds are available to put Reap in this first cycle of funding, because to really wait later on, it will be hard to implement a program such as this. Appreciate it. You're going to hear from some students and staff who have come through the program, and desire to share public comment. I really hope you all consider the value of this program. We've spoken to several of the community members on the allocation committee who are definitely in support of this organization. Thank you for your time.

Sten: Thank you.

deShaun Williams: Good morning. My name is Deshawn Williams, and i'm one of the -- the original Reap members that started back in 1994. I was a student at Jefferson High School, Thomas Jefferson High School, and as a freshman in high school I met Mr. Jackson who became my -- who became my mentor through Reap. And it was a -- a need -- I had a need to have him as a mentor at that point in my life. During that time I had left several friends who went to other high schools, friends that I'd up with, and high school was a hard experience for me in the beginning. It was very needful for me to have Reap and have Mr. Jackson as my mentor, and just through the years of high school we've gone through several -- we went through several principals. A lot of administrative changes. A lot of things happened within the high school that affected us as students, as well as through just my years at Jefferson High School as a student. I also experienced a traumatic event in my life, where I was victimized as a -- as an innocent bystander in a shooting, and once again Reap and Mr. Jackson as my mentor was there, by my side, to assist me and to help me out in those areas, and I continued to press forward, and I succeeded and graduated from Jefferson High School. I also went on to go to Portland State University where I graduated and received my Bachelor's of Arts in Criminal Justice. I've just recently been accepted as a graduate student in the Masters program for social work. So i'm going this route just because I believe that traumatic event really helped me and

June 23, 2004

really pushed me to really take a look at my community and see what's going on in my area and my city, and really want to affect change in my area and in my city. I believe I can do that through -- just through my education that i've received, and just through the help that i've received through -- through reap. I don't consider reap as just a mentorship program that's for in the high school, but mr. Jackson has also become a life-long mentor for me as well. So I just -- I really -- i'm here to advocate for reap and its importance for students who are facing challenges in their lives through the school, through the community, and through their home life. Thank you.

Sten: Great. Thank you so much.

Ryan Brown: My name is ryan. When I first started school I was struggling a lot, and I heard about reap my freshman year. And i'm now going into -- going to be a junior next year. I was faced with some pretty hard times as a freshman. Asked to do drugs with friends, things like that. And my good buddy, mark, right here, I heard about reap my freshman year. I signed up. I figured I could get any help that I would get. And so I did. And I was one of the 10 kids that was picked. And through that reap has helped me a lot. I think reap has a lot to offer to students, especially to me. They've helped me out a lot. They're right now paying for my summer school. I had some negative input at home, some violence in the home, and reap helped me out with that. I felt like giving up in school, you know, like dropping out my freshman year, and mark wouldn't let me do it. He, you know, stayed behind me, pushed me to keep going. And now i'm setting goals like going to college. And I feel like reap is a good organization for a lot of kids. I think it could help. Thank you.

Sten: Thanks. Would anybody else like to testify on this?

Amy Dougal: My name is amy mcdougle, and I graduated from david douglas high school. And kind of like what ryan said, I struggled like through my freshman year, but I became a reap student my sophomore year, and i've been in it since I was a sophomore through my senior year, and like reap really pushed me to like work harder, like accomplish my goals. I didn't really come to school like my freshman year. I had poor attendance and stuff. And reap just liked push me to become more active in school, get more involved in programs. We had started our first african american studies club when I was a senior, and if it wasn't for reap, I would have never ran for office, and I made president. And so I just really think it is a good program for david douglas, and I really think it should be funded, because so many kids have like been changed, like since i've been in the program, some of my friends are in it, and they're like involved like in the trips and stuff, so I really think it's a good program for students. And I really think you guys should consider funding it, because without reap a lot of my friends, and even me, would just probably be dropped out of high school, wouldn't come to school, wouldn't be focused, wouldn't get involved and stuff. So I just think that it should be a program to be funded. That's all. Thank you.

Sten: Ok. Commissioner Saltzman.

Saltzman: Thank you, mr. President. I just wanted to say one of the things, as you can see, the allocation committee had very tough decisions to make, as I said we had over 51 requests for investment. We chose about 20. As perhaps there may be some ray of hope for reap, and other programs who didn't get invested in this particular round, is where we go from here, if the council approves these recommendations at the second reading next week, we will then sit down with each organization that we proposed to invest in and actually negotiate a very specific contract as to the number of children to be served, outcomes, and we expect -- and the amount of money we're going to actually invest. As lisa said the amounts listed in your table today are not to exceed amounts. They're maximum amounts. And in fact, the allocation committee, for at least nine requests for investment chose to invest a lesser amount. And so we anticipate that when we do negotiate these contracts, there will be money still available to invest in round three. And I believe by september, roughly, when we have these contracts signed, there will be money that the allocation committee will return to invest in after-school mentoring programs. And we can take a look at programs like

June 23, 2004

reap, and many others, and some of the points that mr. Jackson brought up, and nate golden, who i've met with, are fair points. This is not a perfect process. We've only been in existence for about a year. And we've done -- this is our third round. We've learned, I think, and improved through each round, but that doesn't mean we've gotten it down to a science by any means at this point. But I do think by september we will be able to revisit some of these investment requests that we didn't get to and make some decisions that might -- may or may not benefit reap, but many other organizations, chess for success and others that were also high scorers. Before we move on, I just wanted to thank all the people who have been involved in getting us to this point today. Many citizens in the academic community and just citizens throughout Portland participated in reviewing and scoring the request for investment. The allocation committee itself consists of myself, county commissioner lisa naito, Portland citizen representative dr. David willis, Multnomah county citizen representative dr. Samuel henry, and then the Portland business alliance representative ron belts, and certainly not but not least, Portland children's investment fund allocation.

Sten: Thank you. We'll be voting on this next week. We'll not be taking public testimony. So if there's any other council comments today. Commissioner Francesconi?

Francesconi: Well, I mean the fact that we had a good program here, and it's great to hear commissioner Saltzman say that there may be a possibility down the road, but the fact that there's not 30 other programs here is a good sign that the process worked really well, and that people -- you know, you had a fair process. So it's not for us to micromanage or second-guess. You know, when you have a good program, great programs are funded, the need is so overwhelming, it's integrated with the schools. You know, what more can we ask for? So other than to advocate for more resources to get to the right programs. So this is terrific. Thanks.

Sten: I'll just say quickly, I want to thank commissioner Saltzman and his team at the fund. This is a monumental program, and also probably want to -- have done it before, but thank the voters again, because this is people investing in their own money and a very hard time to do that economically, and I think really the young men and women from reap are pretty much proof that if you invest in these programs, and I want to compliment you on your testimony today, it pays off in all sorts of ways. I will be supporting the recommendations for the simple reason that I can't run a parallel process. I think people make good arguments and tough ones. I have personal ties to chess for success, and would love to see them get some help, but I think commissioner Saltzman's run of all the things i've ever seen one of the most thorough and predictable processes. So for me to personally reopen it is not fair to the people who were funded. When he says something, he means, so I hope there will be additional conversations for reap. Thank you, everyone. This will move on to second reading. Congratulations again to commissioner Saltzman.

Saltzman: Thanks.

Item 745.

Sten: That brings us to 745. For those of you who have come for 745, since we started, come on up to give us a presentation after we read this. I wanted to update the audience that we had -- there was some possibility the mayor was going to call in and do a voice vote. She was not able to do that, so we'll have the hearing on the emergency ordinance items, and then continue them for a vote at a later date, either this afternoon or thursday or next week, the first time we have four members. Karla, could you please read the item?

Miguel Ascarrunz, Director, Portland Office of Emergency Management: More good news. Good morning, council president Sten, council members. I'm from the Portland office of emergency management. With me today is elise marshall, our assistant director. On behalf of the office, though, we'd first like to wish mayor Katz a speedy recovery, and we know she's up to the task. Today we're pleased to bring to council a homeland security award totaling \$87.1 million. It's granted through -- \$8.1 million. The grant program reflects the intent of congress and the administration to create a sustainable national model program to enhance security and overall

June 23, 2004

preparedness to prevent, respond to and recover from acts of terrorism. The fiscal year 2004, efforts began with the 2003 program, which as you may recall provided the regional -- the city of Portland and the regional area with approximately \$6.7 million. So the program addresses the unique needs of high threat, high density urban areas. We're continuing to work with our regional partners, including clackamas, clark, Multnomah county, and Washington counties, as well as key city bureaus to identify funding priorities. The uasi point of contact group, which provides a regional leadership role, and of which lisa is the primary administrator of, this group actually sets the priorities, and they're continuing to focus on emergency responder protective equipment, training, interoperable communications, medical supplies and pharmaceuticals, and physical security enhancements. As the fiscal year 2005 budget is approved, we look forward to a substantial increase in uasi grant funding, as we've been told. Finally i'd like to commend the following bureaus for their key input into this laborious task, as elise well knows. The police bureau, fire, boec, or bureau of emergency communications, the water bureau, maintenance bureau, parks and recreation, purchasing bureau, the office of management finance, intergovernmental relations, and the city attorney's office, and our own staff for their hard work in getting this grant administered. At this point i'd like to have elise give you a quick overview on some of the priorities we're looking at purchasing through this grant. If you have any questions at that point, be glad to answer them.

Sten: Thank you.

Elise Marshall, Portland Office of Emergency Management: Thank you, miguel. President Sten and councilmembers, again, we're happy to be here with good news. We'll be back again. We will continue to apply for department of homeland security funds as long as it's available and Portland is, I think, putting itself on the map as a city who is doing an excellent job on a regional basis. I just wanted to mention two things to highlight what miguel said. One is these are regional grants with five other counties. And importantly is the administrator for these grants. And I chair the point of contact group. Each county has one person that is the point of contact with the state homeland security office, however i'd like to reemphasize, as miguel mentioned, that poem is not doing this alone. We have a small army of wonderful staff people, especially from purchasing and the grants office and the city attorney who are helping us make our way through this sort of bureaucratic quagmire of grants that will total \$20 million. Certainly not complaining about the money, it will be well spent, but it takes a lot of city resources. Again, like to thank all the people miguel mentioned. When we started this process there was some concern in the region, and commissioner Francesconi may be a little familiar with this, because I think at one time he attended some of the meetings where we discussed if we would really be able to do this on a regional basis with other counties. And what i'd like to share with you today is the breakdown, because I think the city of Portland has proved to be a good steward of the money, and I think the city has proved that we understand the terrorism is not contained to the city of Portland. So what we have done with the uasi grant is given \$441,000 to clackamas county. \$1,000,199 to clark county. To Multnomah county, a total grant award of \$8,000,112. Our fire and rescue bureau will receive \$1,000,009. Our Portland police bureau will be receiving \$1,000,009. And our 9-1-1 center will be receiving \$1,137,000. Out of the \$8.1 million the city is only getting, only taking, only asking for, \$3,000,680. Just very, very briefly, again, the bulk of that money right now obviously is going to our first responders, fire and law enforcement, and it's primarily -- again, this money is very restricted. There are no matching funds. However this money can only be used for -- and if the mayor was here, she'd bite my head off, so i'm not going to use the acronym, but it can only be used for chemical, biological, radiological, nuclear and explosive weapons of mass destruction. So all of the equipment, all of the training, all of the vehicles, all of the clothing, all of the hood masks, all of the equipment that is being purchasing by police and fire, all of the communications that's going to be enhanced through our 9-1-1 center, is to that end for weapons of mass destruction. So we're very

June 23, 2004

proud today to bring this ordinance to you. This is the urban area security initiative grant 2004. The urban area security initiative grant 2005 will be coming to us in the fall. I think i'll quit my job by then. But we will have both the urban area security initiative grant and other office of homeland security funds coming. And in the next rounds, because we're doing very well with police and fire, we'll be looking at emergency management needs for other bureaus in the city, including the water bureau, the bureau of public works and maintenance. We'll be looking more at boec and our park centers. We wanted to take care first of our first responders. We've discussed with emergency management bringing them in with rounds for funding, so we can have truly a coordinated effort for emergency management.

Sten: Thank you. Any questions of the council?

Francesconi: So are we going to get a breakdown of how the money's being spent in each of the bureaus at some point?

Marshall: We do have a breakdown. I just didn't want to go through it today. I'd be glad to share it with you.

Francesconi: That's fine.

Marshall: We have a breakdown for uasi 2003 that we came to you with a couple most ago, and uasi 2004, regional grants, and one just for the city, we will be purchasing, and purchasing can speak to it a little bit more, but we probably have several thousand pieces of equipment, everything from masks and class b suits, all the way up to fire trucks and other vehicles, and all things in between. Yes, we do have a specific equipment breakdown.

Francesconi: Fire trucks is the thing he wanted to ask you about, because of our dwindling capital account and fire trucks come out of the capital account. Can we buy fire trucks from this?

Marshall: Yes, sir.

Francesconi: This is good. Are we buying fire trucks?

Marshall: Yes.

Francesconi: How many?

Marshall: I don't have the number, but chief wilson or --

*******:** I believe we're -- I believe we're buying two.

Sten: Sounds right.

Marshall: I believe we're buying two, and buying one for tualatin valley fire and rescue, who's one of our strong mutual aid partners. So absolutely.

Francesconi: This is good. This one's going to be tougher. How about people that answer the at 9-1-1, people answering the phone when -- in a disaster, god forbid it ever happens, can you do anything to help with 9-1-1 operators?

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

Ascarrunz: What we're doing there, commissioner, actually the amount that elise talked about for going directly to boec to be used on a regional basis to ensure there's connectivity, if you will, or communications-assisted dispatch, between all the public safety answering points in the region. So that's between Washington's public safety answering point and Portland's, our boec facility, 9-1-1 facility, and as well as the other counties in the region.

Francesconi: Does that mean we can hire operators? I didn't understand that.

Saltzman: I think that's a no.

Marshall: I think not to hire personnel right now. It's basically to connect those cad-to-cad systems, so that if our system went down, those calls -- we're buying switching devices. We can switch between counties. So if one county goes down, they can switch to us, and we can still identify that it's a Washington county call, call the Washington county sheriffs. The other thing is that boec has also received a grant to buy a mobile command trailer, so if our 9-1-1 center goes down, we'll have a mobile command center. We haven't figured out where we're going to place it, but something like a trailer that they can operate out of.

June 23, 2004

Francesconi: That's good. Because that was another item on the capital wish list.

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

Francesconi: Those are two good things. That's great.

Saltzman: So the metropolitan area received about \$8 million for this round. Does that mean we can expect a similar amount in 2005 or --

Ascarrunz: From what i've heard, commission Saltzman, it should double. So those are good prospective amounts coming to the area.

Saltzman: Good work.

Sten: Thank you. Would anyone like to testify on this item? I don't see anyone, so we will vote on this as soon as we have the proper number of councilmembers here.

Marshall: Thank you.

Sten: Thank you very much. We'll continue the item until 2:00. And perhaps continue it again. We'll see. That brings us to item 746. Could you read that, karla?

Item 746.

Sten: Sue, is this yours?

Sue Klobertanz: I'm director of purchases for the city of Portland. You just heard that the city is receiving, and you just -- or you will approve the acceptance of the \$8.1 million grant. Similar to the 2003 grant acceptance we're bringing forward a request for an exemption to the normal bidding process. As you might imagine, the 6.7 from the 2003 grant and then this 8.1 additional -- the 2004 grant, brings us to almost \$15 million. That's about half of what the city spends annually in goods and services. As you might imagine, to spend that amount of money in the next 17 months is going to be an incredible challenge. The ordinance that you have in front of you, although the title says to authorize an exemption of competitive bid process, what this -- what this ordinance does is allow us to use procurement methods other than the normal low bid. So this opens the door for us to have competitive sealed proposals, competitive price quotes for items over our normal dollar threshold, and it allows us to go forward with sole source contracts when there's only one provider of a particular item, as well as brand-name items. Exhibit b of this ordinance, commissioner Francesconi, provides you with the detailed listing. It does show two vehicles added to the Portland fire bureau. I can't tell you whether those are standard fire trucks by the title this. I'd have to do some more research as to what kind of vehicles those are. But so the ordinance in front of you will allow us to use every imaginable tool possible to try and expend this money as required in the next 17 months. The findings are attached, are those required by state law to take the exemption from o.r.s. 279 and we expect to have to -- because the timing restrictions on this money -- the good news is we have the money. The bad news is we have to spend it so incredibly fast that our normal procedures really don't work. One quick footnote, this exemption really allows us to do what i've been talking to you about, that is going to be allowed in march 1, 2005, with the new rules coming into play. We're just kind of getting a jump-start on our new flexibility and our procurement process.

Sten: Ok. Questions from the council?

Saltzman: Does that mean everything will not be subject to traditional competitive bid?

Klobertanz: No. We will use competitive bid wherever possible. We actually have a number of annual requirements contracts already in place. Some of the equipment is available off those requirements contracts. If the turnaround time to write the specs and bid it in the normal fashion is acceptable, we'll go ahead and use that. This is just -- just gives the purchasing agent the ability to look item by item and see how long will it take us to acquire the item, what's the best way to do it, and then follow those procedures. It is the intent to have, as much of this purchased as possible through standard competitive, either bid or proposal practices.

June 23, 2004

Sten: Ok. What anybody like to testify on this item? No. This will be continued until 2:00. [gavel pounded] for those in the audience, we've already heard 747 before our time certain, and it's also been continued till 2:00, which brings us to 748.

Item 748.

Sten: Commissioner Saltzman?

Saltzman: Thank you, mr. President. This next item is to set solid waste -- set rates for solid waste and recycling. We have some good news that we don't get to stay every day, and that is rates are going down. Every year the office of sustainable development reviews and revises the rates to reflect the current cost of private haulers providing garbage, recycling and yard debris collection. This is the second year, without a rate increase. Rates were held flat last year. And there are three reasons for the decrease in rate. First, Portland haulers have done an excellent job in cost containment. Second, comingled recycling is keeping costs down. Recycling markets are also very strong right now. Market prices for newspaper, cardboard and plastics are very high. And those revenues do help to offset the hauler costs in our rate setting, which results again in lower customer rates. Bruce walker and susan answer from the office of sustainable development are here to tell us more.

Susan Anderson, Director, Office of Sustainable Development: Susan anderson, director of the office of sustainable development. Nine times out of 10 when i'm up here i'm talking about services that we offer to promote a more healthy and sustainable environment and economy, but this time I think we're up here to celebrate the fruits of our labor, and moreover celebrate the work and participation of residents who have done such a great job in participating in increasing the amount of recycling. With really high recycling rates, and currently there's a great market for those materials, it is really helped the rates overall. The result is that even with rising fuel costs that you're all aware of, we're able to keep the rates low and reduce them a bit for about 80% of our customers. I think in a time of generally rising rates for just about everything else, this is really some good news. And we've worked really hard with the hauling -- with the haulers and with their association to make sure that the way we've done the rates is something that they generally agree with, and bruce will give you a little bit more insights in the details.

Bruce Walker, Office of Sustainable Development: Good morning, commissioners. I'm bruce walker from the office of sustainable development. And I wanted to step through this just real briefly with you in that we typically come to council along with the other utility rates, which was last month. We saw that we needed to spend a little more time on this, because intuitively, fuel's going up, driver wages are going up, metro has a fee increase, all those things are pushing up rates, yet our initial analysis looks like we're going to be proposing a rate decrease. So in discussions with commissioner Saltzman we asked to spend a little more time on it, and he said basically two things. Get it right and be back on a timely manner. Don't drag this thing out. So we're drag this month. We're proposing the rates for -- to become effective in august -- on august 1, and as touched upon by commissioner Saltzman and susan anderson, the major reason is hauler efficiencies, cutting down collection costs, able to trim some of their management costs, and the higher recycling market prices. Both of these things are very good. We pass those along through our rate review process, and it's going to result in a net decrease for over 80% of Portland's customers. One of the things I want to bring up, the credit going to the haulers and becoming more efficient in their costs, all this is being done at the same time as you'll see in the auditor's s.e.a. Survey that they conduct every year, it's one of the highest rated programs that Portland has. Along with parks and fire, the haulers are doing a terrific job of providing the garbage and recycling service. So that combination, good service, high recycling rates the citizens do, and ability to lower rates, I think is a real good news story. We've got a lot to be proud of. Stepping through, we've shown where the rate decreases are. And of course I have a typo in my handout right in the middle this, for the most commonly used level of service, the 32-gallon can, that's increasing 20 cents a month -- decreasing 20 cents a

June 23, 2004

month. That's positive news. I don't want to overinflate that. It is a 20-cent decrease, but with the way costs are going up in many other parts of our life, I think it's a positive thing that we're able to pass that along to the customers. Summary is that we have 81% of our customers having a rate decrease. 9% will have no change. And 10% will have a rate increase. The reason for that, a couple of the items there are, there are some higher costs on the west side we're passing along in our terrain charge. And some of the larger roll carts that have more disposal with that metro tipping fee kicking in are going to see an increase. Yard debris extras as well will go up a slight amount. I wanted to kind of summarize all this. So we're asking for your approval when it goes to second reading so that these rates can be -- become effective august 1, and one other thing, if I could just beg your indulgence for a moment, in the back of the room is -- is neil johnson, bureau of environmental services, economist. He's done a terrific job for us. He and his family are moving to the state of Washington, and I just want to say that he does a lot of the heavy lifting on the analysis. He's done a great job for us. And the work our office does, along with b.e.s., shows good cooperation and much of that is due to neil.

Sten: Great. Thank you. Any questions from the council? I just have one question. This is great news and it's terrific. You know, I think that -- I think it's the right recommendation, because even -- even a small decrease I think means something to people when they get the sense that something's actually going down and there's nothing else I know of going down at my monthly bills, but kind of the devil's advocate question is, do you have a forecast for next year? Would we be better putting this quarter a month into a reserve to stabilize rates for next year? I know people would like to see yard debris picked up more often. I've heard some constituents say they'd rather pay, you know, a little more and get a little more picked up on something like that. That's the question. You know, did you look at other uses for this 25 cents a month as opposed to bringing down the fee?

Anderson: Part of it is it's relatively a small amount, so it would only inch away at our general goal, which is to get better yard debris collection and more consistent and more often. So we didn't think it's the way to go and buy roll carts, because that's a larger expense.

Sten: Not enough.

Anderson: Not enough to really make a difference.

Sten: Ok.

Walker: And we are considering both improvements in the yard debris and recycling program. We're working on those elements right now. And we want to be coming back with our commissioner with a fuller proposal that -- that is months away.

Sten: Ok, great. Anybody in the audience like to testify?

Moore: We have a david white.

Sten: Good morning.

Dave White: Good morning. My name is dave white. I'm regional representative for the Oregon refuse recycling association. I'm chair of the tri-county council, which is a local haulers association. I thought I might -- after the glowing report we just received, i'm afraid I might mess this up, but I do want to comment briefly on our perspective on the process this year. It has been an interesting year. You can imagine -- this isn't just in Portland. This is in gresham, the other cities I work in, in Oregon city, clackamas county, Washington county. Our labor prices costs have gone up. Our insurance has gone up. Fuel. You drive by stations, you know what's happened to fuel. You've heard what's happened with the tip fee at metro. I think the hauling industry did believe there would be a rate increase this year. When we were told that rates would stay flat -- for the second year, like you pointed out. The same situation last year, but even more extreme this year. So how could rates be going down? So I think that the response from our industry was from concern to skepticism to probably outright disbelief. We hired a consultant, joe cook, who works in Oregon, but also other states. He's a consultant c.p.a., and works for garbage companies to help with rates. He reviewed the hauler cost reports that we turn in, adjustments from the city's consultant c.p.a., the

June 23, 2004

city's own adjustments, the projections, and he reported to us that he thought the city's model was accurate and effective and did generate a reasonable rate. The rate, however, is offset by revenue from material. That's where it gets into voodoo. There's no science in predicting just how much revenue is going to be generated from materials -- it's such a world market right now. A lot of what we're talking about is what's happening in china, and we're trying to predict how's that going to impact recycling revenues in Portland. And clearly there's an incentive to be optimistic because the higher the revenue that's projected, the greater offset it has on rates and the opportunity for lower rates is there. So because it's not an exact science, we want to work with the city in upcoming years to come up with hopefully -- I don't know if there are better ways, but at least be creative in terms of how to look at recycling revenues in the future. It depends who you talk to. We'd like to talk more with the local -- I know bruce and the staff does a good job of talking with local people. We want to get more involved in that. I guess the good news is, although we haven't agreed with all the decisions made by staff and the city, we feel we had a forum. We had an opportunity. We were heard. Our concerns we believe were addressed. We look forward to another year of providing great service to the people of the city of Portland. And we certainly hope that they are accurate in terms of their projections of revenue. We are also looking at, I think, in response to commissioner Sten's question, we want to move in the direction of roll carts for recycling for garbage for yard debris. We came in I think a little late with the recommendation similar to what you mentioned, which was to keep the money, put it into a fund and apply it to these programs in the future. But we do plan to talk within our industry, see what we can do to help make the system more efficient, more effective, and we'll be back next year hopefully with some more good news.

Sten: Great. Thank you.

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

Francesconi: It's nice. I think staff also gave you credit, because efficiency of the haulers that translated into that. So that's good.

White: Didn't want to mess it up.

Francesconi: Be nice if we can do that on some other billing, where the efficiency of the customers translates into lower bills, but this is good.

Sten: It's great. Would anybody else like to testify?

Moore: Bruce, was that an amendment to your exhibit a that we needed to --

Walker: We submitted exhibit a yesterday.

Moore: Ok. So it is amended. It changed from the original.

Sten: I would need a motion to adopt the exhibit as part of the ordinance.

Saltzman: So moved.

Francesconi: Second.

Sten: Any objections? Hearing none, the amendment passes. [gavel pounded] and item 748 will move to second reading next wednesday. Thank you, everyone. The council stands adjourned until today at 2:00. [gavel pounded]

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

June 23, 2004

JUNE 23, 2004 2:00 PM

Sten: Karla, why don't I call the council to order. If you could take the roll, then we'll get started while they're trying to connect with the mayor.

Moore: They just got her.

Katz: Hello?

Sten: Can you hear us, mayor?

Katz:, yes, I can hear you.

Sten: Terrific. It's a great pleasure to hear your voice. Welcome back by phone.

Katz: Thank you. I'm glad I can't see you, but i'm glad you can't see me either.

Saltzman: We can hear your voice.

Sten: I'll assume that the gavel's been passed to me since you don't have it by phone, and i'll go ahead and call the council to order.

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

Sten: Here. Mayor, are you there?

Moore: I think it got disconnected?

Sten: Did we lose her again? And then for everybody in the audience, we have probably about 10 minutes' worth of work to do before we'll get to our 2:00 hearing. We had -- the mayor could not call by phone this morning, and we had several ordinances that needed four votes to pass. And so we had to set them over until 2:00. So assuming we can get her back on the phone, we're going to get through the morning agenda and then we'll be ready for the 2:00 hearing. I estimate it will take about 10 minutes, if you'll bear with us. You back, mayor? [inaudible]

Katz: Ok, we're on.

Sten: I was just telling the audience we're going to catch up with this morning's agenda and get to the 2:00 agenda after that.

Katz: Ok. Commissioner Sten, thank you very much for all of your help and all of your work in running the council.

Sten: Well, we were rather you were here, believe me. Thank you. Karla, I believe we'll take the consent agenda first. There's been a request to pull 735. So could you pull 735. Would anybody in the audience like to pull any other items or anyone on the council? Hearing none, roll call on the consent calendar.

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

Katz: Mayor votes aye. [gavel pounding]

Sten: 735.

Item 735.

Sten: I believe there's a request to amend this, is that right?

Katz: Like to delay it.

Sten: Just delay it?

Moore: They want to change the code on that to make the amendment. Correct, justin?

Sten: Ok, come on up, justin.

*****: Thank you. This is extremely simple. The amendment is we discovered at the last moment
--

Sten: Introduce yourself.

Justin Dune: Justin dune, license bureau. The amendment, which pulled it off the consent agenda, is simply that we found that there is a reference in the actual language of the code mentioning the july 1 deadline, and so because we needed now to make this change to eliminate that deadline from the actual code language, wouldn't do any good to eliminate simply from the ordinance and keep it in the code. So that's the purpose of the amendment.

June 23, 2004

Sten: Ok. And then do you have the amendment here for us to --

Moore: It was distributed yesterday, in your tuesday memo.

Katz: Commissioner Sten, the reason for the amendment is because they can't get the security cameras to work properly?

*******:** That is correct.

Katz: All right. Should have told them that. [laughter]

Sten: Ok. Do I have a motion to adopt the amendment?

Francesconi: So move.

Saltzman: Second.

Sten: It's been moved and seconded. Are there any objections? Hearing none, the amendment passes. [gavel pounded] and we will take -- is this an emergency?

Saltzman: Yes.

Sten: Yes. So we will take a roll call on 735 as amended.

Francesconi: When do you think we might have the security cameras?

Dune: We have four vendors in the world that can fulfill this need, this contract. One of them is shipping us a replacement camera as we speak. We should have it in for testing. A second one has said they will have it within two months. Since we tend not to believe the industry deadlines, we've in essence moved this six months.

Francesconi: Thank you.

Sten: Ok. And I failed to ask if anybody would like to testify on this item? I didn't think so, but -- roll call, karla.

Francesconi: Well, this is an important security device, but we have to do it right. Aye.

Saltzman: Well, I do remain opposed to cameras in taxicabs because I do think there is a certain invasion of privacy and the potential for abuse of these pictures, but nevertheless I was on the losing side of that vote way back when and I will now support this minor change now. Aye.

Sten: Aye.

Katz: Mayor votes aye.

Francesconi: You sure are in a complimentary mood, mayor. You come back, we want you to stay in this mood.

Sten: 735 passes. That brings us to 745. Karla, could you read that again?

Item 745.

Sten: This is actually quite a bit of money coming to the region to work on emergency situations and preparedness, and we had the hearing this morning for the benefit of the audience, so i'll just call for a roll call now.

Francesconi: This is a very good thing. They said they could pay for fire trucks out of this. This is a great thing. And they really emphasize the regional cooperation that your office, mayor, has led the way on. So this is a regional effort to keep our whole region safe, with Portland leading the way under your leadership. Aye.

Saltzman: Aye. **Saltzman:** Aye. **Katz:** Mayor votes aye. [gavel pounding]

Sten: 745 passes. 746.

Item 746.

Sten: This was also an item that the public hearing was held this morning. Roll call.

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

Katz: Mayor votes aye. [gavel pounding] and I believe that -- on 747, we took the emergency clause off, if I recall correctly.

Moore: That was 746. We do need a roll call on 747.

Item 747.

Sten: 747.

Francesconi: Aye. **Saltzman:** Aye. **Sten:** Aye. **Katz:** Mayor votes aye. [gavel pounding]

June 23, 2004

Sten: Ok, that wraps up the morning agenda, 12 minutes instead of 10, not too bad, and we're ready for our time certain, which is item number 749. Can you read the item, karla?

Item 749.

Sten: Ok. Thank you. Katherine, do you have a legal briefing?

Kathryn Beaumont, Sr. Deputy City Attorney: Yes, I do. Before we begin the hearing I have a few announcements to make about the type of hearing the order of testimony and some guidelines for presenting testimony. These are statements that are required by state law. First, this is an evidence shear hearing. This means that you may submit new evidence to the council in support of your arguments. This evidence can be in any form, such as testimony, letters, petitions, slides, photographs, maps or drawings. 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 a part of the record. In terms of the order of testimony, because this -- what you are hearing today is a recommendation from the hearings officer to the council, the order of testimony is a little bit different than what you're used to in an appeal hearing. We'll first begin with the staff report by douglas hardy from the bureau of development services for approximately 10 minutes. Following the staff report the city council will hear from interested persons in the following order -- 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, regardless of whether you're speaking for yourself or on behalf of an organization. Next the council will hear from persons or organizations who oppose the applicant's proposal. Again, each person will have three minutes. If there was any testimony in opposition to the applicant's proposal, the applicant will have five additional minutes to rebut testimony given in opposition to the proposal. The council may then close the hearing, deliberate, and take a vote on the hearing officer's recommendation. If the vote is a tentative vote, the council will set a future date for the adoption of findings and a final vote on the hearings officer's recommendation. If the council takes a final vote today that will conclude the matter before the council. In terms of presenting testimony, i'd like to announce several guidelines. First, any testimony in evidence you present must be directed toward the applicable approval criteria for this land use review. Or other criterion in the city's comprehensive plan or zoning code which you believe apply to the decision. The staff will identify the applicable approval criteria as part of their staff report to the council. If you fail to raise an issue supported by statements or evidence sufficient to give the council and parties an opportunity to suspend to -- to respond to the issue, you'll be precluded from appealing. Additionally, if the applicant fails to raise constitutional issues with enough specificity to allow the council to respond, the applicant will be precluded for bringing an action in damages in circuit court to challenge the conditions of approval. What you have before you is the report of the hearings officer and an ordinance. At the conclusion of the hearing if the council is inclined to agree with the hearings officer, it would be appropriate to have a motion to adopt the findings and then a vote on the ordinance.

Sten: Ok. Terrific. Well, let's get started. Staff report first.

*******:** Thank you. Mayor Katz, members of the council --

Francesconi: Do you have to do conflicts? I don't have any conflicts, but i'm proud of my son. He found a job on his own during the summer at new seasons and he likes working there very much. Just wanted to disclose that the spirit of disclosure. And I like having him work there.

Sten: Any formal conflicts anybody would like to declare?

Katz: We tried to resolve the traffic and design issues with the applicant and the neighborhood.

Sten: Ok. Anybody else? Let's go ahead with planning staff presentation.

Douglas Hardy, Bureau of Development Services: Thank you. For the record, douglas hardy, bureau of development services. The applicant for this land use review, new seasons market, proposes constructing a 33,400-square-foot grocery store with 66 surface parking spaces on a

June 23, 2004

roughly 60,000-square-foot site. The site is located in the arbor lodge neighborhood on north interstate avenue and north Portland boulevard along the newly-opened interstate max yellow line. And it's just directly west of the i-5 freeway. The applicant is requesting three separate land use reviews for the proposed development of the grocery store. The first two involve amendments to the comprehensive plan map and the zoning map. The site has a high density residential designation with a design overlay zone, as well as a low density multidwelling designation up in the corner along Portland boulevard. As you can see, there are three different zoning designations. As I indicated two different overlays on the site. Most of the site is located in what is called the r-1 zone along interstate. There's a small sliver of the site, less than 20 feet in width, that's in an r-25 zone, and the upper corner is an r-2 zone with an alternative design density overlay. The applicant is proposing replacing the high density and low density multidwelling comprehensive designation. The neighborhood designation is described in the comprehensive plan as allowing neighborhood-oriented retail and office uses in or near abutting -- or basically abutting housing areas. Development is intended to be oriented to pedestrians, bicycles, and transit users when high quality transit service is available. Part of that comp plan amendment, the applicant is also proposing a zone map amendment, that is to the cn2 zone, or neighborhood 2 commercial zone. Under that proposed zone, the applicant could build up to 45,675 square feet of retail or office space. And the cn2 zone also does allow housing with no absolute floor area limits on housing. This is a slide of the proposed site plan. Key elements of the -- of the proposal include the 33,400-square-foot grocery store located on the south end of the site. Main entrances, the principal entrance is located on interstate with a secondary entrance on the side of the building oriented to Portland boulevard. The site has a canopied trellis along interstate and Portland, and we'll have slides later on that to provide details. As well as a small retail kiosk in that corner oriented to both interstate and Portland. A raised pedestrian path will connect the secondary entrance directly to Portland boulevard and a bus stop that will be located in that vicinity. There will be three lighted trellises that run along that pedestrian path, again to highlight that pedestrian link. In terms of the building elevations -- well, I guess I got to go back. As part of that site plan, the applicant is proposing to modify several development standards of the cn2 zone. One is to reduce -- if I could go back here. One is to reduce the minimum building setback from interstate and holman from required 10 feet to zero feet, as well as to reduce that 10-foot setback for the canopied trellis and the retail kiosk. The applicant is willing to waive the facade facing Portland. The applicant is also requesting to increase the amount of vehicle area along Portland from maximum of 50% to 93%. The cn2 standards also require the main entrance to be connected directly to all abutting streets. The applicant is requesting to waive that pedestrian connection to holman and to north maryland. And lastly, the applicant is also requesting to reduce the parking lot perimeter, landscaping. The code requires a five-foot. They're proposing along portions of Portland anywhere from a one to three-foot in order to accommodate that canopied trellis. These are views of the facades along interstate at the bottom here and along holman street at the top. As indicated here, there's a vast window, storefront windows, that far exceed the minimum standards of the cn2. There will be awnings that extend out over the sidewalks. The main entrance is well within the required distance from the principal transit street here, and the same along holman. It's a very pedestrian-oriented facade. This is the view on the top here of the facade as viewed from Portland boulevard. Again, extensive window areas that exceed the code requirement. The second entrance that I spoke about. This is also the facade where the loading would be located. The facade along the east elevation, or sort of the rear of the site, within the -- closest to that property line, the height of that wall would be limited to 15 feet in height, and therefore in conformance with both the height and setback requirements along that property line. This is a detail of the trellis that's proposed along the corner of where interstate and Portland intersect. It's roughly 8 1/2 feet in height. Masonry columns that reflect the materials on the building. A low ornamental fence with cables that will allow ivy or -- or not ivy -- some sort of

June 23, 2004

trailing vine to climb up the trellis. There are extending canopies over that trellis that in part come over the sidewalk. This is also a portal that allows the pedestrian entrances into that sidewalk that I highlighted from Portland. This is a detail of the retail kiosk again at the corner of interstate and Portland. You also see here the canopies from the trellis that will extend over the sidewalk and begin to replicate a form of the building. The retail kiosk will have window area. It will have seating, built-in permanent seating, as well as an impervious canopy to protect pedestrians. Just for a quick tour of the vicinity and site. This is the site as viewed from interstate. Obviously the interstate max in the foreground here. The site is currently developed with a one-story, nonconforming building used for the storage of armored cars. Surface parking areas off of both Portland and holman at the other end of the site. It's important to note that the alignment of the max down the center of interstate creates practical difficulties for vehicle access to this -- to the applicant site. The only way for southbound traffic on interstate to access the site would be to either take a left at Portland and get directly into the site or travel about a quarter -- quarter of a mile south, make a u-turn around the max, and then come back up to the site. This is obviously a significant controlling factor in where the vehicle areas can go on the site, not only for the parking, but also for the -- but also for the loading requirements. This is a view kitty-corner from the site. Fairly typical development in this part of interstate. Low density, one-story office/retail with some housing interspersed. The areas directly off of interstate are, for the most part, characterized by lower density single dwellings. This is a view directly to the -- to the rear of the site along north -- north maryland in an r-25 zone. In terms of the approval criteria, the applicant is required to demonstrate that on balance the request is equally or more supportive of the goals and policies in the comprehensive plan than the existing designations. The hearings officer found that the request does meet this criterion. Some of the factors considered by the hearing officer include that the proposal will promote mixed use development on this corner site. It allows the opportunity for residential development, comparable to what the comprehensive plan would term a medium density multidwelling development. The designation encourages the redevelopment of an existing nonconforming use open this key site along the interstate corridor. The proposal ensures development that is transit oriented and compatible with the abutting residential uses that at this point are mostly lower density, and that the proposal is consistent with the adopted plans for the area, and that would include the albina -- the albina plan, the arbor lodge neighborhood plan, as well as the interstate urban renewal plan. For the comprehensive plan, the applicant is also required to demonstrate that the proposed designation won't result in a net loss of potential housing. The zoning code prescribes how the net loss and housing must be calculated, and because in this circumstance the proposed amendment is from a residential zone to a commercial zone, or designation, there will be a net loss in potential housing that could be developed under the existing zoning. The zoning code also provides a menu of options that the applicant can do to address that net loss and potential housing. One of those options is to build an equal number of housing units on an offsite location in a commercial zone. And provide a covenant or guarantee that that housing will remain in place for at least 25 years. That is the option that the applicant has proposed. They have proposed a draft covenant for locating up to 30 dwelling units set aside at southeast foster -- southeast foster and 128th with, again, that guarantee, that they'll remain for 25 years. The approval criteria for the zoning map amendments, the applicant is required to demonstrate that the proposed zone is the most appropriate of the corresponding zones to that particular comp plan designation. For the proposed comprehensive plan designation there are two zone designations, the cn2 and the cn1. The hearing officer found that the cn2 as requested by the applicant is the most appropriate for the site given it does allow a higher density of commercial development that is appropriate along a significant transit corridor. And that the site is located in a residential area that is less dense and still developing and that is exactly the type of area that the cn2 zone is intended for. And for the zoning map amendment, the applicant is also required to demonstrate that there are adequate public

June 23, 2004

services available to serve the allowed use in that proposed zone, and responses have been received from all the affected service bureaus that indicate that adequate services are available to serve uses under the cn2 zone. And the last approval criteria for the zone map amendment is that if an overlay zone is proposed to be removed, that the reason for applying the overlay no longer exist and that the request is consistent with the comprehensive plan. As I indicated earlier the comp plan designation as an existing design overlay zone, and the upper corner there is the alternative design density or a overlay zone that the applicant is also requesting to remove. The d overlay was put on the site when the site was proposed for the high density residential. And as indicated in the albina community plan, the d was there really to ensure that this higher density residential development would be compatible with the abutting lower density residential uses. The fact that the r.h. Zone is now being taken off really is grounds at this point, then, to take off the design overlay as well, as the reason for putting the design overlay -- overlay's no longer there. The alternative design density overlay to intended to allow slightly higher density of residential development in residential zones. The a overlay has no effect in the cn2 zone, because the cn2 zone has no density limits on housing anyway, so it's appropriate to take off the a overlay. In terms of the development standards that the -- that the applicant's seeking to modify, the hearings officer found that the relevant approval criteria have been met. And very briefly, to go over the findings from the hearings officer's report, in terms of reducing the minimum setback, the approval criteria met by limiting the height of most of the building within this reduced setback to what is -- beneath what is allowed by the cn2 zone, and as indicated previously the portions of the facade and reduced setback have vast window areas. They have canopies that are very transit and pedestrian oriented. As for the maximum building setback, the request is balanced by providing a facade that faces the site's primary transit street, north interstate, that exceeds the transit-oriented standards of the cn2 zone. The canopied trellises that are located in the corner of interstate and Portland are intended to contribute to an inviting pedestrian environment with the retail kiosk intended to help to activate that corner. Regarding the request for the pedestrian standard modification, or adjustment, the public sidewalks encircling the site provide an equally safe and direct access to the building's main and secondary entrance. Regarding the request to increase the amount of vehicle area along Portland, again, this is mitigated through the use of the proposed canopied trellises and retail kiosks that are architecturally define this edge of the sight and again contribute to the pedestrian environment. And a safe, well-defined pedestrian path that provides a direct link to the store will still be provided. And lastly, in terms of the parking area setback, the canopied trellises with the climbing plants will help to soften and screen have the parking lot as viewed from Portland boulevard, as well as from the sidewalk. And as proposed, there will still be significant opportunities for the filtration of stormwater, runoff from the parking lot, given the amount of remaining landscaping in the parking lot. And so based on those findings, the hearings officer does recommend approval of all three land use requests. There was the condition put on the comprehensive plan map amendment related to the guarantee that the 36 housing units will be built on the offsite location. In terms of the adjustment request, the hearings officer also had seven conditions of approval. For the most part that dealt with the materials and color of the trellis, maintenance of the landscaping along that trellis, requirements for further protecting the onsite pedestrian path, and limiting the hours of loading to 7:00 a.m. To 7:00 p.m. On the site. And that concludes staff's presentation. I'd be happy to respond to questions.

Sten: Great. Thank you. Any questions from the council?

Katz: I have one question.

Sten: Go ahead, mayor.

Katz: We worked hard with sdot on the [unintelligible]

Hardy: Yeah. My understanding, and I can let the applicant address that as well later, mayor Katz, the applicant has set the building back from the east property line. I believe it's roughly two feet.

June 23, 2004

And has proposed on the submitted plans to plant vines that will grow up on the back of the building.

Katz: On the east side?

Hardy: On the east side of the building. Otherwise, you know, that side of the building does meet all the cn2 zone requirements. In fact, if you have a building of 15 feet and lesser height the zoning code allows you to building right to the property line. So I guess in response, the applicant has said, ok, we'll move the building a little back from that property line and plant something that grows up along the back of that building.

Katz: Ok.

Sten: Great. Any further questions? Ok, I think the applicant is next.

Sten: Good afternoon.

Brian Rohter: Good afternoon. Good afternoon, mayor Katz, commissioners. My name is brian rohter. My address is 5320 northeast 33rd avenue, Portland, Oregon, 97211. I'm the president of new seasons market and my family is one of the Portland 15s that owns the company. We opened our first store in february of 2000. We currently have four stores in the Portland area. Our fifth is scheduled to open in september in the seven corners area. Our stores will offer a broad selection of grocery and health oriented items. We employ approximately 650 people and within two months adding another 140 jobs. We donate 10% of our after-tax profits to community organizations and to our public schools. Our management team has over 20 years of experience working together to successfully operate stores in densely populated urban areas. For example, there are new seasons markets in the sellwood and concordia neighborhoods. Both of these stores have earned excellent reputations in their communities and are gathering places for neighborhood residents. We expect to continue to open stores in areas of our city that have been abandoned by the large chains. This proposed store in arbor lodge is an example of this plan. Over the past several years, we've heard regularly from people who live in north Portland that they want a new seasons market in their neighborhood. Their communications stress that there's a shortage of grocery store options in their community. We performed our market research and confirmed that the property at the corner of north Portland boulevard and interstate avenue would be a suitable location for a new seasons market. This property has a history of commercial use. It was formerly a safeway store and currently is a depot for an armored car company. It is adjacent to the max line and will serve mass transit riders well. We'll be demolishing the existing building. The footprint of the new building will be approximately 25,000 square feet. The building's first floor will be our retail area, including our standard extensive selection of grocery items, a full-service meat and seafood department, a full-service deli with a seating area for about 50 people, a bakery, a supplements department and full-service pharmacies. Based open our experience with our other stores in urban Portland, we knew we could best meet the needs of our customers by maximizing the amount of retail floor space without decreasing the available parking spaces. To accomplish this we'll be adding a 7,000-square-foot second floor on the north end of the building to store the store warehouses traditionally on the first floor of the building. There will be parking for 64 cars. This extremely low parking ratio only works because an unusually high percentage of our customers travel to the store on foot, by bicycle, or by public transportation. We recently completed an agreement with the bureau of environmental services to pilot a large-scale stormwater management plan at our store in the seven corners neighborhood. Our intention is to implement a similar program at our arbor lodge store. I am aware that there are some individuals who support the opening of our store at this location, but do not support the site configuration. I'd like to take a few moments to explain the process that was used to determine where the building will be located on the property. Our primary concern has to do with the route that vehicles traveling east and west on Portland boulevard will use to access the parking lot. If the building were to be located on the north end of the property, then the parking lot would need to be located to the south. If the parking lot is located to the south, the only way for

June 23, 2004

vehicles to access the parking lot will be to travel down maryland avenue, which is the residential street located immediately to the east of the property, or as douglas hardy referred to earlier, travel a quarter mile south on interstate, make a u-turn, and then travel back north on interstate to the property. There are two major problems with this design. The first is that we, and our neighbors to be on maryland avenue, believe that this level of traffic on a residential street is unacceptable. Second, based on our many years of experience in the grocery business, and also on the advice of the consultants that advise us on store location, we know that requiring our customers to travel one half mile out of their way to access our store parking lot will eliminate the possibility of the store being successful. We spent approximately 18 months working on this project before we signed our lease with our landlords. During that time our project team prepared and examined numerous versions and iterations of site requesting ration. Subsequent to our announcement we had several meetings with the Portland development commission to review our plans for the property. One of those meetings was with p.d.c. Architects regarding design options. At this meeting p.d.c. asked for our permission to hire an outside architectural firm. This was in an effort to find a site requesting ration that met the needs of the neighborhoods and recognize the operational necessities of the business while managing to locate the store on the northwest corner of the property. We readily agreed to this proposal and to facilitate the work of p.d.c.'s hired architectural firm we outlined our criteria that need tad be in order for the store to be fees jingle. We emphasized that we would be willing to consider any design option that met that criteria. The outside architectural firm prepared numerous plans for our consideration. Unfortunately none of them met our feasibility criteria. Subsequent to the study, we participated in still another round of design review with p.d.c. and their architects. At the end of that process we came to the conclusion that our original proposal, which is essentially the one being considered today, was the only viable option. I'd like to point out that this conclusion was shared by the urban design consultant who is responsible for preparing the interstate max stationary revitalization strategy and also by a former member of the planning commission who was responsible for the initial rezoning of this property. Letters of support from both those individuals are part of the record. Once we made the decision to do this, we put a renewed effort into preparing a site plan that would address the concerns about the configuration. We're proud of the work we did on this. Our plan meets the transit orientation goals appropriately for this site in the most feasible manner. We believe the outcome will be a development that is more transit-oriented than projects that the city has routinely granted adjustments for. We will be replacing a retail kiosk in the northeast corner of the parking lot at the corner of interstate and Portland boulevard. We will equip the kiosk with all the equipment necessary to prepare and sell coffee drinks, teas, pastries and newspapers. We have a signed letter of intent to lease the kiosk to the Portland opportunities industrialization center for \$1 a year. Residents of the neighborhood and max riders will be able to purchase hot drinks, pastries and newspapers, while supporting goals of providing job training and real-life work experience to the youth of north and northeast Portland. The c.e.o. will share more details during his testimony. Additionally we have proposed to soften and improve the appearance of the parking lot by building a canopylike trellis with climbing vegetation along Portland boulevard and interstate avenue. Extensive community involvement has occurred during the planning for this store. Our process and plans have been completely public and transparent. I have personally attended meetings of the neighborhood associations and interstate corridor urban renewal advisory committee. I answered questions from attendees at meetings. I public sized my email address, phone number, and have responded. We are not requesting or receiving any public money for this project. This store will spur economic development along interstate avenue, will be a great boost to the light rail, will improve the livability of the neighborhood, and will create approximately 140 new jobs, many of which will be filled from the neighborhood. To my knowledge, it is one of the first significant commercial investments in the north interstate urban renewal area in the last two decades. Finally, i'd like to acknowledge and

June 23, 2004

commend douglas hardy for his work on this project. I'm certain that there were days when he wondered what he had done wrong to get stuck with us, but his approach was consistently even-handed, fair, collaborative and solution-oriented. He has represented the city well and deserves much of the credit for shepherding this development through quite a cumbersome process. In terms of the question that you asked, mayor Katz, actually the situation on the east side of the property is that the setback is actually three inches. The plans don't accurately reflect what the intention is. The current plans show for split face block to be put on that wall, which is much more attractive than plain concrete c.m.u. additionally, it's our intention to meet with each of the neighbors that are adjoining us and offer them a menu of landscape choices and to, at our expense, with their permission, or their desire, to allow them to pick from the menu of landscape choice and then pay to have the west wall -- or the west end of their lots landscaped to soften that visual barrier between our building and their backyards.

Katz: Thank you.

Sten: Terrific. Thank you. Questions from the council? No questions. Thank you. We'll hear from supporters of the applicant at this point. You'll each have three minutes. If you have not done this before, please introduce yourself at the start of your testimony. If you look at the tv screen, that will be to your left, it will have a timer telling you how you're doing on your three minutes. Karla?

Sten: Go ahead and start, sir.

Alan Cranna: My name is alan cranna, north wygant. We've been waiting 10 years for a new store along interstate, because our last store we had one, was a safeway, which closed about 20 years ago. One big complaint is we don't have any stores. New demographics coming in, new families move in with children, and we just had the max line open up, and we thought this store would be a plus for max line coming in. It's going to attract new business, like the owner said. We just can't wait for it. That's all I have to say.

Sten: Terrific. That was well said. Thank you.

Bil Tolbert: My name is bill tolbert, the recruiter with new seasons market, and i'm charged with following through on our commitment to creating a diverse work force in the area -- in our stores, I should say. And part of that is that if we're going to claim to be a neighborhood store, it would be disingenuous for us not to draw from the pool of the talented pool of people in the neighborhood. You will hear from portion such as poic from later on about what we're doing with them also. And what i'm looking at is something, the difference between a passive exclusion and an active inclusion, if you will, and that means that if we don't actually go out, meet with organizations, try to talk to the people in the community, that the diversity isn't going to happen. We need to actually make sure that we are talking to people in the neighborhood, specifically, because we think it's a benefit to everyone in the neighborhood that if people who work there are also people who can walk there, who live there, who knows what's going on in the neighborhood. It's mutually beneficial.

Sten: Great. Thank you.

Rosanna Schewerda: My name is rosanna schwarda, a life-long resident in north Portland. I've enjoyed lots of things in the north Portland, the dump, the sewage treatment plant, the columbia -- the fragrance, I guess you would say, from the columbia slough. What I would like to say is having a company like new seasons offer to come to north Portland, I see as an opportunity that we haven't had. And I hope that you will approve their plan. Besides that, we need grocery stores desperately.

We don't have a grocery store from the railroad cut to m.l.k. On the east, or from the willamette river to the columbia river. That's a huge area. I mean, it's hard to buy a gallon of milk in that area.

And to have a store like new seasons would just be wonderful.

Sten: Great. Thank you.

Douglas Hartman: My name is douglas hartman. I reside at 4615 north colonial, 97217. I'm here as a representative of the interstate avenue association. That association represents business

June 23, 2004

interests along and adjacent to interstate avenue. We're anxiously awaiting the development of new business in our district. Our organization is aware of the proposed new seasons grocery store at the corner of Portland boulevard and interstate avenue. Presentations to our group about this development have secured our enthusiastic support. We encourage the council to approve the necessary zoning request so that this much-desired business may proceed. We view the proposed development as a reasonable compromise, a result of a diligent effort to satisfy multiple and sometimes conflicting requirements. The proposed corner coffee kiosk will help soften the corner dynamic. We recommend your support of this development and thank you for your consideration.
Sten: Thank you.

Brian Williams: Hi. My name is brian williams, 840 northeast holman, Portland, Oregon. As anyone living in inner northeast and north Portland knows our need for additional grocery stores. I've lived in the area for about 10 years, and actually live four blocks away from safeway on m.l.k. I do almost all of my shopping currently at new seasons store at killingsworth and 33rd. The quality of the store, as i'm getting older, i've become a lot more concerned with my health, and that means i'm more concerned with organic produce, things that are not full of chemicals, and they're much healthier. I find there's much wider selection at new seasons, and at a much more reasonable price than what you'll even get at safeway, fred meyer's, or wild oats. And so i'm just really all for the new store. I also like the fact that they've put a lot back into the community, much more than what you hear about from any of the other competitors. And like other people have said, we really need more opportunities, more grocery stores. Thanks.

Doretta Schrock: My name is doretta schrock, 1921 north winchell street. I'm chair of the kenton neighborhood association and the neighborhood association board has voted unanimously to support this plan. They've seen all the details. I haven't been able to -- you might be able to dig up one or two people in the entire neighborhood against this project, but I certainly haven't been able to find any of them. The neighborhood is definitely strongly in favor of this project as proposed. I think actually they're so in favor of it it wouldn't matter what it looked like or were you put it, they'd be thrilled. Fortunately we haven't had to deal with that, because in our experience brian has been wonderful in working with the community to make -- to solve all the problems, big and small. And i'd like to especially thank mayor Katz for the work she's done preceding this whole process to get some of the barriers out of the way to this. Thank you, mayor.

Sten: Thank you very much.

Chris Glad: My name is chris glad. I live at 1400 north holman street. My house is on the on holman street and maryland avenue. My kitchen and dining room windows face the Oregon armored south parking lot. I'm here today to show my support for the project and urge you to approve it with the zoning adjustments proposed. Shopping in north Portland is pretty dismal right now. When I moved into the neighborhood in 1995 this were four grocery stores within a mile and a half of my house. Since then two of them have been replaced by chain pharmacies and fred meyer on lombard is closed for a year for renovation, leaving the safeway on m.l.k. This lack of local shopping options has driven me to go out of the neighborhood for shopping, first to jantzen beach, then to the concordia new seasons. I find it odd that in a neighborhood as dynamic as north Portland I must go elsewhere to shop for food. I've become a loyal customer of new seasons, as have my neighbors. Since new seasons is locally owned I know that the money I spend there directly supports Portland's economy. Fred meyer's and safeways are headquartered in ohio and california. Even after fred meyer's on lombard reopens, I will continue to shop at new seasons. New seasons is a good neighbor with a proven track record of running stores in high density residential neighborhoods. After living through the years of light rail construction i'm a little gunshy of further construction and development in my neighborhood and concerned about the possible uses of the Oregon armored site. I can think of no other use for this location that would do a better job of supporting our community. The new seasons market would provide a much-needed service

June 23, 2004

to north Portland and the peninsula. I strongly urge you to approve the proposed adjustments and allow the construction of this new seasons market to move forward. This project would be a tremendous asset to my neighborhood and a great example of Portland's commitment to livability. Thank you.

William Crow: Mayor Katz, commissioners, my name is william crow. I live at 6212 north montana avenue. I'm a member of the arbor lodge neighborhood association. I'm also a spokesman for the ockley green citizens committee. We in north Portland are intimately familiar with the broken window syndrome. The idea that blight begets blight. We know it will. We've seen it for too many years. We hope that new seasons market in arbor lodge will turn that dynamic around for us. We're extremely hopeful that will provide a positive anchor, attract good businesses and positive growth in a portion of Portland that needs it badly. This is a wholesome and wonderful company in a lot of ways. What sold it for me was watching brian roder come back to the neighborhood, come back to the neighborhood association, again and again, in a collaborative way, and work with us. We need them as a neighbor. Please approve the amendment and let us welcome a good new neighbor. Thank you. And mayor Katz, please come back soon.

Katz: I will.

Sten: Thank you.

Paul Maresh: Good afternoon. My name is paul maresh. I live on north portsmouth. I grew up about one mile from this site. He would like to make a plea for some consistency. There's been criticism of the way the building's placed on the site, but safeway on north ivanhoe is just opening today. It's on a transit street that two or three bus lines go on, and it sits back 100 feet from ivanhoe -- excuse me -- 100 yards from ivanhoe and about 100 feet from richmond. Fred meyer at interstate and lombard sits back 100 yards from lombard and about 50 feet from interstate with the max line is. I've heard criticisms that people would have to walk an extra couple of hundred feet to get to this the store because it's not placed all the way up abutting Portland boulevard. I find this kind of a specious argument since walking is often touted as one of the benefits of a good mass transit system, that you do walk more. And the people would walk no more. In fact, I believe less, than to go to the fred meyer store, which is one half mile to the north. The building that's being built for new seasons has everything that we look at in the pretty pictures when we work on these zoning plans of the windows and everything else, whereas the fred meyer store is a cinderblock building, virtually devoid of windows on the street that faces the max line. This store will also reduce the vehicle miles traveled for people in north Portland when they're going shopping. The other two gentlemen up here with me have sort of alluded to that, including that site, this used to be six other - - six stores, including the safeway, that was at that site, within 1 1/4 mile race from there. I know with other realtors that work with developers, that other operators of similar-type groceries have not wanted to come in -- denied coming into nearby site because the demographics didn't fit their pattern. And mr. Roder's come up with a plan that is the epitome of the pedestrian friendly drawing, except for how it set, but there's one thing that this site does that I haven't seen any place else, which we used to have in new jersey when I lived back there, and that is there's going to be a place at the max stop for people to get rolls and coffee.

Sten: Thank you.

Alan Holzapfel: Mayor Katz and commissioners, good afternoon. I live at 1532 north holman and a member of arbor lodge. First of all, I have to be very selfish as a neighbor. I'm delighted at the proximity to the store. It will be three lots to the east of me. So I won't have to drive anywhere to get groceries. As a member of the arbor lodge neighborhood association, I believe that the resolution supporting this development is already part of the record, if brian has -- has presented it, and that resolution did include our approval of granting any necessary variances and/or amendments. We felt that brian had done a good job at meeting those requirements and has responded well to the neighborhood. As the arbor lodge neighborhood representative to the

June 23, 2004

interstate urban renewal committee, i'm glad that the development will meet many of the goals that were set out by interstate urban renewal up there, and the manager -- the most important goal there we think is the economic goal. The managers of other new seasons store contacted by our neighborhood association confirm that the employment base -- or the employment level will meet and eventually exceed the number of living wage jobs being displaced by the move of the armored car company. So we think in that regard it's an extremely positive move. Finally I have to mention also that brian roder has been extremely responsive. He's been -- he's been able to wait till the end of many meetings to get his case presented. He's been extremely responsive to questions from citizens. In fact, the question that mayor Katz asked about the east wall had already been addressed by brian and indicated that he would be doing some treatment there. So we're extremely happy all in all to see brian and the new seasons store come in. We certainly will appreciate your -- appreciate an affirmative vote on this development. Thank you.

Sten: Thank you.

Eleza Faison: Good afternoon, commissioners. My name is eleza faison, I come representing a multiple organizations. I'm the current chair of the piedmont neighborhood association, which falls east of i-5 corridor of the new seasons proposed site. And we too put in a positive affirmation on the site plan as given to us by brian at the last neighborhood association meeting which should be on record with you all. My second capacity is a business owner and a resident of the piedmont neighborhood. And having grown up there, so, what, 32-year resident of the neighborhood, and attending school that's just down the street of ockley green. Having seen that, that site change multiple times in its utilization, I think the best times it ever had was a grocery store. It brought the community together. It kept working wage jobs. It taught affirmation and it taught community collaboration. And so I would love and invite the opportunity for good competitive utilization of that site such as a new seasons market. What we've run into in our grocery chains is a lack of competitiveness, therefore a lack of responsibility in its service and quality of service to its patrons in the northeast area for extended periods of time. And I think this is going to raise the bar in quality of -- in the quality of commerce that comes in to the north/northeast Portland area. So as the chair of the piedmont neighborhood association, as a resident, and business owner of piedmont neighborhood, I ask for your positive confirmation for this particular organization and site plan.

Sten: Thank you.

Francesconi: What business do you own?

Faison: I own a.j. Java. It's a coffee business -- oh, a competitor? Wait a minute: No. I own a coffee business on peninsula park, which has been traditionally an impact zone of the northeast precinct, and so I did some renovations and gutted it and made a coffee shop out of it. So it's a neighborhood site for commerce as well.

Francesconi: Good. This should bring more customers that we can share that shop at your place as well.

Faison: Should make it easier to get milk. [laughter]

Francesconi: I tried. I tried.

Cynthia Sulaski: Hi. I live on north colonial in the neighborhood of overlook. I'm here as a board member of the overlook neighborhood association and representing the members of the overlook neighborhood association who voted unanimously at a recent neighborhood association meeting to support new seasons design, including the zoning request that they have. Overlook is -- the northern border of overlook is about five blocks south of Portland boulevard and the proposed site of the new seasons store. Within overlook, we have approximately eight convenience stores, including the one on swan island, and zero -- steer row grocery stores. That means that we can buy all the beef jerky we can possibly eat, but no lettuce, organic or otherwise, or freshly-baked, healthy bread. So we also -- I echo everyone's comments. We're very impressed with new seasons and brian roder. His coming to the overlook neighborhood association three times, spending a lot of

June 23, 2004

time with us, being very responsive. Also quite impressed with his over and above due diligence to the people who live on maryland boulevard. Also his interest in sustainability, his interest in hiring people in the neighborhood for those 140 or so jobs. We met with the architect from fred meyer once for the store on lombard, and that's the end of my comments. Thank you.

Walter Valenta: My name is walter valenta. I'm the cochair of the urban renewal district, the interstate urban renewal district. I'm not speaking on behalf of the district, only because in our quarterly meetings somehow, though we had numerous interactions with new seasons, and I can say anecdotally we have great support, and because of the quarterly process we never took an official vote. So i'm speaking on my own behalf in support of the development. I think the only thing that you can say that isn't nearly perfect about this development is if we could have also had it be on the corner and met all the transit-oriented rules and regulations, then it would have been it 100% perfect. That's the only thing probably that you can say against this. I'm here to testify that the building's oriented this way, it's not for lack of trying to get it on the corner, from every person i've talked to, even seasons. It really is a difficult to move that building and make the parking and truck movement work, without having other effects. Even though perhaps that is a compromise, and I don't know if it really even is a compromise, because we actually get a parking lot that works pretty well this way, I think that's the only way you can say, but it wasn't for lack of trying, even all the way down to the -- to the 99 yard line when a new idea of turning a new left turn lane came up and there was a willingness to rethink it at the last minute, from tri-met, pdot, everybody was pulling together to see if that would work. That ended up having major expenses and fatal flaws that made it not possible. And so now we have the building oriented the way that it is. And honestly the urban renewal district is ecstatic about it as a general rule and we're very looking forward to it and think it will be a great new thing on the corridor. Thank you.

Sten: Thank you.

Marty Krogh: My name is marty krogh. I live at 2336 north emerson. And i've opened a shoe store on the corner of -- the northeast corner, across from the proposed new seasons, and how I selected that site, there were many things that helped me choose the location. One of them was the fact that light rail was going in, and then I think it was september of last year i'd heard a rumor that new seasons was considering that site, and called mr. Roder and asked him if -- if that new seasons was in fact considering that site, and he said, yes, they were. And so that was one of the deciding factors, that and the light rail, that helped me decide that that would be a -- that that opposite corner would be a good place for my shoe store.

Francesconi: Do you want milk or customers?

Krogh: I want foot traffic. [laughter] I have a full repair shop. I put on leather half soles, rubber heels, any of that type of thing. [laughter] so it's a great spot for me. And since the light rail's opened, i've moved into the space in -- this was october. And since may 1 it's just been great, just seeing all the pedestrians out in front of the -- at that intersection. And I think with new seasons there it's just going to get better. And so -- and the product I sell is kind of in line with the demographic that will shop at the new seasons market. So i'm really looking forward to them being my neighbor. I urge you to approve their plans. Thanks.

Joe McFerrin II: Joe mcferrin, president, Portland o.i.c., rosemary anderson middle and high school. First of all, what we do at poic, we're an alternative school, accredited. Have a number of school-to-work programs. November of 2003 we started a barista training program in partnership with bridgetown coffee. They've been an excellent partner. They've reached out to us and helped us build a certified training program. It's a four-week-long program. And with that program we've tried to get students placed in jobs. Portland per capita is the third in terms of coffee shops across the country, in terms of the city. We thought it's a great opportunity to get our kids their first job. And so we went down this road. Also we started a social enterprise with budget cuts. We have an office coffee service, as well as we've done a little retail. And so when we were approached by new

June 23, 2004

seasons about this opportunity to partner, and expand our training opportunities there in a kiosk on the corner of interstate and Portland boulevard, we were very ecstatic. It was right along with the training that we've already established, and it was also tied directly to our mission. And in the past our job developers speak highly of the success that we've had with new seasons. They've always reached out to support the kinds of kids that we serve, and the kids that we serve typically are very high risk. This partnership is one that should be a model. It's the first that i've ever been involved with, when a company comes to an organization and says, hey, we will do this for you, we'll put together the site, we'll support you, and we'll only charge you \$1 per year. It's an excellent opportunity for us to continue to train our young people and give them skills, give them jobs, keep them off the streets and out of trouble, but then also after they complete the training they have the skills to go on to another employer. And so we're in -- we support this wholeheartedly. A vote yes on this proposition will mean that 24 students will have an opportunity to work in the first year. So again, I urge you to support this and if you ever have any questions, you know where we are at, 707 north killingsworth court.

Sten: Thank you.

Moore: That's all that signed up.

Sten: Would anybody else like to testify in support of the applicant? Ok, we'll close that part of the hearing. Is there any organized opposition here? I didn't think there was, but looks like there's not.

Moore: We have an individual.

Sten: How many people would like to testify in opposition. Just one. Come on up. That makes you the organized opposition. [laughter]

*******:** That's why I was confused. I'm not very organized.

Sten: You've organized yourself.

*******:** I've organized my life to not be here today, but the meeting I was at --

Sten: You're entitled to a little more time, but just go ahead.

Lenny Anderson: I won't take very long. My name is lenny anderson. I live at 2934 northeast 27th avenue. I'm the project manager of the swan island t.m.a. I was a member, and -- was a member of the interstate max advisory -- project advisory committee and am a member representing swan island of the interstate urban renewal advisory committee an was on the task force that did some work for you guys on the bike lane issue on interstate. We did that work about four years ago. I haven't even said, commissioners, he appreciate a chance to address you. Mayor, I hope you're doing well.

Katz: Thank you.

Anderson: I really look forward to seeing you back here.

Katz: I'll be back. Don't worry.

Anderson: I'm not worried, i'm not worried. Anyway, I remember when we pulled the bike lanes off of interstate, at the Portland and killingsworth station, the Oregon armored site is a grocery store, and what we need to do is get Oregon armored to move to swan island and get new seasons to move in this. This was four years ago, in a private conversation. I cannot document that, but never in my wildest nightmares did I imagine that would happen and that I would see a site plan that put a parking lot at the light rail station. I'm extremely disappointed. And i've heard the testimony. I recognize the desire of the community for groceries. I recognize the quality of both the organization and the product that new seasons sells. But that notwithstanding we, the people of this community, and of this nation, have spent \$350 million on a transit -- high-capacity transit system designed to encourage people to make decisions that are different from what they're doing today, that is to say -- to say I think i'll take the train to go to the store, which would be really different from what people do to go to killingsworth and the concorde store. Ironically people drive from north Portland to go to the concorde store, but they can't make a u-turn and go two blocks. I find

June 23, 2004

that challenging. But we wanted to encourage people to make a different decision about how they make trips. It's a big commitment. This is a little piece of that, but precedence count, and you begin down the path of not doing what we could in the way of transit-oriented development. We repeat what happened with Fred Meyer at Lombard, we do that at Portland, and pretty soon we fail to capture a piece of ridership. And it begins to have an impact. We're not getting the bang for those bucks. How could we get ourselves out of this? I think my greatest disappointment -- let me say another concern I have. So I have a concern about the lack of follow-through. And I'm going to run over here, if I may, quickly. The housing mitigation, which has not been addressed here, those are being guaranteed in outer southeast Portland. The need for affordable housing in north-northeast Portland is great, and when there is a new season, which is going to virtually double rents over the relatively short time, we all know that, affordable housing becomes even more critical, but it's not being provided as part of this proposal. It is not being provided in part because of the organization, new seasons' unwillingness to work with Metro's TOD organization to figure out a strategy that would include housing, that would bring in Metro TOD money, bring in other public resources. It's been stated in the public record that New Seasons is ideologically opposed to partnering with the public sector in order to achieve housing goals and -- which would coincidentally, because then you could afford to put parking underneath the store, achieve our transit-oriented goals as well. So while they've been happy to meet with neighborhoods who are just desperate for them, they've not been willing to sit down and work out a private/public partnership, like many organizations do in this city, to achieve both our housing goals, as well as our employment goals as well as our transit goals. So I know this is kind of a slam dunk, and I just wanted to put these issues out here. I think they are real issues. And I don't -- be interesting what Andy Greg writes about your decision today, but if this -- if by some miracle you voted this down, I can guarantee all my friends behind me here, sort of friends, there will be grocery stores in north Portland. The demographics are changing so fast, they will come, don't worry. Last comment, and I appreciate your patience. P.D.C. has taken a lot of heat, particularly their staff on this. I think they took a very principled and appropriate stand in not partnering with this because of the very principles of transit-oriented development that characterizes the city, going back 20, 30 years. And I would like to commend the P.D.C. staff and to point out that it was in many ways inappropriate for the P.D.C. Commission to intervene in this in the way that they did. I won't waste any more of your time so you can get on with the vote, but I appreciate a chance to raise these issues.

Sten: Thank you. Would anybody else like to testify in opposition? In that case the applicant has five minutes, if you'd like it. You don't have to do it.

Francesconi: Why don't you address the last issue about not willing to partner with the private sector -- public sector in order to build housing which potentially could have solved both.

Brian Rohter: I'd like to respond to that. First in terms of where the housing mitigated --

Sten: Reintroduce yourself for the record.

Rohter: I'm sorry. Brian Rohter. We knew from the beginning that we'd have to mitigate the housing. And the early parts of our conversation we met with P.D.C. And P.D.C. supported our plan, and offered to do a swap with us to mitigate the housing at Killingsworth and Interstate. Where they were zoning property that was commercial, they were intending on building affordable housing on that property. As a matter of fact, the P.D.C. staff took that proposal to the commission and the commission voted unanimously to do that swap with us. And so that's what we expected was going to happen, and then subsequent to that the executive leadership of P.D.C. withdrew the offer. And at that point we were months into this process, and so to keep the process going, and to make sure that deal happened, we looked elsewhere for property that we could use for mitigation, and we ended up in outer southeast Portland. That's actually what happened with that. In terms of building the housing on the property, a couple points on that also. First of all, the parking ratio on this property, 64 parking spaces for a store that has 32,000 square feet, high school a parking ratio

June 23, 2004

of about two parking spaces per thousand. Traditional grocery stores would not consider doing parking ratios less than four. It's a low amount available of parking for a grocery store, and I can't imagine other stores that would go in and do this. In terms of partnering with the public -- with the public sector, it is true that I have said that I do not believe it's appropriate to take public money and use it to subsidized parking for privately-owned grocery stores. I think that that money is more appropriately spent on other needs of the community. And if we were to put housing above this -- above this store, which I imagine would have been very challenging, because to the best of my knowledge, even with the subsidies to put housing along interstate right now, there's no one jumping in to do it. Hard for me to imagine that our banks would have supported it and the people who own the property, our landlords, said from the beginning that they were unwilling to wait the amount of time that it was going to take to get housing in or to borrow the money that would be necessary to put the housing in. So that's our take on it, that the housing would have created more demand for parking. There was not enough parking really to begin with, and we felt it would have had a negative impact on the potential viability of the store.

Saltzman: I was just curious, the 36 units, is that it?

Rohter: Yes, 36 units.

Saltzman: Is new seasons going to build and own those units or --

Rohter: No. The -- no. The -- this property that we're looking at here was zoned residential, even though it had the commercial use. And so under the housing mitigation, we're obligated to find another piece of property that was zoned commercial, where residential would be built, and so we partnered with another developer who's going to build that housing out in southeast.

Saltzman: You'll guarantee the affordability of the housing? 25-year -- there's a 25-year covenant. And douglas or steve could speak to that.

Saltzman: Ok, thanks.

Sten: Great. Any further questions from the council? Mayor, any questions?

Katz: No.

Sten: Great. Thank you. I'll bring the staff back up if there are any council questions for staff. Doesn't look like there are. Then i'll open up the floor for council discussion.

Francesconi: I'll move to uphold the decision of the hearings officer and to approve this development.

Saltzman: Second.

Sten: I have a motion and a second. Any discussion? If not, the motion is to uphold the hearings officer's decision in its entirety. Roll call.

Francesconi: I'm actually very glad that you testified. You read very valid issues. And I especially appreciated the response that the parking ratios here is half the normal parking ratios. Here's a company trying to take advantage of light rail. It's so wonderful, you know, that we do need this infrastructure to change the way we live, and to take light rail to the store. On the other hand we also need some examples like this where it's working. And infrastructure alone's not enough. Having a great business, like this, willing to take a risk, too, and attract other businesses around it, and bring a benefit to the neighborhood, that this store will do, will over time increase more development, increase housing densities, which will allow your vision to come true. So it's important that we remember the ultimate vision, but we also have to understand that it takes some steps to get there. And this is a very positive step to create the kind of neighborhood that north Portland deserves, north Portland's had in the past, and north Portland deserves again. So having this company -- I don't think the broken window theory is right, because that's to keep things from deteriorating. This is to build it back. So the analogy to jane jacobsen, here's a great business, a grocery store that attracts other businesses and families and provides a benefit, not to mention the 140 jobs. And then to also have some of those jobs to benefit everybody in the city, including high-risk young people. So it's particularly meaningful for me, not only you employ my son, but joe

June 23, 2004

McFarlane and the poic has taken over the whole gang youth program that I started years ago and joe is continuing. So how you provide employment that all of our kids, including kids that don't get an opportunity, is terrific. Just something else. But you're a community partner. Now we need -- the neighborhood deserves you, and we're going to approve this. This will be good. But you keep pushing us to make sure that we don't sell out the -- the land use and transportation vision. Aye.

Saltzman: Well, this is an excellent proposal. I mean, the parking lot -- or the parking on Portland and interstate may not be the perfect solution, but just about everything else about new seasons and this market is. On balance i'll go with what's 99% perfection. New seasons is profitable, but has a strong commitment to the community, to sustainability, to diverse work force, and to fresh, healthy, local produce, and locally-produced food as well. So it's a great asset everywhere it's gone. It's been a tremendous asset. We're just fortunate that most of the new seasons are in Portland, all but one. We enjoy the fruits of that. Aye.

Sten: Well, the land use is the basic question before us, does this meet the plan better than what's there. I think it meets that criteria quite easily. So i'm definitely going to vote for it. Part of the testimony was about the social benefits and the things that new seasons doing, and it's kind of a love fest, but this is a business that understands its market, which is Portland. There's two way businesses stay around. Some of the ones in north Portland, some of the inadequate services have been there because there haven't been choice, and people are forced to go there. You can also be successful by serving a product that's exactly what people want. As a new seasons shopper up on 33rd, you need to open more stores because it's too crowded. Got to the point you can't go there on Sunday because it's so full of people. I think that speaks to -- it's the employment, it's the community involvement, I was impressed with the gentleman that testified about the outreach, and it just shows when you go to the store. The products are the ones people are looking for today. For me, I would vote for this no matter who owned because it's the right proposal, but the fact that it's locally owned, which I think is becoming increasingly important in the world we live in now, is to try to circulate dollars in our community, because it's harder and harder to export things given the competition worldwide. It makes a big difference. I think it clearly meets the land use criteria and i'm delighted to vote for it.

As the testimony today showed, new seasons will be very much welcomed in the store. And, you know, the argument's on the light rail line are certainly fair. I do think we need to get critical mass of people coming and using it. Maybe i'm wrong on this, but I think people will actually ride this -- ride the train to the store. This will help people who don't have cars. And that before too long I think you'll see businesses that might not quite be viable yet on interstate building off of the traffic that's going to flow from there, the business owner who owns a coffee shop, you know, you probably -- I never got it originally, but you do better if you have more restaurants in a row than one, because more people will come to that area. I think this will help spur the kind of development that the light rail line is there for, even if it's not -- if it's got issues around this. So i'm very delighted to vote aye. Mayor Katz, it's your turn.

Katz: Thank you. [unintelligible]

Katz: I vote aye.

Sten: So the motion passes. Let me just check with Kathryn. Do we need to bring anything back on this or are we done?

Beaumont: You have item number 750, which is the ordinance which will formally amend the comprehensive plan. It's an emergency ordinance.

Sten: Terrific. Let's read 750.

Item 750.

Sten: Thank you. Roll call.

Francesconi: Aye. **Saltzman:** Aye. **Sten:** Aye. **Katz:** Mayor votes aye. [gavel pounding]

Sten: It passes, and that concludes our business for this afternoon and the council is adjourned until tomorrow at 2:00 p.m. When we'll adopt next year's budget.

June 23, 2004

Katz: See you tomorrow.

Sten: Thanks, mayor Katz.

At 3:32 p.m., Council recessed.

June 24, 2004

JUNE 24, 2004 2:00 PM

Items 751-758.

Sten: Jennifer.

*******:** Do you have the script here?

Sten: Uh-huh.

Sten: Mayor, do you want to do your pieces, or would you like me to do those?

Katz: No. You go ahead. You're in charge now.

Item 753.

Sten: Ok. So i'm going to read a statement that we need to do for 753. And it is council is conducting a proposed use hearing on state-shared revenue. State law requires this action. O.r.s. 221ment 770 requires me municipalities to hold two separate hearings on state-shared revenue. The first hearing on possible uses of state-shared revenue was held on may 19,2004. The second hearing, this one, is to hear testimony on the proposed uses of state-shared revenue. This hearing is being held by the city council of Portland, Oregon, in compliance with the provisions of the state revenue-sharing regulations, o.r.s. 221.770. It is to allow citizens to comment on the proposed use of these funds in conjunction with the annual budget process. As proposed for council adoption, the f.y.2004-2005 budget anticipates receipts for revenue sharing. As has been the case in prior years, it is proposed that this revenue be allocated in equal parts to support fire prevention and police patrol services. Is there anyone that wishes to be heard on this subject? I do not see anyone who would like to be heard on this judge. Jennifer, do you have anything to add on 753?

*******:** No, thank you.

Sten: Then let's take roll call.

Saltzman: Aye. **Sten:** Aye. **Katz:** Mayor votes aye. [gavel pounding]

Sten: 753 passes. I believe we can take a roll call on 754. Actually I need to read this statement too as well. Can you read 754, karla?

Item 754.

Sten: State law requires this action as well, o.r.s. 221.160 requires municipalities and counties over 100,000 population to certify certain services are provided in order to be eligible to receive state-shared revenue. The services certified by the city of Portland are police protection, fire protection, street construction, maintenance and lighting, sanitary sewers, storm sewers, planning, zoning and subdivision control, and water. Is there anybody who would like to testify on item 754? I don't see anyone. Roll call.

Saltzman: Aye. **Sten:** Aye. **Katz:** Mayor votes aye. [gavel pounding]

Sten: 74 passes. Everything left is an emergency ordinance, so i'll put the council in recess and ask the clerk to go look for commissioner Francesconi. You're in recess, mayor.

Katz: Thank you.

*******:** Are we going to go back to the start?

Sten: Yeah.

Sten: Please read 751.

Item 751.

Sten: Jennifer, did you want to explain this one?

Jennifer Sims, Manager, Financial Planning: Yes. This is the spring major supplemental budget amendment for the phone call year 2003-2004 budget -- i'm sorry. I'm jennifer sims, the financial planning manager. This has -- the major items are that in this action are to recognize and appropriate urban renewal tax increment revenues and transfer funds in the amount of \$25 million.

June 24, 2004

Sten: Terrific. Would anybody like to testify on this item? I don't see anyone. Roll call.

Francesconi: Aye. **Saltzman:** Aye. **Sten:** Aye. **Katz:** Mayor votes aye. [gavel pounding]

Sten: Item passes. Could you please read 752, karla.

Item 752.

Sten: Perfect. Go ahead.

Jordan Epstein: Jordan epstein, financial planning. There are two exhibits to the ordinance. One is the budget adjustment ordinance. The other is the minor supplemental minor budget ordinance adjustments. In the bump -- the difference is in the bump there are only funds which do not in net increase in resources or requirements. They go down, they stay the same, so they're adjustments. And minor supplemental these are funds that increase in net resources or requirements. I don't know how much of an explanation you want.

Sten: Just give us whatever you think we need to know.

Epstein: Ok. There are 19 funds --

Sten: Or the public needs to go.

Epstein: Ok. There are 19 funds in the bump exhibit. And overall they decrease about \$1.3 million. The major change is the transportation funds going down approximately \$4.8 million. That's because a number of projects are being eliminated or revised in plan, and they're being deferred to next year. Parking facilities funds is reducing its budget about \$766,000 because of the deferral of projects at various parking facilities. The spectator facilities fund, the one that manages p.g.e. Park is reducing its budget by \$600,000 because there's some rents reimbursements at p.g.e. Park are being reduced there. Their statement of the same. And rose quarter parking fees are going down. I'm looking for other interesting items. The grants fund is going up \$6.5 million, the only fund that can go up in this ordinance, because there's an exception for local budget law for grants for specific purposes. Other funds they're making relatively minor adjustments. So that's the bump exhibit.

Sten: Ok.

Epstein: In the minor supplemental budget there are also 19 funds. Overall there's a net increase of \$16 million. The biggest increase is in the general fund. It's going up \$10.4 million, of which over \$7 million is for new grants. Emergency management is getting a large grant, almost \$7 million. Homeland security grant. There's some grant money going to fire also. There are a contingency in the general fund is increasing by \$1.2 million as three bureaus, cable, police and planning, are returning appropriation, then they will ask for it next year in the fall bump, carryover for various things. Police wanted to carry money for vehicles that they want to outfit next year. Planning, a number of projects that they just are not done, they want to carry over. And cable, there's a -- a case that's being negotiated, litigated I should say, and they want to carry money over for that. There are several bureaus of the receiving cola in this, fire, commission of public works, commission of public affairs, government relations and cable. None of the other general fund bureaus have needed a cost-of-living increase appropriation. The new -- there's a new appropriation would not for the new billing system for water and sewers, and that one is getting \$3.5 million in this ordinance. It's money mostly going to i.t. before. It's going to go to this new appropriation unit. That's pretty much it. There were -- there are budget notes, or there's an update on the budget notes, which is part of the documentation. And there's really nothing new that's changed there.

Sten: Ok. Thank you. Any questions from the council?

Saltzman: Concerning the budget notes, the progress report on hiring a controller.

Epstein: Well, yeah.

Saltzman: I don't know if you want to give that or --

June 24, 2004

Epstein: Sure.

Saltzman: And the note says we had a job description out on may 26.

Epstein: May 26 you passed an ordinance creating the position. Tom can tell you about it.

Tom Feely, Office of Management and Finance: The controller position actually opens tomorrow. It will be advertised up on the west coast. It's opening tomorrow in conjunction with the publication of the every other week newsletter that's our primary recruiting base. We anticipate it will be open for a month and then the selection process will take place in august.

Saltzman: In august?

Feely: Yeah. So you'll see the announcement come out tomorrow in their brochures, specifically for this recruitment, and i'd be happy to get each of you one of them. If you have specific candidates in mind, if you can let me know, we can send them a specific letter.

Saltzman: So we would anticipate having a controller by --

Feely: Probably early september.

Saltzman: I'd like to see a copy of the announcement.

Feely: I'd be happy to get you one.

Saltzman: Thanks.

Sten: Any further questions from the council? Would anybody like to testify on the minor supplemental or spring budget adjustment process ordinance? Seeing nobody, roll call.

Francesconi: Just to emphasize on this transportation fund, it's not that the resources have declined there, it's that we're switching the projects. And so they'll be carried to the -- another year. So that's the explanation there. Aye.

Saltzman: Aye. **Sten:** Aye. **Katz:** Mayor votes aye. [gavel pounding]

Sten: Ok. Could you please read 755, karla.

Item 755.

Sten: State law requires this action, o.r.s. 221.770 states that municipalities must adopt an ordinance electing to receive state-shared revenues for the upcoming fiscal year. That's what this ordinance does. Anything to add, jennifer?

Simms: No. Thank you.

Sten: Anybody like to testify on this ordinance? Roll call.

Francesconi: Aye. **Saltzman:** Aye. **Sten:** Aye. **Katz:** Mayor votes aye. [gavel pounded]

Sten: 755 passes. Could you please read 756, karla.

Item 756.

Sten: This ordinance is proposed as a way to implement the recent arbitration award between the city and Portland police association. The purpose of the new fund, which would be titled Portland police association health insurance fund number 721, is to account for payment of medical claims for Portland police association employees, dependents, retirees and other participants in the police association self-insured medical plans. Jennifer?

Sims: I'd like to note that because this issue was not completely resolved until after we would our hearing we've received an amended certification letter that incorporates the inclusion of this fund for the adopted budget, but because of the terms of budget law it requires that they register an objection, because it exceeds the appropriations that we held a hearing on. So we do have a new letter. It is certifying that we create the fund and can adopt the budget.

Sten: Ok. Anybody like to testify on the creation of this new fund? Roll call.

Francesconi: Aye. **Saltzman:** Aye. **Sten:** Aye. **Katz:** Mayor votes aye. [gavel pounding]

Sten: Ok. That brings us to 757, which is the upcoming budget. I think the main event. Could you read that, karla?

Item 757.

June 24, 2004

Sten: Mayor Katz, did you wish to introduce this one?

Katz: The only thing that I want to say is that we all as a council recognize the financial impact of the recent decision of the arbitrator's award between the city of Portland and Portland police association, and that -- [inaudible] we really did not have an opportunity to thoughtfully think through how to begin reducing that budget, and we collectively made the decision that we would pass the budget as adopted and then start work immediately. I will be back on Monday or Tuesday of next week and begin to work through with council members on whether the priorities are going to be. [inaudible]

Sten: Great. Thank you. Jennifer, did you want to add anything?

Sims: There are a few items I think should be called to the council's attention that are changes to the approved budget. Those, first of all, you've been handed revisions to the attachments that go with the adoption ordinance. There are three attachments. And before we actually get to those, I'd like to point out four what we are calling programmatic changes. We also mentioned the creation of the health insurance fund. We also have an adjustment that increases revenues for the sewer operating fund and the watershed revegetation program from the p.i.r. This is an agreement for work between b.e.s. and p.i.r. Also there is a change in the transportation grant -- enhancement grant project at Union Station, which actually increases expense for that. ODOT has awarded the city a grant for improvements to Union Station. This will budget for that. Finally there's a change to the housing investment fund. It was reduced for the Northwest Pilot Project program when they were asked to make reductions as a result of our funding situation when they were first formulating the budget, and after the approved budget they have determined that it would be more appropriate to reduce the Cascadia program instead, and this reflects a total adjustment of \$14,000 for that.

Katz: Can I ask a question?

Sims: Yes.

Katz: Jennifer, on the position changes I note at least four of them that I cannot recall having conversations on. And we don't need to spend a lot of time on it, but I just want to flag to everybody that even though there are position changes here, assuming it's adopted, I would recommend that nobody start hiring anybody until we work through the reduction of the budget.

Sims: Ok. [inaudible]

Sten: Ok.

Sims: So noted.

Sten: I think that came out loud and clear through the speakers.

Katz: Thank you.

Sten: Do we need an amendment to adopt the change in the attachments or are they officially part of the ordinance? They probably are.

Sims: Probably, because they were filed -- they were filed without the amendment. So let me go on with some of the other items here.

Sten: Ok.

Sims: Also I just wanted to call to your attention that we do have some notable technical changes, in addition to programmatic changes we have some technical changes. One is the creation of a new appropriation unit for the utility billing system implementation, which would then isolate for reporting purposes those costs. We also have completed the transfer of the e.s.a. Program from planning to b.e.s. We've reduced an interagency between facilities and licenses related to office space lease and updated the self-insurance premium collection budget figures. So those are the technical adjustments. Then the final thing that I'd like to call your attention, which is in the -- the revised package, and we did put it in color because it has -- it's difficult to read the changes without some visual guide. We have, from the approved budget provided you with a couple of new

June 24, 2004

recommended proposed budget notes, and then we've made some adjustments to those that were already approved based on things that have happened since the approval date. The first new item you will notice under first page, public utility water, is in regard to the open reservoir project, and this just incorporates a note that the water rates will be reviewed by the council pending further council deliberation on the open reservoir project, thinking there could be an opportunity for a rate change there. On the second page, there is also a new -- a new note that acknowledges the arbiter decision for the p.p.a. And the fact that we will be going through a process to determine how to cover that cost. And I can't remember if the mayor mentioned this, but certainly part of that will include a public hearing. And then under the revenue bureau note, we had originally incorporated a more specific plan for that, and at this time we're proposing that we amend that to simply indicate that there would be a plan developed for possible creation of a revenue bureau. Under the enterprise resource planning system we are elaborating on that to indicate we will continue assessing the feasibility and present a plan to council. We're completely removing the proposal for the technical assistance program. Under the billing system staff transfer we're just noting that effective July 1 the chief administrative officer will be directly responsible for the management of that. Under strategic sourcing, we are clarifying that we intend to identify ways that we can more effectively goods and leverage the city's buying power. That would be all the changes that we would propose at this time for the budget notes. So with that, I believe that I've covered all of the things that are significant to call to your attention related to this budget adoption.

Sten: Terrific. Questions from the council?

Francesconi: Just a comment. I guess, mayor, I'd like your feedback on this, but I thought we'd agreed at the time of the work session that that 1.2% increase in the sewer and water rates was going to be taken out because of the covering of the reservoir decision that was reversed.

Katz: I think there was some discussion that if in fact we didn't need to use some of those rate increases, that they would place them aside and the rates would be reduced, but the bureau didn't know how much we would actually incur. We'll be covered to make sure we don't spend any of the rate increase money that we aren't going to be using in the next six months or a year, and that will be a budget reduction.

Saltzman: I'll just add that there will not be a 1.2% increase of the capital construction of burying reservoirs, but an enhanced interim security measures that will be brought back to the council July 28 for its approval, and there will be some cost associated to those increased interim security measures.

Francesconi: Yes, I guess I did understand that. But the key point is, then on July 28 we'll be able to see -- to say what the rate reduction will be, because it's going to be substantial. I think the notes should reflect that. There's going to be a rate reduction, determined on the mitigation plan. But anyway --

Saltzman: I'm comfortable with the note as it is.

Francesconi: That's fine. That's the understanding, that's fine. [inaudible]

Sten: Do I have a motion to adopt the suggested changes in the revised attachments?

Francesconi: So moved.

Saltzman: Second.

Sten: Any objections or discussion? Hearing none, the motion passes. [gavel pounded] I will open the hearing up to public comment if there's anybody who would like to testify on next year's budget. Such a quiet bunch today. In that case, roll call.

Francesconi: Well, mayor, I appreciate all your work. It's kind of hard to -- this isn't the final budget. So it's hard to comment much on it because this isn't the final budget. So, you know, it's a step that we have to do for legal purposes, but the final budget's going to look a lot different. So I

June 24, 2004

guess I appreciate everybody's efforts on this. In terms of kind of guiding principles for the final budget, you know, we have to protect essential city services first. That's public safety, but it's also parks. And so how we -- and infrastructure for our neighborhoods, to protect the quality of life. And then we also have to do some things to help the most vulnerable of our citizens that have been impacted by this economy. So i'm hoping that we can find one-time resources that can help bridge directed to the most vulnerable of our citizens. So those are kind of essential premises for me. But we shouldn't be hiring anybody now at all. And we should be looking for where we're going to cut from existing services that are not essential city services so that we can prepare. So now's not going to be a time for new things, new dramatic things, but it's a time for us to focus on our mission and to do what we can to protect the most vulnerable of our citizens who are still suffering in this economy. And but I appreciate what everybody's done to get to this point. We can work through this. Aye.

Saltzman: Well, I want to thank the mayor and all of the staff of o.m.f. For working long and hard, but as commissioner Francesconi said with this 11th-hour arbitration award this really isn't by any means the final budget. And we need to come up with a way to come up and pay an additional \$6 million to \$7 million for police, and that's got to come out of our general fund. So in many respects this is just sort of putting to bed one budget and then getting down to the real brass tacks to come in the weeks ahead and look forward to working with the mayor and the rest of the council in balancing the budget, but this is a good -- a lot of effort went into this. Aye.

Sten: I would agree. I want to thank jennifer who almost finished her first budget.

Congratulations. And all of your team. And thank you to you, mayor. I think the mayor took a different approach this year and dug in and put her signature on this, the last budget of her time as mayor. It has all the right priorities and is a very creative and strong budget in terms of getting to affordable housing and economic development. And I think the challenge will be to keep some of those efforts moving forward despite the fact we have to cut some money out. I would just say I look forward to trying to work -- there won't be an easy way to do this and get it done, but for the sake of the public I think we will have choices on the table and then some more public discussion and some hearings and other things to make sure people have a chance to weigh in and think about these issues as well, because I think a lot of people out in the community spent a lot of time thinking about this budget. We need to give them a chance to have them come back in on this. It's the right choice to adopt it as is as opposed to trying to rush through the changes, because that could end up in not the best result. Again, thank you, everyone. Thank you, mayor. It's your time to vote. Aye.

Katz: Jennifer, thank you, and the staff. My own staff. It was a very good budget. I want to make sure that everybody still maintains a sense of reality that it is \$7 million that will have to be reduced, so we'll have to work very, very hard. One of my guiding principles are the reserves, because those reserves are the ones that give us the triple-a bond rating. Please start thinking about new ideas and we'll be back with the budget shortly. Aye.

Sten: The budget passes. [gavel pounded] could you read 758, karla?

Item 758.

Sten: This action includes the levy amounts for property taxes accrues to the general fund and includes children and parks, property tax levies for general obligation bonded debt and 10 urban renewal areas. Jennifer, anything to add?

Sims: No. Thank you.

Sten: Any questions from the council? Would anyone in the audience like to testify on this item? Come on up. Jennifer, if you could step aside for just a second. We only have one person, stay there.

June 24, 2004

Irwin Mandel: Irwin mandel, 1511 southwest park avenue. For the first time in all the years i've been up here testifying, i'm going to say something that is totally out of order and not related to the item on the table. I just like to take this opportunity to convey to mayor Katz the wishes of lilly and myself for a speedy recover and express our delight in knowing that she will be back in her usual seat next week. Go get 'em, tigress.

Katz: Thank you.

Sten: I'm going to allow that. [laughter]

Saltzman: Do you have any choice?

Sten: You get a few decisions as president. Would anybody else like to testify? Roll call.

Francesconi: Aye. **Saltzman:** Aye. **Sten:** Aye. **Katz:** Mayor votes aye. [gavel pounding]

Sten: The council is adjourned until next wednesday. Thank you, everyone.

At 2:30 p.m., Council adjourned.