



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **28TH DAY OF JULY, 2004** AT 9:30 A.M.

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

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

At 12:35 p.m., Officer Anthony Merrill replaced Officer Chinn.

Item No. 894 was pulled for discussion and, on a Y-5 roll call, the balance of Consent Agenda was adopted.

COMMUNICATIONS		Disposition:
872 Request of Charles E. Long to address Council regarding history as a community resource (Communication)		PLACED ON FILE
873 Request of Richard L. Koenig to address Council regarding identifying corruption in public office (Communication)		PLACED ON FILE
874 Request of Jay Boss Rubin to address Council regarding rivers (Communication)		PLACED ON FILE
TIME CERTAINS		
875 TIME CERTAIN: 9:30 AM – Create a local improvement district to construct street improvements in the SE Ellis Street Local Improvement District (Hearing; Ordinance introduced by Commissioner Francesconi; C-10010)		PASSED TO SECOND READING AUGUST 4, 2004 AT 9:30 AM
876 TIME CERTAIN: 9:35 AM – Accept final report and recommendations of the Mt. Tabor Open Reservoirs Independent Review Panel and authorize interim enhanced security measures for City open finished drinking water reservoirs (Resolution introduced by Commissioner Saltzman) Motion to accept the report: Moved by Commissioner Francesconi and seconded by Commissioner Saltzman. (Y-5)		36237

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<p>S-877 TIME CERTAIN: 10:15 AM – Adopt the 27th Amendment to the Downtown Waterfront Urban Renewal Plan to acquire property for new fire station, mixed-use development and neighborhood revitalization (Second Reading 681; Ordinance introduced by Mayor Katz) (Y-4; N-1, Saltzman)</p>	<p align="center">SUBSTITUTE 178631</p>	
<p>*878 TIME CERTAIN: 11:30 AM – Authorize the purchase of 4.5 acres at Washington Monroe High School site for open space and future community center (Ordinance introduced by Commissioner Francesconi) (Y-5)</p>	<p align="center">178635</p>	
<p align="center">CONSENT AGENDA – NO DISCUSSION</p> <p>879 Accept bid of Brix Paving Company for Road Rehabilitation 2004 project in various locations for \$942,656 (Purchasing Report - Bid No. 103089) (Y-5)</p>		<p align="center">ACCEPTED PREPARE CONTRACT</p>
<p align="center">Mayor Vera Katz</p> <p>880 Reappoint Anthony Rufolo to the Investment Advisory Committee for a term to expire July 31, 2006 (Report) (Y-5)</p>		<p align="center">CONFIRMED</p>
<p>*881 Authorize the Chief Financial Officer to enter into an Affidavit of Ownership and Indemnification Agreement with the State of Texas in order to recover unclaimed property due the City in the amount of \$16,125 (Ordinance) (Y-5)</p>	<p align="center">178618</p>	
<p>*882 Create two positions of Police Administrative Support Specialist in the Police Bureau (Ordinance) (Y-5)</p>	<p align="center">178619</p>	
<p>*883 Authorize an agreement with the Oregon Bankers Association to provide a Police Bureau Program Coordinator to act as the Program Coordinator for the Regional Economic Crime Investigation Center pilot project (Ordinance) (Y-5)</p>	<p align="center">178620</p>	
<p>*884 Accept a \$25,000 grant from the Oregon Office of Emergency Management, Oregon Hazard Mitigation Grant Program-DR-1510 Winter Storm Disaster, for the development of the Disaster Mitigation Act of 2000 compliant mitigation plan (Ordinance) (Y-5)</p>	<p align="center">178621</p>	
<p>*885 Accept a \$13,700 grant from the Oregon Office of Emergency Management Flood Management Assistance program for the development of the Disaster Mitigation Act of 2000 compliant mitigation plan (Ordinance) (Y-5)</p>	<p align="center">178622</p>	

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Commissioner Jim Francesconi		
*886	Approve application, as a partner with Multnomah County Health Department, to Centers for Disease Control for STEPS to a HealthierUS grant in the amount of \$50,900 to provide a Ten Toe Express Project in the Centennial/Rockwood Neighborhood (Ordinance) (Y-5)	178623
*887	Amend contract with Shiels Oblatz Johnsen, Inc. for project management services in connection with the Preliminary Engineering Phase of the Portland Transit Mall Project (Ordinance; amend Contract No. 34662) (Y-5)	178624
*888	Approve a Change Order with Slayden Construction, Inc. to allow the construction of North Park Square (Ordinance; amend Contract No. 34974) (Y-5)	178625
Commissioner Dan Saltzman		
*889	Authorize an Intergovernmental Agreement with Multnomah County for administration of eligibility verification for Water/Sewer Bill Discount and Crisis Assistance (Ordinance) (Y-5)	178626
890	Authorize an Intergovernmental Agreement with Multnomah County to administer eligibility verification and coordinate plumbing repairs for the Water/Sewer Enhanced Fixture Repair Program (Ordinance)	PASSED TO SECOND READING AUGUST 4, 2004 AT 9:30 AM
*891	Authorize contract with Neighbors West/Northwest Coalition to provide services related to the Community Benefit Opportunity Program (Ordinance) (Y-5)	178627
*892	Authorize grant agreements and Intergovernmental Agreements with 13 non-profit and public entities to provide services related to the Community Watershed Stewardship Grant Program (Ordinance) (Y-5)	178628
Commissioner Erik Sten		
*893	Authorize subrecipient contract with worksystems inc. for \$687,299 for adult employment and training services and provide for payment (Ordinance) (Y-5)	178629
*894	Authorize exclusive license agreement with Bowman Systems, L.L.C. to provide Housing Connections to the national market in exchange for a license fee and royalties to the City (Ordinance) (Y-5)	178630

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REGULAR AGENDA

Mayor Vera Katz

<p>*895 Amend the annual budget of the City of Portland and revise appropriations for fiscal year 2004-05 (Ordinance)</p> <p>Motion to accept amended Exhibit 1: Gaveled down by Mayor Katz after no objections.</p>	<p>PASSED TO SECOND READING AS AMENDED AUGUST 4, 2004 AT 9:30 AM</p>
<p>*896 Pay claim of Thomas McNeal (Ordinance) (Y-5)</p>	<p>178632</p>
<p>*897 Authorize the Director of the Bureau of Human Resources to execute a memorandum of agreement between the City and the Portland Fire Fighters Association to modify certain terms and conditions of employment of certain represented employees in the Fire Bureau (Ordinance) (Y-5)</p>	<p>178633</p>
<p style="text-align: center;">Commissioner Randy Leonard</p>	
<p>*898 Authorize a temporary activity for Juneteenth Association NW for property located at 7007 NE Martin Luther King Jr. Boulevard (Ordinance; waive Title 33.296) (Y-5)</p>	<p>178634</p>
<p>899 Amend fee schedules for certain construction and trade permits, plan review, inspection, land use review and permit issuance services (Previous Agenda 819)</p> <p>Motion to accept amended fees: Moved by Commissioner Leonard and seconded by Commissioner Sten and gaveled down by Mayor Katz after hearing no objections.</p>	<p>PASSED TO SECOND READING AS AMENDED AUGUST 4, 2004 AT 9:30 AM</p>

At 12:56 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 28TH DAY OF JULY, 2004 AT 2:00 P.M.

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

Commissioner Leonard arrived at 2:02 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Kathryn Beaumont, Senior Deputy City Attorney; and Officer Anthony Merrill, Sergeant at Arms.

<p>900 TIME CERTAIN: 2:00 PM – Amend Title 33, Planning and Zoning, and the Cultural Resources Protection Plan for Columbia South Shore to update and improve land use regulations and procedures (Ordinance introduced by Mayor Katz; amend Title 33)</p> <p>Motion to accept amendments to Page 108 and 109 of the 2003-2004 Regulatory Improvement Workplan: Policy Package 3–</p> <p>Recommended Council: Commissioner</p> <p>Draft; Planning Commission Recommendation to City: Moved by Commissioner Francesconi and seconded by Leonard and accepted after hearing no objections.</p>	<p>Disposition:</p> <p>PASSED TO SECOND READING AS AMENDED AUGUST 4, 2004 AT 2:00 PM</p>
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At 2:54 p.m., Council recessed.

July 29, 2004

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

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

At 2:14 p.m., Council recessed.

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

Commissioner Francesconi arrived at 2:34 p.m.

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

<p>901 TIME CERTAIN: 2:00 PM - Create a local improvement district to construct aerial tram improvements in the Portland Aerial Tram Local Improvement District (Hearing; Ordinance introduced by Commissioner Francesconi; C-10009)</p>	<p>Disposition: CONTINUED TO AUGUST 4, 2004 AT 9:30 AM TIME CERTAIN</p>
<p>902 TIME CERTAIN: 2:05 PM – Urge President Bush to order the United States Department of Energy to immediately reconsider its decision to ship additional radioactive waste to Hanford through cities such as Portland and to defer any additional radioactive shipments to Hanford until such time as the existing contamination at Hanford is cleaned up (Resolution introduced by Commissioner Sten)</p> <p>(Y-4)</p>	<p>36238</p>
<p>903 TIME CERTAIN: 2:30 PM – Appeal of Powellhurst-Gilbert Neighborhood Association against Hearings Officer’s decision to approve the application of Springwater Development for Cannon Estates 34-lot subdivision at 5669 SE 145th Avenue (Previous Agenda 871; Hearing; Findings; LU 04-002080 LDS)</p> <p>Motion to deny the appeal and adopt the Hearings Officer’s decision with the following modifications; page 35, condition E-2 add “all development activities on the site shall confirm to the tree preservation plan approved with the final plat, trees 9, 10, 11, 13, 33, and 34 shall be preserved and delete the last sentence”. Condition E-3, keep the first two sentences and delete everything after that. On page 10, delete the third full paragraph and add tree 11 to the list of trees in the first sentence of the fourth paragraph, add tree 11 to the parentheses in the first sentence of the fourth paragraph. Page 11, delete the second full paragraph. Page 15, add to the second full paragraph the very last sentence "it reads with the necessary alteration to preserve the five trees proposed by the applicant, add tree 11 as required by the Council, the extent of proposed clearing</p> <p>and Moved by Commissioner Leonard and seconded by Commissioner Saltzman.</p> <p>(Y-4)</p>	<p>UPHOLD HEARINGS OFFICER’S DECISION WITH MODIFICATIONS; ACCEPT REVISED FINDINGS</p>

At 3:50 p.m., Council adjourned.

GARY BLACKMER
Auditor of the City of Portland

By Karla Moore-Love
Clerk of the Council

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

July 28, 2004
Closed Caption Transcript of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

JULY 28, 2004 9:30 AM

[Roll call]

Katz: All right. Communications. 872.

Item 872.

Charles E. Long: Good morning. My name is Charles E. Long, I live in northeast Portland. History is more important than intellectual curiosity. History is a vital resource for understanding the present, understanding human nature, learning from the successes and failures of the past. Stimulating the imagination, creating ideas, and goals. Woe to that society that ignores the lessons of history in crafting the future. The present administration in Washington is a prime example with myopic vision, the scant understanding of middle east history, and culture with overbearing hubris with dreams of conquering the world for multinational corporate power, it attacks a sovereign nation, Iraq, who in the recent past, was recipient of armaments and know-how from the United States. In the war on terror, our government has become the terrorist, trapped in a quagmire of insoluble proportions in Iraq. That society that does not learn from history is destined to repeat its mistakes. The following two weeks I'd like to discuss examples of the uses of history and history as a resource for Portland's future. Thank you.

Katz: Thank you. Charles, give me permission to do this, Mr. Long, did you ever ask you what you did before you retired? What was your answer?

Long: I did quite a variety of activities. I was a reporter for a while and did public relations, and -- [inaudible]

Item 873.

Katz: Thank you. Ok. 873.

*****: For the record, good morning, ladies and gentlemen, people of Portland. City Council. This is the two-year anniversary --

Katz: Do you want to identify yourself?

Richard Koenig: My name is Richard L. Koenig from southeast Portland. Two-year anniversary of five-part series that I did on the right of use of the highway that the people have in Portland. At the end of the series each of you were invited to sign a declaration of war against that right that you had come to know the people had. By unanimous voice vote you declined to declare that war. Since then the commission's troops have killed or been involved in the deaths of several people in my community. According to an Oregonian article metro section of June 20, '04, the war's escalating. I know as city council you didn't authorize the war or an escalation in it. The question is, who did? The question is, who condones, the question is, who will stop it? In March I filed a public record law demand with the city auditor's office for the city charter amendment that authorizes the police to regulate the public or their automobiles on the streets of Portland. The document has not been provided. The city auditor's office has informed me that the demand was transmitted to the city attorney's office. Last week during the citizen review committee meeting, their attorney was asked to tell the committee just what the failure of the auditors and the city attorney's offices to provide the demanded document means. He had three choices. The auditor and attorney are committing the crime of official misconduct by failing to do a duty imposed by law to produce that demanded record, or the city charter amendment authorizing the regulation of the public or their automobiles does not exist. Which would mean that the Portland police bureau is engaging in racketeering and deprivation of the people's civil rights. He had a third one, the right to

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silence, to remain silent as every criminal suspect has. Richard a. Rosenthal chose to remain silent. Though as a fiduciary to the public he had a duty to tell the committee if the police bureau is acting without authority. He didn't. I called the city attorney's office again yesterday to ask that the demanded charter amendment be delivered to me here today, to save steps. Did you bring that? I don't think he brought that. Each of you has received a copy of the demand for the authority of the police to treat the people of Portland as though they are motor vehicle operators and kill them incidentally.

Katz: Thank you. Your time is up.

Koenig: I'll be back for the answers.

Katz: Oh, I know. 874.

Item 874.

Moore: He's not able to make it.

Katz: Too bad. All right. He was fun. Consent. Any items to be pulled off? Commissioner Sten? I understand you're pulling 894?

Sten: It was inadvertently put on the consent.

Katz: All right. Any other item, any other council members want to pull? Anybody in the audience want to pull? If not, roll call on consent.

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

Katz: Mayor votes aye. [gavel pounded] 894.

Item 894.

Sten: We have a long agenda so we'll be very brief. I wanted to bring this one to the council's attention, particularly to your attention because one of the things the mayor has said, when we were doing something that's very good, we ought to see if there's a way to not only share it nationally but perhaps realize revenue from doing so, so our housing connections program, which is really I want to thank andy and his team, the country's cutting edge, it's an internet-based web program in which a person can search for affordable housing anywhere in the region for free, and find all the details they do. We've been approached by a company that would like to market that nationwide, help other poor people of course, but also I think bring a little royalties in to keep our program going. So andy, I may have stolen your thunder, but --

Katz: We saw this about a year ago.

Andy Miller, Bureau of Housing and Community Development: I think two years ago.

Katz: Two years?

Miller: I'm andy miller, the senior program manager, kind of the grandfather of this project. I'm going to turn it over to danielle, who is the staff person on this project to introduce this ordinance that's before you.

Katz: Ok.

Danielle Desma, Bureau of Housing and Community Development: I would just like to introduce chris eykamp in the back, who's the developer from c.j.s. On behalf of the bureau of housing and community development and the housing connections program, we'd like to request approval of this ordinance. It would basically formalize our relationship with bowman internet systems so they could market the website nationwide. Bhcd staff and partnership with the developers from cgis developed this website and the site went live in about -- about may of 2002. Since it went live we've had over 350,000 searches for affordable housing in the Portland metro area. Currently we have around 700 searches a day, 3500 a week. We have over 1300 different landlord and property management companies who are registered with housing connections representing over 52,000 properties. This morning a search for a low-income person searching for housing in housing connection was pull up over 250 different units available immediately on this site. As you can see, the mission, our mission to connect low-income renters with affordable housing, we believe we've exceeded our mission and at this point we were sort of looking at ways we can sustain the program. The last time that this program was in front of us this -- in front of this

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body were you given a way to find a way to sustain it and offer to it other jurisdictions. Program staff wrote an r.f.p. To look for a business partner who would help us market it. Through that process bowman internet systems was chosen to be our partner. Bowman internet systems has the largest market share of hmis software in the country. They're -- they're present in over 40 states, and they are well respected in the field and we believe have a ready made customer base for this venture. Our partnership with bowman basically is going to provide us with a win-win situation folks in other jurisdictions will have the opportunity to use this technology to help connect their low-income residents with affordable housing. But it will also allow us to help sustain our program locally so we can help offset the costs that the bureau is investing in the program currently. We cannot necessarily project royalties at this point, but we do believe there will be an opportunity for sales. The last word is there were several jurisdictions interested in purchasing the application. And so we're hoping that revenues will be generous and high. So we're hoping that given the potential of this venture that you'll approve this ordinance. Thank you.

Katz: Thank you. Questions?

Francesconi: Do you have any projection, any range as to how much money?

Desma: We don't at this point. It's a new market, an innovative application, but we're hoping and we've heard positive feedback from the company and their sales representatives who have customers lined up. So we'll see.

Miller: We ran just a real quick mock-up, and I should say first off the initial purchase price provides the city with 120,000 dollars in software costs that we were going to purchase from bowman for our homeless systems. Those will be offset by this agreement. Beyond that, just based on the five sales bowman has already tentatively lined up, the first five sales, we would project revenues about \$50,000 a year for the next 15 years. We hope to do better than that over the next couple of years by working closely with them to market it nationally.

Francesconi: Good.

Katz: Thank you. Further questions by the council? Anybody want to testify? [roll call]

Francesconi: It's a great use of technology to help poor folks the way commissioner Sten said. Aye.

Leonard: Aye.

Saltzman: This is really great. We saw this program, I think we all realized it had potential beyond Portland to help people find housing and also make money for the city of Portland. I'm glad you've followed through with this licensing and I think it's a very entrepreneurial effort. Congratulations. Aye.

Sten: I'm very proud of the work the team has done, and I also hope people will use this as a chance to get the word out. It's housingconnections.org, and it's free and available to everybody looking for housing. Way to go. Aye.

Katz: Good work. Mayor votes aye. [gavel pounded] 875. Time certain.

Item 875.

Andrew Aebi, Local Improvement District Administrator: Good morning, mayor and commissioners, Andrew Aebi, local improvement district administrator. Council accepted petitions for the southeast ellis street l.i.d. On the may 26 consent agenda. This l.i.d. Is adjacent to the previously approved lents iii extension l.i.d.'s. There are six properties included in the l.i.d. And both property owners petitioned in favor with no remonstrances received. The scope of the improvements is on the remaining unimproved portion of southeast ellis street east of 104th avenue, including the newly dedicated right of way. Improvements to ellis street, which is again one block south of Harold, will serve new affordable housing to host development has planned to revitalize this area and construction will be combined with a larger lent 3 previously approved by council to achieve economies of scale. New storm water quality regulations preclude our ability to build sumps to dispose of storm water in this area. Therefore, we are planning to use the same new green street design that we've designed for the core lents 3 l.i.d. For the southeast ellis street l.i.d. As

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well. That's -- unless council has any questions, i'll turn it over to john miller from host development.

John Miller: Hi, i'm john miller, executive director of host development. I'm just here to today -- here today to express my support for this l.i.d. Extension. Host has operated in north and northeast Portland for about 15 years now, and we've built over 200 homes and rehabbed many, many homes as well. Realize the need is really citywide for affordable housing. We recognize lents as an area that is a lot of really great things are happening in lents and we're excited to be a part of that effort. When we looked at the harold property we looked at southeast ellis street and it became apparent that it was going to be very expensive for us to develop that street. In fact if we were to do it on our own the project would not have penciled out. I talked with andrew extensively about the l.i.d., talked with another landowner there, and we came to terms and because of the l.i.d., the project did pencil out and we're now able to build seven affordable homes on southeast ellis street at 104th. So we're very excited about the contribution and effort that the city has put in to help -- to work with us to make that possible, and just really excited about being in the lents area and developing affordable homes out there. Thank you.

Katz: Questions? Anybody want to testify? Roll call.

Moore: This is an ordinance.

Katz: All right. Goes to second. 876.

Item 876.

Saltzman: Today's resolution completes the independent review panel process the city council established in january to address how the city should approach the security, infrastructure, and regulatory needs of the mt. Tabor open reservoirs. The independent review panel, 13 citizens, presented its majority and minority recommendations to the council at a work session on june 8. Based on these recommendations, i'm presenting today's resolution to direct the water bureau to do the following. Immediately end all contracts for work relating to reservoir burial at mt. Tabor. To work with Portland parks, the police bureau, and citizens to develop a risk mitigation approach for the federal, long-term, two, enhance water surface treatment rule, once that is final -- once that rule is finalized. To cease installation of the floating covers at Washington p.a.c. Until after the federal rule is finalized and city council decides on how it will comply with that rule at that site. And to implement starting today, an interim enhanced security plan for both reservoirs sites until the federal rule is finalized and a complete risk mitigation plan can be developed and submitted to the appropriate regulators, whether that's the federal government or the state government. In addition, the resolution addresses the planning, design, and public involvement standards that will guide future decision making affecting the reservoirs. And i'd like to thank floyd jones, charles hang, cascade anderson gellar and paul liesner for working with me and my staff for working with me time prove these sections of the resolution. As I said on june 8 at our work session, it's clear to me that based on the panel's report, the ultimate decision for what the city will do with both open reservoir sites will not be decided until this federal rule is finalized, and the regulators provide us with specific input on what will be required in a risk mitigation approach. The proposed interim security approach and maintenance features have been developed by the water bureau in consultation with the parks bureau and the Portland police. These measures do not constitute a risk mitigation plan for the purposes of meeting the federal rule. Nor do they completely address the security needs of the reservoirs as identified in vulnerability assessments that have been conducted.

As we all know, it's enormously challenging to provide adequate security to the city's drinking water when it is stored in finished form in such an accessible site as mt. Tabor park. The measures that we will hear about today and during the next budget process are merely common sense first steps towards minimizing the risk to the city's drinking water. I want to close by cautioning us to remember that ensuring adequate safety for our drinking water is a fundamental responsibility of the city that should not be forgotten or placed on a back burner now that reservoir burial, which would have considerably upgraded -- upgraded the security and reliability of the bull run system has been

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postponed. We all know interruptions of water service to our customers and critical facilities are inconvenient, economically devastating, and potentially life threatening. I look forward in the months and potentially years ahead to constructive input and thinking for how Portland can work to minimize the risk of such incidents. With that let me introduce the water bureau director, mort, to present the basic features of the interim enhanced security and deferred maintenance plan.

Mort Anoushiravani, Director, Portland Water Bureau: Thank you, commissioner. Good morning, mayor and council. I'm director of the Portland water bureau. I would like to quickly go over the resolution that's before you on what it covers. Basically this response to the directives from the council from the June 8 meeting and also -- it also provides direction for us to implement measures until the It-2 becomes final. Commissioner Saltzman has gone over the major components of this resolution, so I'm not going to go over them again because that's going to be redundant. Just a couple of things I want to point out. These measures that we are proposing today that we want to take right now have been worked through with our parks and police bureau. I'd like to thank the participation. Also, we are putting into place as a part of recommendation of the review panel with some deferred maintenance that we are going to do immediately, that's going to be needed regardless of what the outcome of the It-2, because that was one of the points that was made that we need to take care of these facilities that are vital to the operation of our water system. In terms of the specific of the measures that we are taking, we are taking two components. One is basically increasing the security force -- the presence we have at these two facilities that will include the hiring additional contract security officers as well as one additional security personnel. Also, it would include installing additional video monitoring, additional sensors, upgrading some of the facilities to allow for the security work to happen, also installing a pressure reducing valve at Mt. Tabor reservoir that would give us great flexibility in terms of our operations in case one of the reservoirs are contaminated. And it will also include some vegetation control and some improved signage and traffic control and patterning as well as basically dealing with the tennis court barrier that we have to install. And also at Washington park we're going to be installing additional detention -- detection systems, vehicle access points, and we are also going to complete the work we have started in terms of isolation valves there. Also as part of this phase one that we're going to use current fiscal year funds for it, we are also going to improve the sidewalks around there so that would be safer around the sites's walking surfaces, for the public and as well for our own security people. I'd like to point out again that we are not going to be installing the cover at President Bush park until the rule is final and until the council and the public have weighed in on what to do to ultimately comply with the pending rule, and also there's a second phase to this that we are going to be bringing to the council as a part of the fiscal '05-06 in terms of additional security measures as well as additional capital work that might be required, but that's not going to happen until next fall. Or this fall, rather. During the budget process. What does the funding for this mean, and what that would involve, the council directed the water bureau essentially to not spend any of the \$1 -- any of the 1.2% that was in our recent rate increase of 5% until we have a plan put together, until we brought it before the council. And for the work that I mentioned, it is divided into two components. One is basically operation and maintenance work, which is the security work that we have to do, additional security funds, and then there is also capital program. The cost of that additional security is about \$390,000 a year, and that's about .7% of that 1.2% for the open reservoir that was set aside. And we are able to reprioritize our existing c.i.p. To pay for the additional work that we have to do so there is no additional rate impact for that. So that means there is a net of half a percent available that's going to be applied to next year's rates, so it's going to be a rate relief for next year. And the way we'll deal with that to make sure it's going to be basically accounted for, we will work with the treasury office and we are setting up an internal escrow account, and we are putting that money there, and that's going to be basically tracked and traced and it's going to be applied to next year's rate increase. There are a couple of limitations of this plan we have put together that I would just like to mention. One is what we are putting into place as this interim plan doesn't -- it does not

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provide the same level of security that was basically recommended in our vulnerability assessment work done back in 2003. And it also does not constitute a risk mitigation plan. Once the rule is final we still have to work through what does risk mitigation plan will look like when we present it to our regulators. In summary, what is the cost of all this? Basically the capital security for this phase one is about \$1.27 million, and the deferred maintenance work that we are going to be doing at Washington park and mt. Tabor is \$4.9 million for a total capital outlay of \$6.1 million that we'd like to start that process after the council approves this resolution. And our security enhancement is about \$392,000 that we are going to use the .7% to pay for it. I'll be glad to respond to any questions.

Katz: Ok. Questions by the council?

Leonard: Just one more. Thanks for all your work on this. It's on the deferred maintenance, the pressure reducing valve. That's \$3 million. That's half of the whole cost. Can it be done any cheaper?

Anoushiravani: The answer is we are going to make it -- we are going to make it as economically as possible. Having said that, we are talking of large vaults, large facilities large pipelines, large valves, and we are talking 48 to 16 facilities. The costs are in that range. It can't be really made -- these are basically planning level numbers, but they are reasonable numbers. Obviously we are going to be cognizant of costs and things like that.

Katz: Ok. Further questions? Thank you, mort.

Anoushiravani: Thank you.

Katz: All right. Let's open it up.

Moore: Come up three at a time.

Kathryn Notson: My name is Katherine Notson, the secretary-treasurer for South Tabor neighborhood. I support the adoption of this resolution in exhibit A in order that security measures at the five open reservoirs in President Bush Park and Mt. Tabor Park be implemented however, I still have several concerns. One, geological instability. There has never been a city authorized geological study of the soils surrounding says inventories one, five, and six. The auger boring and pits dug at reservoir sites in 1909 were only three feet to 58 feet deep and they did not go down to bedrock. Clay sand gravel rocks or boulders and water were found. Reservoirs five and six are on fill dirt and a man made embankment. No one knows where bedrock lies under Mt. Tabor. Second, natural subterranean springs. There is historical documentation of natural subterranean springs which cause a subterranean 38- -- 30-acre landslide, which has damaged the Washington Park reservoirs three and four since 19 -- 1893 until now. The Washington Park reservoirs three and four linings were come -- were replaced this 1904 to 1906. They are not original or historic. The subterranean springs undermine the Mt. Tabor reservoirs by moving soil around them. The asphalt in Mt. Tabor reservoir six is not original or historic. It is cracking now. Poor physical condition of all five reservoirs, expansion joints in reservoir five and six were not sealed during construction. The reservoirs were never water tight. This article discusses that issue. This is an Oregon Journal newspaper article from December 20, 1911. This was one month after reservoir six was completed, and already it was leaking. They have always leaked. The Washington Park reservoir three and reservoir five have linings in them because of leakage. These linings will not last 10 years before they need replacement. A woman who resides on Southeast Stephens Street hears water flow past her house while standing in her basement. Seismic vulnerability. The 6.8 earthquake on February 28, 2001, was felt at Mt. Tabor Middle School and children were told to go under their desks and cover their next. This school is less than one mile north of Mt. Tabor reservoirs. Potential contamination. Mark Knutsen's April 27, 2004, presentation to the independent review panel of potential contamination scenarios of Mt. Tabor reservoirs five shows the first neighborhood which would suffer from such an event is South Tabor. A resident submitted testimony to the independent review panel on March 25, 2004, stating the elderly woman -- an

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elderly woman neighbor who lives across 60th avenue witnessed a man throw dog feces in a plastic bag into mt. Tabor reservoir.

Katz: Your time is up. We've got your --

Notson: Thank you.

Katz: I watch some of the panel, were you the one that raised the issue of the seismic issues?

Notson: I think that that was actually mentioned on april 13. As I recall, the word seismic and earthquake were in a presentation from the water bureau. I did mention it in my april 20 testimony, yes, ma'am.

Katz: Thank you.

Diane Redd: My name is diane redd, the president of the mt. Tabor neighborhood association. I appreciate madam mayor and commissioners that being here today to speak to you. I would like to preface my remarks to say thank you, commissioner Saltzman, and thanks to your staff for working with neighbors in mt. Tabor on these issues, we really appreciate your support. I'm here to affirm and hope that the commission will affirm that any future water bureau actions should be guided by and reflect the following documents. The mt. Tabor park master plan, the pact guiding principles, and the spirit and requirements of the listing on the national historic registers of the reservoirs, which are already listed, and the park, which has been approved by the Oregon state historic preservation office and forwarded to the national park service. We very much hope that any future water bureau actions with regard to the reservoirs should follow public involvement best practices and the principles developed by the city of Portland public involvement task force. We're really excited that you're listening to the public and we're excited to continue to be involved. Thank you so much for your support.

Charles Heying: I'm charles heyning, a member of the friends of the reservoirs. In terms of resolution I hope you accept it as it s this is my personal opinion, and thank you, commissioner Saltzman for inviting a number of us in to participate in discussing the resolution as it stands now. And as -- personally I feel the resolution is as good as it can be at this point. There are some things that some members may disagree with, but from my point of view, it's as good as it needs to be at this point in time. I'd also like to thank you for all of you for staying with this process as long as it has, and i'd also like to thank the friends and myself included for us hanging in there as long as we did. It's been long, it's been difficult, it's been contentious. We have tried to maintain a level of responsibility and accuracy in what we did. We know that you have all felt that you have maintained from your point of view, tried to understand this issue as well as you could, and to get the best information you can. And it seems like after this two-year period we have come to a resolution that at least for the interim does address the problems that need to be addressed and does look to the future when the It-2 is finalized and when this problem or this issue will probably again be discussed, hopefully the resolution will again be a mitigation measure in not covering the reservoirs. So just for -- personally I want to thank you, from the friends I want to thank you, and I hope we can work together in the future.

Katz: Thank you. I think we've all learned a lot from this. All right. Karla?

Cascade Anderson Geller: I wanted to thank you all as charles just did for a lot of work, and it was two years ago yesterday as I was sitting with the water bureau that I first found out about the open reservoir replacement project at the last concert -- at mt. Tabor park. So it was two-year anniversary for me personally. I do support also the resolution, I think it's a good work. I also have some comments about it and I turned those in for the public record and i'll send those to the appropriate staff people. I just wanted to review, mostly I feel that some of the language in the resolution reflects some of the things that i've been saying for the last two years, and that is that we sort of see the reservoirs as burdens. We see their historic significance as burdens, instead of seeing them as an asset to the city. And I think that's reflected in some of the language. I am really happy that was added, that language did include the listing to the national register of historic places for the reservoirs. It doesn't mention the parks listing, however. And I also suggest that another whereas

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be added to the resolution that talks about the good water quality in Portland. As an archive -- a person who's spent a lot of time in the Portland archives, I think it's very important that resolutions be very, very accurate and present things that people will understand in the future. The panel report opens with the good water quality in Portland and I suggest that you say whereas water quality in Portland is good and meets all current federal regulations, I think that really would strengthen the resolution. I also think that added in the whereas should be the listing of the national register of historic places instead of just putting it into the resolves. Most importantly, I wanted to mention the Washington park reservoirs. I think that since the covers are not going on which is a great idea for all concerned, for water quality as well as for aesthetics, that another whereas be added whereas the synthetic covers will not be applied to the president bush park reservoirs at this time, and whereas the reservoirs are listed on the national register of historic places, be it resolved that the cover framework and other features not meeting design review guidelines will be removed. We did discuss this or adapted. -- we did discuss this at the meeting yesterday and I think there are ways to save that freedom work if it ever were to be pursued again, and it would really help in good faith to get rid of the unsightly stuff at Washington park reservoirs. So that's my main -- the last thing is that the -- because these are national register properties that are in the public domain, they are eligible for a number of different grants. I am helping to pursue this with commissioner Saltzman's staff, and would like to see that happen. So if some of the interim measures can be pursued through grant work now, and that helps to make them an asset instead of a burden.

Katz: Thank you. Jeff?

Jeff Boly: Jeff boli, Arlington Heights neighborhood association. I would like to add my thanks and appreciation for the steps you're taking now. I think it's in the best tradition of Portland government and i'm very, very pleased and proud to be part of it. I would just like to add one thing to what cascade mentioned, and I think it would be extremely helpful if the five of you could find 15 minutes today, get in your car, madam mayor, drive up to the Washington park reservoirs and simply take a look at reservoir three. What any person driving by, any tourist would see. I don't want to try to characterize what you're going to see, but I would -- I can't urge you enough as the decision makers and the custodians of this historic treasure to go and see what it looks like right now.

Katz: Thank you. Anybody else? If not, i'll take a motion to accept the final report and recommendations.

Francesconi: So moved.

Katz: Do I hear a second?

Saltzman: Second.

Katz: Roll call.

Francesconi: This is very important I think for four reasons. The citizens of mt. Tabor and the friends of the reservoir as well as commissioner Saltzman and his staff deserve the credit. It's important for four reasons. First is saving money. The cost of the water and sewer system is very expensive for our residents, many of whom are not watering their lawns this summer, just because they can't pay for it, especially seniors on fixed incomes. So it's hard to calculate exactly, but this could save as much as \$50 million. That's very significant. Second, there are other ways to make this safe. Safety does -- is our highest priority as commissioner Saltzman said, but there's other ways to do it. Third, the historic nature of the park and the improvements to Washington park, this is a great thing that's come out of this, a recommitment to mt. Tabor to the historic nature, to the wonderfulness of the park, and also the improvements that now will be made at Washington park's appearance. I've been there, i've seen it. And joe has pointed it out to me, wherever you went. This will improve the quality of the park at both Washington park and mt. Tabor. But the most important thing to come out of this, because there will be more fights, and what -- the city council under economics Saltzman's leadership has responsibility to the whole city to make sure the system is safe and protected and pure. The friends of the reservoir had very legitimate issues they fought

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very hard about. We have to learn through the process to listen to each other, but also not to personalize it. To understand that there's different objectives that we all have. But it is important that we listen to each other and come to a conclusion. So Charles, what you said here was terrific, and how you said it was terrific. > <and this is a case where we worked through the process, we tried not to personalize it and we ended with a result that's good not only for Mt. Tabor, not only for the reservoirs, not only for southeast Portland, but for the whole city. So this is how we have to work through some tough issues. So thanks to all of you for hanging in there with us, and commissioner Saltzman, thank you for your leadership. Aye.

Leonard: As I have said before in this discussion, working to require safety measures has never been met with open arms by anyone in the history of this country. I'm remind mostly of fire code resolutions over the past two centuries. It's only been after major events with major loss of life that communities have been open and willing to accept increased costs for fire protection devices such as fire sprinklers, second exits, emergency door exits, fire alarms, preactive evacuation alarms in buildings. This debate has reminded me of that effort. And I want to say that notwithstanding that, I totally respect the process we went through. But we have to be mindful of the fact that the issue at hand here was trying to prevent a calamity from occurring to the citizens of the city, and it is not an easy thing to do as we have all discovered to persuade and convince people, let's do something before something bad happens, not wait until it occurs and then try to figure out how to stop it from happening again. And I have to say that I have been in public life a long time in one capacity or another, and of all of the public officials I have ever worked with, there is nobody I hold in higher esteem than commissioner Dan Saltzman. There's nobody whose integrity is greater, in my opinion, in public service in this state, than commissioner Dan Saltzman. His goals were to prevent some horrible thing from occurring. We could have an honest disagreement as to the probability of that happening, but that doesn't take away from what his goal was, and that was to prevent something from happening before it happened. So I greatly appreciate his efforts. And I'm greatly sympathetic to the hits he's taken through this process, because it's not an easy thing to do, as I have said, to try to explain to a community why you need to spend a lot of money or do something different to prevent something from happening. So I do respect this process, I along with the mayor watched most of the hearings on channel 30. It was very educational, and I appreciated all of the testimony. I appreciated the testimony of the first witness here today, and I know that wasn't a popular thing for her to say. Given the context of this debate and this community. Aye.

Saltzman: Well, I wish I could say this was the end, but it really is -- [laughter] it's closing one chapter and beginning another. I want to thank the people both friends of the reservoirs, the water bureau, the city council, the many citizens who took the 13 members of the independent review panel who spent almost three or four months really delving into this issue and spending a lot of time coming up with their recommendations, which serve as basically the framework for the next chapter, which is we are going to take a risk mitigation plan approach to protecting our drinking water subject to finding out what the federal rule does finally entail. If we ultimately decide that the risk mitigation plan poses other constraints or restraints on open space and things like that at our parks, then again the council may wish to visit the question of burial or other options that may be viable at that time. But we won't know that until the rule becomes final and we know what our risk mitigation plan is acceptable to our citizens as well as to the state or federal government. So that's really the next chapter ahead, and hopefully we'll get more clarity on that in the next year ahead. But I would be remiss to say if I -- I have strong beliefs on this, I think people still know I pretty much agree with the minority of the independent review panel, that burial is a hundred-year solution consistent with the long-term vision that the founders of our Bull Run water supply system have always kept in mind, and had in mind from day one, and I think it's the type of thing that would get us out from worrying about all these federal regulations that -- period. We would just bury it, put some nice park improvements on top and I think we'd have an investment that would again serve both water security as well as the aesthetics of our parks for at least a century. I have

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strong held views, but I know other people do too, and although we butted heads I think we've ultimately come up with a solution that i'm certainly prepared to carry forward as this -- the water bureau that meets at least what I believe are our interim security needs, and until we get a better picture of what our longer term security needs are. Aye.

Sten: A lot of it's been said, but I also want to join in thanking commissioner Saltzman and the friends of the reservoir, all the folks who work order this. There's been some low points and high points to this process. I would say very briefly that i'm comfortable with the decision, I think there's been a lot of debate about which is the right way to go. I actually have come to believe you can make a rational argument for getting rid of the reservoirs and covering them, and you can make one for keeping them, and it comes down to at this point what really is a community value choice in my mind. The community has to make a decision, do we value this approach or the other approach, but of -- both of which I think have real risk and both will cost money and have different indications, 10, 20, 30, 100 years down the road. If you cover them, yeah, that is a hundred-year solution and that's one of the things that was appealing about it. It's perfectly I think acceptable to take the approach we're doing with the risk mitigation approach still to be determined, and I think what came out through this process with some twist and turns, obviously, and some hard feelings at times, is that the community's values are such that they would rather take the risk of keeping it this way and moving forward. And I think that's a perfectly fair choice as was the other way. It's just how do you value these choices. And that's where things are very difficult. When you have things that are crystal clear and a matter of ethics or conscious, and for this it was a matter of conscious, but you have two good argument and ultimately the panel split almost as close as you could split, one vote short, but what happened through this is the community's values came out and the value is let's keep these reservoirs and do what we have to do to take those risks rather than go the other way. It's cheaper, but it's really just a different approach. And I think one way or another I hope that what I hope can happen over the next couple years is somebody who has a lot of experience with the water system and we actually had a much more robust discussion going of the future water system before we got caught up in the willing issues which made it hard for people to focus on those things, this becomes a first step for a broader community discussion with the different groups about, ok, what does a long-term plan look like? How does the fundamental premise that we're going to keep these reservoirs then lead to other sets of decisions? So I think you put that in place, and I once -- it was hard to sound byte when I was working much more closely on these issues four or five issues, I said the future of the water system is almost an equation with four or five, six seven variables and you have to put each one in place before you can solve it. One that we were working through is how many customers are we going to have in the future? I've always been a proponent -- I said I was going to be brief. I've changed my mind. [laughter] unlike the timer, I don't have to do that. I've always thought that there's two directions the system goes. One is it becomes a more regional system whether you do that by selling a share or long-term contracts, and we sell more water, we only use about 15% of what's up there and we invest more in a more robust system. It shrinks a little bit and doesn't serve the region. The down side is you see a lot of people throughout the region drink the willamette, and you -- which I think is inferior. What do we want this thing to be in 20 or 30 years and how do we structure a set of investments that will allow us to get there in a way that people can afford. And I think in a lot of ways the billing system problem, which was a terrible problem, the flap with this, which was the right flap to have, people stood up for the right reason, has blocked us as a community from being able to get to the real vision for what we all value deeply, which is the world's best water in a world that satisfiedly does not have enough water. So we have an incredible abundant renewable resource up there and I think the next step s. Let's embrace that, come together and put a plan together with this as the first one of those variables to be solved w that I want to thank you for your hard work, particularly thank commissioner Saltzman for hanging in there, and I vote aye.

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Katz: There's nothing left for me to say. [laughter] commissioner Saltzman, I agreed with you at the very beginning. I still feel that we probably should move in covering the reservoirs, but as commissioner Sten said, there is a community out there, and we value our -- the community input and they there were very, very strong feelings, legitimate issues were raised, and you were willing to step back and take another look at this. And I want to thank you for that. Aye. [gavel pounded] all right. S-877.

Item 877.

Katz: This is the second reading but I was not here, but I followed the proceedings and I understand that the council delayed action on this item for 45 days. We are at that time frame. A lot of conversations, a lot of emails, a lot of letters were flying around, and I think it's important that we hear from not only the executive director of the Portland development commission, but the chair as well as the chief of police -- i'm sorry, the chief of the fire bureau, to report to us what went on. And then I need to scold karen williams if she's here. I'll do that a little later. All right.

Matt Hennessee, Portland Development Commission: Good morning, madam mayor, members of the city council. My name is matt henessey. After the wonderful things commissioner leonard said about commissioner Saltzman, my name is dan Saltzman. [laughter]

Leonard: You're my second favorite.

Hennessee: I come to you this morning on -- on behalf of the Portland development commission. We have chief wilson with us this morning, and members of his staff. Members of the Portland development commission staff as well. And commissioner wilson is also here this morning. I want to apologize. This morning we spent time at p.d.c. And I knew we needed to be here, and my day job is getting in the way, so at about 10 to 11:00 if we're not done, I really have to go. But commissioner wilson will still be here, mr. mazziotti and his staff will also be here. I hope you'll forgive me for that. I'm delighted to be a part of this presentation this morning. This is on the one hand really kind of bitter sweet because on the one hand we feel very, very strongly about the downtown and very much appreciated fact that you ask us to go away and negotiate for the next 45 days from the date that we were here before, and wanted to come back and give you a progress report and really seek your action today. I want to say personally, one who's been involved both in private business as well as city government, i'm not a person nor are the members of our commission, people who wish to go to condemnation that is not even -- even though it's an authority that one has, it's not one that wants to use very lightly. In this case I feel it would -- we have worked very diligently to make sure we didn't get there. Unfortunately, I think what you'll hear from Mr. Mazziotti is that we find ourselves really kind of in the same place when we were when we were here before. But I want to assure you of this. After our last presentation before you, and you're saying come back on the 28th, I took some of my own time to make certain that I was part of these negotiations to see what was going on and to make certain, not that I don't trust mr. Mazziotti and the staff, but I thought it was important to be there to make sure we are negotiating in good faith. I want to tell you both in terms of the two I think or three sessions I was able to go to, but the innumerable sessions they went to, that we did very much negotiate in good faith, and I must say that I felt mr. Naito and his folks were doing the same. So i'm here to ask for your approval of the 27th amendment to the downtown waterfront urban renewal plan, your approval of this amendment would give our board of directors the authorization to acquire block 8 and to develop a new fire station in old town, chinatown neighborhood and ultimately the redevelopment of ankeny plaza in downtown waterfront. This is both a catalytic and strategic project. It focus on the larger picture and how these projects fold into everything else that's taking place in old town, chinatown and the downtown waterfront. We believe that building a new fire station on block 8 and redeveloping ankeny plaza will spur other property owners in the area to redevelop their properties generating an estimated \$500 million in private investment. And significantly increase property values. As an option three district, 55% of all assessed property values in downtown waterfront urban renewal plan area currently flow back to overlapping taxing districts in downtown waterfront urban renewal

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area currently flow back to overlapping taxing districts in turn supporting schools and social services. A new signature fire station will benefit local businesses by bringing more than 125 jobs to the old town-chinatown area, stimulate demand for restaurants and services and strengthen office presence in the district as well. The fire station's 24-hour presence will help create increased public safety and add more daytime uses in the immediate area. As you know, the relocation of fire station one is the pivotal first step in the city's plans to revitalize the downtown waterfront and the skidmore old town landmark historic district and to link the downtown core with the waterfront. The fire station relocation was first proposed in the downtown waterfront development opportunities report which was developed in 2003 by a citizen-led committee, staff, members -- staff members from six -- from seven city bureaus, Multnomah county, and tri-met and a team of independent consultants. The report adopted by the p.d.c. Board of commissioners in november 2003 provides strategies to strengthen connections with the willamette river, waterfront park and downtown Portland, create a successful downtown residential neighborhood, and conserve and rehabilitate the city's beautiful historic district. On June 16, you directed us and the property owners to continue all efforts to reach an agreement to acquire block eight. You asked us to report back to you in 45 days, that being today. We are here this morning to report to you as Mr. Maziotti will, talk to you about the steps that have been taken, the summary of the meetings that have been had and where we are at this point. I would like to cede any more of my time to the fire chief, who again has been a great partner, both he personally and his staff, as we have worked through this process and after the chief has spoken, Mr. Maziotti will take you through the various parts of our presentation. Thank you.

Ed Wilson, Fire Chief, City of Portland: Thank you. Good morning, Mayor, members of council. For the record, Ed Wilson, fire chief for the city of Portland. I'm here today to speak in support of the 27th amendment to the downtown waterfront urban renewal plan. Since late 2002, Portland fire and rescue has been a willing participant working closely with other city staff to identify a relocation site for fire station one, fire administration, and the fire museum. During this process, Portland fire and rescue identified minimum program and space requirements with citizen involvement. A site that meets Portland fire and rescue's needs, which is currently owned by the H. Naito corporation has been identified. This site is referred to as block eight. Until recently, Portland fire and rescue has not been involved directly with the property owners concerning acquisition of this site. Last time we were before council on this issue, you directed all parties involved to continue negotiations for 45 additional days. Portland fire and rescue willingly agreed to participate in the charette process that was requested by the H. Naito corporation. The outcome of the charette process produced from Portland fire and rescue's perspective, a viable option. With the inclusion of this viable option, there now appears to be three options to consider. Option one would be to adopt the proposal identified in the disposition and development agreement entered into between Portland fire and rescue and the Portland development commission. This option is fully funded from two sources -- the 11.6 million dollars in the fire bond proceeds, and a \$10.5 million commitment from the Portland development commission. This option retains the Globe Hotel on the site at block eight. Or we could implement option two, which was identified during the charette process of which you've all been briefed on. This option two meets Portland fire and rescue's program and space needs, however, as outlined in the report, this option is not fully funded and requires demolition of the Globe Hotel. Finally, if options one and two cannot be implemented, option three remains. And it calls for Portland fire and rescue to remain at 55 Southwest Ash Street and to proceed with renovation and seismic upgrades of the site. In closing it's important that council understand that while Portland fire and rescue is willing to work with all parties involved, our two primary concerns continue to be operational needs and project funding. Block 8 meets our operational needs, the operational needs identified by Portland fire and rescue but we're concerned about the project's funding. As you're aware, the renovation and seismic upgrade of the 55 Southwest Ash site was scheduled to start in late fall 2002 and was delayed. After October 18, 2004,

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Portland fire and rescue will not have further sufficient funding to complete any of the three outlines i've identified today. After october 18, 2004, unbudgeted inflationary costs that's estimated to be \$33,500 per month for renovation and seismic upgrade of our current site, or \$55,000 per month for the development of the relocation site will begin to accrue. Portland fire and rescue encourages council to make a decision today regarding the adoption of the 27th amendment to the downtown waterfront urban renewal plan. Adoption of the plan today will allow adequate time for the city to complete the steps necessary to acquire block 8 by october 18,2004. I also want to thank mr. Hennessy and don mazziotti and the staff for the work that's gone on for months and months in assisting us in identifying options for station one. Thank you.

Katz: Thank you, chief.

Don Mazziotti, Executive Director, Portland Development Commission: Thank you, chief wilson. Let me return the complement. We've enjoyed working with your staff and your team. They're great people. We look forward to working with you in the future if there are other things to do. Members of council, chairman hennessy, commissioner wilson, I would just like to quickly review what has happened the last 45 days so you get a sense of what's gone on in practical terms. First, I want to make clear there's been no acrimony, no hostility, no double dealing, none of that stuff.

Francesconi: I thought you were italian? What's the deal? [laughter]

Mazziotti: I didn't use those skills, commissioner. Vern naito has been a pleasure to work with. He's a lot of fun. He really is a brilliant guy. He is looking out for the interests of his property in his neighborhood, I have no doubt about his goodwill and perception. We just happen to differ in what our perceptions are. Here's what's happened the last 45 days since you told us, try harder. We have, we think, we've made two written offers, we've made one verbal offer. We've held five negotiating meetings, we helped organize, attended, staffed and partially paid for the design charette that vern wanted to be engaged. We met evenings and weekends to accommodate his schedule, I think you know he's involved in litigation which keeps him out of daytime meetings. We conducted a fourth appraisal by a new appraiser with which he agreed to in terms of an acceptable appraiser. We've conducted a further parking study of the bookin group report that had done previously. We continued to compensate fire and b.g.s. For time and materials to assist in this whole process. But we do not have what we needed to have by today, which is a purchase and sale agreement. I talked to mr. Naito this morning. He acknowledged that we've come some ways in this process, we're closer today probably than we were, but we still don't have an agreement. And here's why we have to have the purchase and sale by october 18. At that time or on that day, the fire bureau and b.g.s. Need to fully engage engineers architects and designers to proceed to design this structure. They'll spend somewhere between \$600,000 and \$1 million on that exercise. And it would make no sense obviously to spend that kind of money unless you have control and possession of the property. And that's the reason for the date, that's the reason we're attempting to move forward. If you pass the amendment, you are doing really two things. You are agreeing to fund the fire station construction, directing us to fund the fire station construction in tandem with b.g.s. And fire, and to acquire the block through any legal means necessary. Those are the two things wrapped into a single action. We believe that the actions we've taken over the past 18 months or so have brought us to a point where we can acquire this, we should acquire this, and we recommend that you support the 27th amendment. It is our intention to immediately seek a final shot at negotiation with mr. Naito and the naito corporation before we would ask our commission to move on an imminent domain. Thank you.

Katz: Let me ask the question, you think that if we remove this from our plates and act on this today, that that may trigger another opportunity for the team to get to a final agreement with vern naito?

Mazziotti: That's our hope, mayor. We believe that that would set up -- it would be the only changed condition in this environment. It would provide an incentive for all of us to not just for

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vern, but also for us to conclude this in a negotiated fashion, but we've got to do it before the 18th or if we can't make the 18th, then as fire chief wilson said, I believe the fire bureau will exercise their rehabilitation alternative and p.d.c. Will reprioritize its budget and seek to fund other projects in the district.

Katz: Ok. Questions by the rest of the council?

Francesconi: I have a couple for first don and then matt. Don -- matt characterized it, but I don't think you meant to say this, but you made it seem as if not much progress has happened, and then don said something a little different. In looking at these letters, it looks like progress has been made. It looks on the price, although i'm less clear about that, there's certainly been a lot more attention focused order the globe hotel in terms of p.d.c.'s willingness to participate. I understand that there's a difference, the idea of knocking it down is not a good idea, but the idea of p.d.c. To participate in the globe hotel, which I wasn't sure where you were before, the idea of parking, you're also willing to do more things on parking, and there appears to be more flexibility on the learning center in terms of if it doesn't work it will be designed for retail space later. So it at least in those areas as i'm looking at the exchange of letters it looks like some substantial progress has been made. Is my characterization accurate?

Mazziotti: Well, I would say commissioner that several of those items were on the table as we went into that process. But there has been some clarity brought to people's positions. And I think -- I can't speak for chairman hennessy, but in terms of progress to a purchase and sale agreement, we're not there. And we have not made progress in that regard. So while there have been some pieces that have moved, I don't think there's been a substantial movement, we don't have agreement on price. We don't have agreement on parking, we don't have agreement on configuration, and we -- those items still remain to be negotiated, so I don't want to overrepresent the progress. I think there's a lot of good feeling, and certainly goodwill, and good faith by both parties. That's progress in a difficult negotiation. But in substantive terms, the progress has been fairly limited.

Katz: Ok. --

Francesconi: I appreciate your candor. The last question for me, it's really for mat, at the end, don, you said the very end, you said you would not immediately proceed with condemnation. But you would reinstitute negotiations with the idea of, if you had the hammer, maybe you could finalize this before going to the extreme of condemnation. So chairperson hennessy, we all appreciate your personal involvement. I guess i'd like to hear from you that you too, that the commission itself will do all it can with the hammer in hand will not slam it without another very sincere attempt to reach a settlement without the hammer being slammed.

Hennessee: I give you my word on that. That's exactly the way we feel. We would vigorously wish you to pass on this today, but there's no question that we would not immediately move to condemnation, that we do want to give this one last try. And we will try, all the way up until the time we know we have to use the leverage that you've given us to do that.

Francesconi: Thank you.

Katz: Further questions?

Saltzman: In the design charette, wasn't there also an option that people could live with too that kept the globe hotel?

Mazziotti: There was an alternative that kept the globe hotel, but the turning radius necessary and correct me if i'm wrong, the turning radius internal to the design was too short to satisfy the operational requirements of the fire bureau, and so it's not an attractive option from our standpoint. Am I correct on that? Yeah.

Saltzman: So it did not --

Mazziotti: It did not --

Saltzman: It wasn't an alternative the people could live with, then.

Mazziotti: Correct.

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Katz: Further questions? I know the council spent a lot of time on this. Is council ready to vote? Ok.

Francesconi: Do we want to hear from anyone else? Can we?

Katz: Do you want to hear from karen?

Francesconi: It wouldn't hurt.

Katz: Remember this, is a second reading, but since we made a presentation – karen williams, why don't you come on up. Let me scold you quickly. Yes, I do have the right to say I don't support tearing down the globe hotel.

Leonard: I'm sorry?

Katz: There was a letter, correspondence that karen sort of questioned my right to say that I don't support tearing down the globe hotel.

Karen Williams, Lane Powell: Mayor Katz, members of council, i'm karen williams from lane powell, I represent --

Katz: See, I can scold her, she used to work for us.

Williams: Mayor, first absolutely, you have the right to decide you don't want to tear down the globe hotel. And second, mayor Katz, I cannot tell you how delighted am I -- I am to see you here thinking and solving problems for the city, even if you think i'm one of the problems.

Katz: You're very sweet. Why don't you go ahead and share with us something that you wanted to tell us.

Williams: The first i'd like to second the comments from executive director maziotti, commissioner wilson and chair hennessy. The efforts in the last 45 days have been sincere, very serious, good faith, and very vigorous efforts by both parties to roll up their sleeves and look for a real solution. It is very unfortunate that the parties didn't know during the charette process that they didn't have a workable solution because they were working hard to find a real solution in the charette process to believe they had an agreement to come out and have that agreement later determined not to work was extremely disappointing to the naitos and i'm sure to the folks in the city as well, because everyone is genuinely and sincerely looking for a negotiated solution. However, the result is that where we are now is that we have essentially come 360 on the design issue, we are with some exceptions about activating the use on the street, we are substantially pretty close to where we began, and that's very frustrating for the naitos. They have accepted the approximately \$5 million purchase price offer, but requested an additional \$750,000 from the Portland development commission because there will be problems in the neighborhood, naitos expect they will have to invest a couple of million dollars in order to mitigate some of those problems, and they're asking p.d.c. For a commitment now to what naitos view as p.d.c.'s share of redevelopment in the neighborhood to deal with the impacts of the fire bureau. The parking issue, they have counteroffered, requesting a 20-year solution that can be transferred to another parking garage if one is built. And the -- it's our understanding that p.d.c. Has declined that offer. The letter we -- naitos received from Mr. Mazziotti this morning indicates that p.d.c.'s offer of the 23rd is their final offer because it requests -- it says that there's no movement offered in that letter, and a request that Naitos consider that offer seriously and move on it. And so we are concerned that giving p.d.c. Condemnation authority tells p.d.c. From this council that no further movement on their final offer is necessary. And naitos continue to believe that would be an unfortunate result because there will be impacts of having this fire station located in old town, there will be parking impacts, there will be significant impacts on naitos' surrounding properties that are not dealt with by this offer. I'd also mention to council that you have a letter from an attorney at dunn carney, a lawyer firm that is representing naitos, and mr. Hoffman signed the letter, though he's out of town, ty wyman from that firm is here today, if you have any questions about that letter. For vern and sam naito, I would respectfully request that you decline to approve the 27th amendment because you will tilt the playing field, and frankly if you approve it, we do not expect that the real movement we've had in substantive negotiations will continue until everyone can sign an

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agreement. We believe we're pretty close, but we also believe if p.d.c. Has your blessing, then the incentive for p.d.c. To negotiate and to find solution assist no longer there. Thank you.

Katz: Thank you, karen. Questions of karen? Ok.

Sten: I had one question. Did you have a sense, i a quick conversation with some folks, how you would propose contractually ensuring that the things that were in that agreement, say it were to go forward, actually happen? I've -- I think the charette was terrific, the neighborhood groups have been working hard and want to get in on it, I think we have a couple of concepts I could live with, but we've got a land sale deal at some point, however it goes down, and a desire to develop a bunch of things that somebody is going to have to step up and say -- if you're going to have a hotel there, is somebody going to agree contractually as part after land sale agreement to build a hotel? That's where I got lost on how does this get from this first piece to the vision.

Williams: The counteroffer is to propose a series of covenants that would go in an agreed purchase and sale agreement. And those covenants include that housing development would not be allowed on the globe hotel site, that the development of spec office space to the extent their economic efficiencies to be achieved in doing the seismic stabilization and redevelopment of the building at the same time, that's obviously not an issue, naito would not want to step in the way of cost savings, but the spec office space should be offered for lease as subsidized office space until the old town-chinatown office space is at 95% occupancy. So naitos can avoid a subsidized competitor. The globe hotel would be immediately redeveloped for ground floor retail, and we understand p.d.c. Has an obligation for immediate seismic stabilization so we would make that clear in the purchase and sale agreement that is that wasn't an issue so there wouldn't be competing documents. We also would be willing to sign a purchase and sale agreement if it's accompanied by a prepaid 20-year lease for 80 spaces in the old town-chinatown garage and would agree those spaces could be transferred if another parking facility is built within a reasonable area. The mechanics of naito being included and remaining design process and some of the other details, we -- putting that in an agreement at the level of a covenant is really not appropriate because it creates uncertainty in the title to the building and nobody wants to do that. But putting it in the agreement as a contractual agreement between the parties and negotiating some standards for what that means is something that we're certainly willing to do.

Sten: Thank you.

Katz: Thank you. Ok.

Leonard: I'd like to make an observation if I could. When you were here last, that was 45 days ago. I tried to send a clear message that I thought that your concern that you've articulated again here today, that us voting to give p.d.c. Condemnation power unlevelled the playing field. However, i'm mindful of the october drop dead date, which the closer we get to that it would appear that phenomenon would reverse and that playing field would be unlevelled in your favor. Notwithstanding requests made of me by the fire bureau, which I have some relationship with, and others, I tried to make a clear statement that I wanted to have both parties sit down and use the time between then and now to come up with an agreement. My observation is i'm disappointed that that has not happened. I hear you saying things this morning that are appropriate, but what -- would it seem to me to be more appropriate during the negotiating period.

Williams: Thank you for your observation. I'd like to respond that we thought we had a deal when we came out of the charette.

Leonard: I've seen some of the correspondence, and that's not what that indicated from your client. Specifically an email.

Williams: When mr. Naito walked out of the charette, he understood that the parties had agreed to a design.

Leonard: There was a follow-up email from your client that indicated in retrospect he didn't think it was an economically viable option. I didn't bring it with me, i'm not sure if you're aware of the

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email i'm talking about. And I don't want to beat that to death here, but it appeared there was some backing away.

Williams: That's not my understanding.

Leonard: Ok.

Williams: The -- mr. Naito was willing to be bound by the design that was agreed to. I think p.d.c. Has raised concerns about whether that design involved an additional gap in the funding, and commissioner leonard, I apologize, I -- I don't know enough about the costs for the charette design alternative that was settled on and the current p.d.c. Design alternative, but I do know that eric hovee, it was reported to me by mr. Naito that eric hovee, who was working on costing during the design charette process, identified a larger gap in the p.d.c. Proposed plan than folks have been discussing I think of a couple of million dollars though certainly defer to p.d.c. Staff, I wasn't involved in the charette. So it's my understanding that the gap between the two plans is actually about the same amount. And -- i'm sorry i'm not familiar with the email you're talking about, but I think that's what it was probably talking about.

Katz: Let's poke on that a little bit, commissioner leonard. Thanks, karen. Don, I recall there was emails with regard to the gap and another mention by a representative of mr. Naito that the gap is basically the same with or without the design alternatives.

Mazziotti: There's a range between 3.5 and \$7 million gap. But with all due respect to karen williams, who was formerly chief council at the Portland development commission, and knows her business well, I was at the design charette, and I did at the conclusion of the presentation of the design, say three things. One, this is a great design. And it was a good design. We certainly think that from any point of view if the globe building were not there, it's a design that could be executed on. But the second thing I said is, the globe is a contributing be structure in a landmark district and p.d.c. Cannot support demolition of that structure because it violates our understanding of current city policy. And secondly I said that the hotel that was proposed would create a funding gap for which we had no solution. So on those two grounds, the design was a great design. And the process was a good process. But we on those two points could not live with it. And we said it at the charette, and vern was there.

Leonard: Is my recollection correct, that there was some communication from the other side that -- beyond what you're --

Mazziotti: I believe you are correct. Like you, you don't have my email strings with me.

Katz: Ok. Thank you. Council, is everybody ready? Let's do roll call.

Francesconi: The time for us to act is now. We need to make a tough decision and we need to move forward, because it is our job to make sure the private parties, all private parties are treated fairly. But our main job is to protect the public, and enhance the public opportunities. And this is a great opportunity in terms of housing, in terms of revitalization of the waterfront, in terms of jobs, in terms of a key component of our cities. So i'm going to vote aye on this and support it. I also respect that the Portland development commission and p.d.c. Will take this added time with this lever to negotiate again with the naitos and try to resolve this. Aye.

Leonard: It would be fair to say that I do have mixed feelings at this point. On the one hand nobody has greater respect for what the naitos have done in our community, than I do, particularly in that part of town. The on the other hand, I am persuaded by an argument the fire chief made to me probably four or five months ago that this spot was the best spot for public safety. So I have to weigh that unambiguous position of the fire bureau with the owner's concern about selling the property. And I would have been willing to wait longer to allow the process to continue in negotiating, but there is a drop-dead date in october beyond which I think it's unfair then to the city fire bureau, p.d.c. In terms of negotiating positions. So weighing all of those various factors, I think that it's in the best interest of the city to acquire that property. Aye.

Saltzman: Well, there's lots of different perceptions and visions about old town and how this block eight plays into that. And it's primarily different perceptions of the property owner and of the p.d.c.

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And I guess what -- I guess I still am not convinced there's a compelling public need, which is necessary for me to support condemnation. There's not a compelling public need here. The fire station can remain where it is, be seismically renovated, it may upset the current vision of what's going to happen down there, but I have no doubt if that's what happens a new vision will emerge and things will happen in that area. Cataclysmic -- I think it -- I -- to move the fire station there too, and I think there will be a certain amount of things that will happen. I do note the irony, fire station one where it is now is considered to be a dead zone. Fire station one moved to block 8 becomes an catalytic eyes on the street type of new retail presence, there is a little inconsistency there. I think -- I regret there hasn't been a deal reached and I still hope maybe a deal can be reached, and it sounds like I think my dissension from supporting condemnation will be the minority view, so it will have to happen quickly. I guess given no compelling public need, competing visions, in this case governmental concerns about gaps in funding, the possibility of demolishing a contributing historic resource, none of those rise to the greater deference I give in this case to the property owner. People who have owned this property for a long time. There's no compelling public need here. No.

Sten: I'm pleased with how things have moved along, and I thought that we were close after the meeting. The next step would be to take it out to the neighborhood groups and other vested parties to talk about the deal, which I think council and p.d.c. Would have to do. From the beginning conversations of those, knocking down the globe is going to be a very difficult conversation to build a consensus around. While I do think we made a lot of progress and I would like to focus on the positive to both sides, I don't think we would have got the deal through quite cleanly even if all the sides had been able to quite get there because there's other invested interest as well. I want to echo director maziotti's comments. I think the naito's team has been open, and so has pdc and fire has been as open as they can, the fire bureau has a couple of things they can't give on to make sure that people stay safe, and it's important to recognize that this station takes about 35% of its calls to the east side. So that's something I think that doesn't get spoken about, but that's why it has to be on a bridge or it does not work at all from that point of view. So I think we are closer, I -- as everybody does I hope we can get to a deal, but I believe the -- while something may happen down there, this greater vision for the area is something that can and should happen now and nothing has happened for a very, very long time. So for all those reasons, I vote aye.

Katz: This has been a very difficult deal to strike. I remember having conversations with commissioner Sten that if the fire bureau and he as the commissioner couldn't agree, I was going to walk away from this. This was my way of saying, we need to move. It's been years. And then all of the conversations, you all are very kind, i've not participated in the discussions with the naito family or karen, but i'm not sure that it was easy as everybody has just shared with the world. I think it was very difficult and almost impossible. But that's how things work here, and my hope is as I said earlier, that once we dispose of this issue, that will signal to the naito family that we're very serious and for a variety of reasons, revitalization of sections of old town-chinatown, the skidmore fountain area, all the potentials that we've been dreaming of in that heart of the downtown may very welcome to reality. And my hope is that we can get to some agreement. But that's the reason that we're doing all of this. Aye. [gavel pounded] all right. Folks, we've got an 11:30 time certain. Here's the problem i'm dealing with. We've got people probably coming wanting to talk on the budget, so let's take 896. Is somebody here to talk about 896? All right. 897, 898 and then 899. And then by then we should reach 11:30. 896.

Item 896.

Katz: Thank you. Folks, let's hold our conversations outside. Commissioner leonard had asked me to put on regular agenda all of pay claims for every bureau. This one is on this week, and I did that, and --

Leonard: I apologize. I have not got back to you since that time, commissioner Saltzman has reminded me there's a process that I haven't availed myself of.

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Katz: Which is?

Leonard: We actually get this stuff in my office, others have been looking at it, and not passing it along to me.

Katz: Oh, ok.

Leonard: So I apologize.

Katz: Do you still want it on regular --

Leonard: I have reviewed this. No.

Katz: You don't want it --

Leonard: Unless I look at it and something -- but I had more information coming in my office than I was aware of because I -- of my own internal processes.

Francesconi: Maybe just a slight -- every claim doesn't make sense to put on could be sent, but major claims -- every claim -- not every claim should be on the regular course, but major claims I think should. I'm not saying this one class identifies for that.

Katz: You always have an opportunity to pull things from the consent, but I will take that under advisement certainly claims that I know have public interest we'll put on the regular calendar. All right. Anybody want to talk on 896? If not, roll call.

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

Katz: Mayor votes aye. [gavel pounded] 897.

Item 897.

Katz: Anybody want to talk about this? Anybody want to testify? Roll call.

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

Katz: Mayor votes aye. [gavel pounded] 898.

Item 898.

Katz: All right. Commissioner Leonard, did you want to say anything?

Leonard: I apologize in advance for this, but I -- this is an important issue in the african-american community, in particular, but in the larger Portland community in general. And what i'd like to do, if you'll indulge me, is read a history of juneteenth. I think it's very well done and kind of gives an excellent backdrop, and provides some education for those by way of television as to this issue that we're discussing. The particular ordinance that we're going to consider here today waives the land use regulations so the juneteenth association northwest can do fund-raising for juneteenth 2005. Juneteenth is the oldest known celebration commemorating the end of slavery in the united states. Dating back to 1865, it was on june 19 that the union soldiers led by major general gordon granger landed at galveston, texas, with news that the war had ended and that the enslaved were now free. Note that this was 2 1/2 years after president lincoln's emancipation proclamation, which had become official january 1, 1863. The emancipation proclamation had little impact on the texans due to the minimal number of troops to enforce the new order. However, with the surrender of general lee in april of 1865, and the arrival of general granger's regiment, the force were finally strong enough to influence and -- the outcome of the resistance. Later attempts to explain this 2 1/2-year delay in the receipt of this important news has yielded several versions that have been handed down through the years. Often told as the story after messenger who was murdered on his way to texas with news of the freedom. Another is that the news was deliberately withheld by enslavers to maintain the labor force on plantation and still yet another is that federal troops waited for the slave owners to reap the benefits of one last cotton harvest before going to texas to enforce the emancipation proclamation. All or none of them could be true. For whatever reasons, the texas in text -- conditions in texas remained status quo well beyond what was statutory. One of the first orders of business was to read to the people of texas general order number 3 which began most significantly with, and I quote -- the people of texas are informed that in accordance with the proclamation of the executive of the united states, all slaves are free. This involves an absolute equality of rights and rights of property between former masters and slaves and the connection heretofor existing between them becomes that employer and -- that of employer and free laborer.

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The reactions to this profound news range from pure shock to immediate jubilation. While many lingered to learn of this new employer to employee relationship, many left before these offers were completely off the lips of their former masters. Attesting to the conditions on the plantation and the realization of freedom. Even with flo where to go, many felt leaving the plantation would be their first grasp of freedom. North was the logical destination and for many it represented true freedom while the desire to reach family members drove some into louisiana, arkansas, and oklahoma. Settling into these new areas as free men and women brought on new realities and the challenges of establishing a heretofore nonexistent status for black people in america. Recounting the memories of that day in june of 1865 and its festivities would serve as motivation as well as a release from the growing pressures encountered in their new territory. The celebration of june 19th was coined juneteenth and grew with more participation from descendants. The juneteenth celebration was a time for reassuring each other, for praying, and for gathering remaining family members. Juneteenth continued to be highly revered in texas decades later with many former black slaves and descendants making an annual pilgrimage back to gal very piston on this date. Thea range of activities were provided, many of which continue in tradition today. Rodeos, fishing, barbecuing and baseball are just a few of the typical juneteenth activities you may witness today. Juneteenth almost always focus order education and self-improvement. Thus, often guest speakers are brought in and the elders are called on to account the events of the past. Prayer service were also a major part of the celebrations. Certain foods became popular and subsequently synonymous with juneteenth celebrations, such as strawberry soda pop, which I used to get down on union avenue. More traditional and just as popular was the barbecuing through which juneteenth participants could share in the spirit and aromas that their ancestors would have experienced during their ceremonies. Hence, the barbecue pit is often established as the center of attention at juneteenth celebrations. Food was abundant because everyone prepared a special dish. Meats such as lamb, pork, and beef were not available every day, but were brought on this special occasion. A true juneteenth celebration left visitors well satisfied and with enough conversation to last well into the next year. Dress was also an important element in early juneteenth customs and is often still taken seriously. Particularly by the direct descendants who can make the connection to the tradition's roots. During slavery there were law that's prohibited the dressing of the enslaved. During the initial days of the celebration there's were accounts of former slaves tossing their garments into the creeks and rivers to adorn clothing from the plantations belonging to their former masters. In the early years, little interest existed outside the african-american community in participation in the juneteenth celebrations. In some cases, there was outwardly exhibited resistance by barring the use of public property for these festivities. Most of the festivities found themselves out in rural areas around rivers and creeks, that could provide for additional activities such as fishing, horseback riding, and barbecues. Often the church grounds was the site for such activities. Eventually as african-americans became landowners, the land was donate and dedicated for the use of these activities. One of the earliest documented land purchases in the name of juneteenth was organized by reverend jack yates. The fund-raising effort yielded \$1,000 and the purchase of emancipation park in houston, texas. In mexico the local organization purchased booker t. Washington park which game the juneteenth celebration site in 1898. There are accounts of juneteenth's activities being interrupt and halted by white landowners demanding that their laborers return to work. However, it seems most allowed their workers the day off and some even made donations of food and money. For decades these annual celebrations flourished, growing with each passing year. Booker t. Washington park, as many as 20,000 african-americans once flowed through during the course after week, making the celebration one of the state's largest. Economic and cultural forces provided for decline in juneteenth activities and participants beginning in the early 1900's. Classroom and textbook education in lieu of traditional home and family taught practices stifled the interest of the youth due to less emphasis and detail on the activities of former slaves. Classroom textbooks proclaimed lincoln's emancipation proclamation as the dates signaling the end of slavery.

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And little or nothing on the impact of general granger's arrival on June 19th in Texas. The depression forced many people off the farms and into the cities to find work. In these urban environments, employers were less eager to grant leaves to celebrate this date. Thus unless June 19th fell on a -- fell on a weekend or holiday, there were few participants available. July 4 was the already established independence holiday in a sense and patriotism steered more toward that celebration. The civil rights movement of the 50's and 60's yielded both positive and negative results for Juneteenth celebrations. While it pulled African-American youth away, many linked these struggles to the historical struggles of their ancestors. This was evidenced by student demonstrators in the early 1960's whom wore June teeth freedom buttons. Again in 1968, Juneteenth received another strong resurgence through poor people's march to Washington, D.C. Reverend Ralph Abernethy as call for all people of all races creeds to come to Washington to support -- show support for the poor. Many of these attendees returned home and initiated Juneteenth celebrations in areas previously absent of such activities. In fact, two of the largest Juneteenth celebrations founded after that march are now held in Milwaukee and Minneapolis. On January 1, 1980, Juneteenth became an official state holiday in Texas through the efforts of Al Edwards an African-American state legislator. The successful passage of this bill marked Juneteenth as the first emancipation celebration granted official state recognition. Representative Edwards has since actively sought to spread the observance of Juneteenth all across America. Thank you, Mayor Katz for your indulgence. I felt like that was an important background to this discussion that is understood well in the African-American community, not as well in other communities.

Katz: Thank you. Commissioner Leonard gave me a preview of this as we talked about -- tell me, what is this all about? So he did, and this was much broader, and more inclusive. So -- .

Leonard: They're out there.

Katz: This is really authorizing temporary activity, that's what you're going to talk about. Ok. Go ahead.

*****: Ok. Mayor, commissioners, very well read, Randy.

Katz: Do you want to identify yourself?

Woody Broadnax, Director, Juneteenth Celebration: Woody, director of the Juneteenth celebration here in Portland, Oregon, and also youth commission for Juneteenth America throughout the United States. Basically we are looking for -- forward to partnering with the city in order to get into areas of prevention against behaviors that are occurring on almost a daily basis. One of the ways in which we are doing this is by presenting a Juneteenth revival, which as Randy said, it has been a part of the foundation of Juneteenth throughout its inception. One of the things that we have been doing for the last seven years as we have been celebrating Juneteenth is that we have had consistently to be seeking a spot for the celebration. We have been hosted by Emanuel Hospital, we have properties, we have been hosted by P.D.C. Properties. And each year we go into the dynamic of looking for a place to be able to celebrate the history in which Commissioner Leonard just spoke of. We were recently out at the Vanport area where Vanport used to exist next to the Speedway. And Broad Acres. What we saw there was an opportunity to not only create a Juneteenth celebration, but also the foundation of the African-American community from the Vanport experience. We are looking forward to in the future once if we are granted this temporary in order to get us to that level, to actually working with the city to secure some parts of that area which is the African-American historical area, and tie it into being able to get into areas of prevention by fostering the education of the entire city, the entire state as to the contributions that slavery has made to the betterment of all of our lives. Apparently as most recent, most of our youth do not know about their own history. We look at the Jewish history and we understand it's a great people, they have a great history. And most of our youth cannot go back past rap music. So we want to take them to that dynamic of knowing your past so you can get to your future. But we're going to need the help and consideration of this council in order to look forward having that Vanport area as a launching pad to be able to be in prevention against the behaviors from a youth that does not know whose shoulders

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they stand upon. And this council can help us today to be with the implement -- to be able to implement that and create a unity which has been devoid in the northeast community. And so this is why we're here today, and that is the long-range plan, and future and view of where we're going with this presentation.

Katz: Ok. Do you want to add anything to it?

Rev. Walter Scott: I want to introduce myself, i'm walter scott, and i'm an ordained minister. Ordained bishop. And a prophet. And I would just want to say I thank god for being here and sitting before this great witness to be able to -- our mayor, the commission, the president, i'm happy for this opportunity to speak to you. Brother woody, a friend of mine and i'm kind of networking with him, so I just want to say that i'm pleased with the juneteenth, with him, with the Portland revival church. And I just want to say that we put up a tent, so we help a lot of people. We help a lot of people every time we put it up, and so we met the qualification, meeting the qualification of having the fire marshal to put -- come in and we are familiar with the noise barrier, we believe in keeping the peace, and so we are here to promote and help the city with the young people. That's our goal. Our goal is to help the young people that some is suicide, some is -- they just hurting a lot of areas, we do counseling with them, and we minister to them, and the last time we had it -- not the last time, we had it up in the park, and the commissioner told us when we were going to bring it back, because we'd done so much good. And this is what we is all about.

Katz: Thank you. Let me just point out that this is a celebration from july 20 to september 13, it is a waiver of land use laws. The b.d.s. And the office of neighborhood involvement is taking it upon themselves to work with the piedmont neighborhood association as well as the north Portland coalition to make sure what you said, the noise issues are dealt with, and any other issues, and I think commissioner leonard and his team identified a lot of the issues that might come up that would need to be dealt with. And you all have agreed to those.

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

Katz: Ok. Good. Further conversation? Questions? Anybody else want to testify? Roll call.

Francesconi: I think we have some precedent for doing this. If I recall right, circus is -- cirque du soleil in south waterfront we did this, so it's very appropriate that we do this. It's terrific under commissioner leonard and ty, who should be recognize the. Do you have some responsibilities to make sure it's handled by the neighborhood. The larger point I want to make is that it is important, very important to remember our history and do all we can, especially with our young people so all of our young people, not only african-americans, know what that history is. But it's also important, and I think we may be talking about this late I on, that we give tools to the present to participate in the economic benefits that our city has to offer, which means homeownership for people of all races and colors. It also means working to do our part to close the achievement gap and it also means small business opportunities for everybody, especially people of color. So it is important that we do this celebration, but it's also important that we act on these strategies, because we can't wait. Thank you for your efforts. Aye.

Leonard: Will I need to also thank ty, who this is one other of his crowning achievements that he made happen by forging these agreements with the neighbors and the african-american community.

Woody said that this was important so that the young people in the community understood whose shoulders they stood on, that's a very important thing for us to teach all our children. I being an amateur historian myself, and a lover of history understand the importance particularly of young people connecting with their heritage, because it causes pride. And it causes recognition of who you are and how you got to where you are at. And none of us got here by ourselves. So I appreciate your work very much on this. Aye.

Saltzman: This is a very important celebration of a historical event and appreciate commissioner leonard's informing us better about this historical event. Certainly I share your concerns about lack of our young people's understanding of history, and particularly of the civil war and slavery, whose

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impacts still very much shape our lives today. It bothers me how little our young people understand these events. This will help people appreciate our history and cultures better. Aye.

Sten: I think it's terrific. My hats off to you and I guess people take a little history a little better with some fun as well. So I think this will be a good approach. Aye.

Katz: And of course a little religion. Aye. [gavel pounded]

*****: Thank you.

Katz: All right. 11:25, close enough for government work. 878.

Item 878.

Katz: Let me turn this over to commissioner Francesconi.

Francesconi: Thank you, mayor. This is -- if we could have robin come up, ken russ, julia brim edwards if she's here yet, janet, as soon as julia comes in we'll put her up here. Robin is not here yesterday. This is exciting. Maybe susan lindsey, are you here? Why don't you come on up too. This is exciting, because we're able to start executing on the long-term vision of building a southeast community center so that families can stay in the heart of our city here. It's also an opportunity to benefit Portland public schools because what this will do is give 5.4 million dollars, and i'd like to thank in advance larry dully from the innovation partnership fund, who is here, and this money is really needed right now to help execute the high school reform efforts and it's going to be used to remodel roosevelt, marshall and jefferson high schools as part of a small school strategy, and it's also part of our long-term vision for the city, where we build up and keep families here instead of moving out. So it will allow a community center, green space, as well as some housing. So this is great. I'd like to thank the whole team for helping execute this. Now we have robin, let me turn it over to robin grimly. Julia, I called on you. Is it all right if we have julia first and then you?

*****: That's fine.

Francesconi: Julia, come on up.

Robin Grimwade, Manager, Planning and Development for Parks and Recreation: Thank you, commissioner. Robin, manager of planning and development of parks and recreation. Pleased to be before you today to bring you up to date with the next stage in what has been a very important negotiation for the city of Portland. And that is relating to the proposed acquisition of part of the Washington monroe site for a future community center and area of open space. Since we were last before on you this matter, we've been in extensive negotiations with Portland public schools relating to a suitable negotiated transaction for the transfer of approximately 4.5 acres of land. It is fair to say that the transaction has required some considerable innovative thinking on the half of the -- behalf of the parties to work out a suitable financial strategy to put this deal together. And with the assistance of the office of public -- office of management and finance, rather, we have been able to achieve that and that's why we're here today, is to come before you and seek your approval in endorsing the acquisition of this property.

Katz: Let me just clarify, we are authorizing the purchase, but how we pay and fund for it will come later.

Ken Rust, Director, Bureau of Financial Services: That's correct.

Katz: Ok. I think the two might need to be separated.

Grimwade: Yes. At this point i'd reaffirm that we're authorizing the preferred option of which the funding strategy is critical to the --

Katz: Ok.

Rust: Ken rust, director of the bureau of financial services. We've been working with the parks bureau in developing a tool for financing the purchase of the property, and we will be bringing this in separate ordinance to you a -- an ordinance that would authorize a short-term financing to actually provide the funds to buy the property. That will be a line of credit borrowing that we'll negotiate with one of the local commercial banks, the term will be up to four years, interest will be paid by draws on that line of credit along with the draw to pay for the purchase of the property, and

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the funding plan and repayment of that line of credit is expected to come primarily from three sources, a contribution of s.d.c. Revenue from the parks bureau, money from the central eastside urban renewal district based on a plan we've discussed with the p.d.c. To expand those boundaries and include the property site in those new defined boundaries and have a contribution of an amount not to exceed 2.2 million, and then the third piece of the funding puzzle is really predicated on the sale of surplus park assets that are owned by the parks bureau but are no longer believed to be necessary for the mission of the parks bureau and those are going to take time to develop and negotiate, that's a very controversial part of the plan for the city to involve itself in, because those properties are regarded highly by folks that have used those properties even if they are no longer really core to the parks bureau mission, and that's going to take support by council to realize those revenues and funds as we move forward. But we've struggled very hard to find a way to put this together to acquire the property to take advantage of the opportunity. We have a plan, but it's going to take more work to execute it without it becoming a burden to the parks bureau in the future. So that's what you'll be seeing in terms of a funding plan and a financing tool probably within the next couple weeks.

Katz: Next couple of years --

Rust: That's how we would use -- that's what the funding plan consists of.

Julia Brim-Edwards, Co Chair, Portland Public School Board: Good morning. I'm julia brim edwards, cochair of the Portland school board and a parent of three children in Portland public schools and perhaps also relevant to this morning's discussion, I am a graduate of Washington high school. I am delighted to be here this morning to support the city purchasing or moving ahead with looking up buying a portion of the Washington high school site. The community has wait add long time for this day. To symbolize just how long, I pulled from my closet this track sweatshirt. 25 years ago I was wearing this as a student at Washington high school. And two years later the school district closed it permanently as a school site, and for the next two decades the site and the building have been -- have served as administrative offices. The community members of the inner east side neighborhood have long seen the potential for the site even as an administrative district. Portland public schools has spent the last two years doing the ground work needed to take action so the potential for this site, the neighborhood saw could be fully utilized. In an era of scarce financial resources it has been a top priority for me and the rest of the board to ensure every asset we have is supporting our core mission of educating kids. I think it's interesting that Parks is now going through a similar process. Three years ago the board of facilities staff and the superintendent embarked on a major facilities initiative to do two things. One to ensure that our network of buildings and land is supporting in the most productive way possible our core mission of educating Portland's children. The second thing we wanted to ensure is that we were effectively and efficiently utilizing tax payer resources with regard to the operation of our facilities. And the Washington site annually costs us about \$300,000 to run. The Portland public schools facility initiative contained three core elements in february of 2002 the board accepted a long-range plan that provided the board with an inventory of our buildings and our current and potential uses. The board created the Portland schools real estate trust a group of professionals with years of experience in industries who have donated thousands of hours to help in our work and I know they have been instrumental in negotiations with the school board and the third piece was in september of 2002 the board approved a new policy creating a dedicated capital fund to be filled with the revenue of sale or lease of our policies and this explicitly stated funds from the sale or release of surplus property would be spent on district capital improvement projects you go through renovation and maintenance of school districts aging capital infrastructure. It would longer be used for one-time -- no, no longer using one-time facility sales proceeds for ongoing operating costs. Very fundamental principle we wanted to get away from. Now we had a framework created. It was time to start taking action on surplus or underutilized properties. We have sold or leased several small are buildings including the masonic temple, the tubman annex and sold a rather large parcel of underutilized land in

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southwest Portland, the stroecker property, to members of the southwest Portland community. Then february of 2002 we focused our sights on 2003, we focused our sights on taking action on three larger properties. I proposed and the board approved a resolution directing the superintendent to provide surplus recommendation on three properties, the glen haven facility on 82nd, which you are well aware of, the second was the Washington high school property, and the third was a blanchard education services center. As you know we moved Portland early they are year in partnership with the city in what would be a win for the city and school district selling the property to the banfield pet hospital, there by helping the local economy, providing family wage jobs, and also providing much needed revenue to the district and we have spent that money providing a new home for the vocational village alternative high school. They have a safe, modernized facility now thanks to the city helping facilitate that sale to banfield. So now we are moving to the Washington site. The city is considering the purchase of a portion of this premiere site for a community center and open space and I think again this will be a plus for Portland neighborhoods. And certainly for the school psychiatric. The remainder of the site you are not looking at the entire site but the remainder of the site the school district is looking at redeveloping a mix of housing again I think another win for the southeast community. So that you know what's at stake for the school district in terms of this sale, funds for the sale will be used to support our small schools initiative, recently the school board voted to take three of our large comprehensive high schools and grant wasn't one of them, I should note, for the members of the council who care. But we took three of our comprehensive high schools -- jefferson, marshall and roosevelt -- and broke them into three schools to improve achievement. We need capital improvements for these schools. This fall and summer the school board has indicated that we would like to utilize some of our capital funds, hopefully from part of the sale of this property, to make that conversion. So the sales proceeds could have a direct and immediate impact on student learning to three high schools that really need the support of I think both not only the school district but also the larger community. So it's rare there's a convergence of so many interests. The sale of a portion of this property the city is good for students, good for the city and good for neighborhoods and I am delighted that a small piece of my personal history and Portland public schools history is about to be transformed hopefully into a new community asset that will benefit today's students and I think that's really a positive thing for our community. So I urge the council to support the purchase of a portion of our property.

Katz: Thank you. Questions by the council.

Saltzman: The formerly known line of credit we are going to undertake? We will do that under separate ordinance?

Rust: Yeah.

Saltzman: You don't have the ordinance prepared?

Katz: Grab the mic, please.

Rust: We don't have a ordinance prepared today so we are working on that. We will have it filed either for next week or the week after. But we didn't think there was a need that both of them had to come today at this point in order to move forward with the property acquisition. But you will --

Saltzman: That will be repaid with a \$1 million from the general fund that we are --

Katz: The budget.

Rust: Probably won't borrow that amount is what it amounts to. No sense in borrowing if we don't have to.

Saltzman: But the system development charges?

Rust: System development charges, property sales and then the future contribution from p.d.c. And the boundary changes on the central east side.

Saltzman: If we can't pay it back within three years we will sell off some of the surplus -- we will sell off some of this 4.5 acres is what the resolution says.

Rust: We reserve the right to do that. Obviously, if it came to that, if the situation was, the property sales other surplus properties weren't adequate or other aspects of the financial plan did not

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get realized that's one way that we could, the parks bureau, could make sure its financial obligation is met without any other resources being made available. Obviously, if we got to that point --

Saltzman: It says the city will do that. I guess my concern is surplus property sales probably ain't going to happen. You know how difficult as you alluded to yourself it's very difficult to sell what we may senior surplus is somebody else's neighborhood park.

Francesconi: No neighborhood parks are surplus.

Saltzman: Whatever open space, if it's open space, somebody's going to fight tooth and nail and I don't think we can rely on that to be paying back this. So i'm just saying, it says here, we will sell some of this 4.5 acres if we can't meet it through surplus property sales.

Grimwade: Can I just qualify that? The surplus properties relate to structures, not open space. And we have buildings that are sitting boarded up. It would seem more appropriate to realize the value of that, an asset the community can gain a real tangible benefit from and we actually have people already approaching us on a couple of thousands assets.

Saltzman: That's a good point. I guess I still wouldn't think there would be some controversy that may potentially inhibit that as a source of repayment of the line of credit.

Rust: I guess what I was trying to get the other point if the council, if it came to that which we hope it doesn't but fit came to that and the council wanted to appropriate resources from another source it certainly can do that to pay the line of credit back to avoid having to, in effect, sell part of this parcel back. We reserve that right. That's completely in your control. Financially, we know that going forward that's going to be difficult to do. What we have tried to do is construct a financing plan that can operate independent of any other things happening that **Oregonian**, that does not create a crisis at the maturity of the line of credit financing and so it's a very difficult, it's been a difficult acquisition because resources are tight. And we have tried to do it basically by pulling ourselves up by the boot straps. There are some risks. Council should be aware of those risks but we think those are mitigated by the opportunity the acquisition presents itself and we are willing to accept those risks in order to move us forward.

Katz: I guess I have the question with regard to p.d.c. And how far they have progressed in extending the boundary to capture some of that tax-based growth to allocated some of the money.

Rust: I have had conversations with both don mazzioti and abe. It's part of their plan in discussing some boundary changes around the burnside bridge area, they are very interested in doing it. You know that we are involved in a larger study --

Katz: Correct.

Rust: Of the central city urban renewal district. All those things are well on their radar screen. They have told me that they don't see this being an issue undergoing through the time to process that with the larger study and also with the central east side urban renewal district itself. Based on those representations that we have made to us I feel comfortable that it's not unreasonable to include that as part of the funding plan.

Katz: Good. Thank you. Further questions? Let's open it up for public testimony.

Moore: We have nelson l. Jones, sues soon lindsey and mary ann schwab.

Katz: We promised you. We kept our promise.

*****: You did.

*****: This is for the bright future of our children around the state. They are not here. They're all in daycare centers today. That's what this is all about.

Nelson L. Jones: Good morning. I'm nelson jones. I live at 813 s.e. 15th in the buckman neighborhood east Portland. I came simply to praise the city and the council on their consideration of the purchase of the Washington and monroe property. You have made, you are thinking about buying an absolutely gorgeous building and preserving it for the future. Too often the east side is thought of as being an industrial area only. We are not. We are much more than that. As a homeowner there I am one of many residents who love the neighborhood, and want to see it improved. Public buildings often fall into hands and they lose their place as serving the public.

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Student populations change. But human needs change also. And our neighborhood has changed. One, that needs recreation badly. The whole place is going through a wonderful renaissance. Homes are going under constant restoration. Diversity, the thing that we foster in this city, rages in the buckman and the southeast side. My next door neighbor happens to be the old silky market. It's being improved into a new thing and it will be a great asset to the neighborhood. Oregon ballet theater made the jump are jump across the river. The new convention center is wonderful. The esplanade, of which I am particularly proud, has really changed the attitude about the east side. Industrial buildings throughout the area are going through some fascinating facelifts. The city's purchase of this key east side property will assure its place in the enhancement of a central east side.

And into the future far beyond it. Every day that I walk the streets of my neighborhood, I look down and I see the signs that say, built in 1901, 1902, 1903. The sidewalks are having their 100th anniversary. I am sure that when they were first built, the people on the east side said, god, these things are expensive. But they have lasted that long. Into the future, this building can add to the wealth of this entire community. Thank you very much.

Katz: Thank you.

Susan Lindsay: I'm susan lindsey. I am the chair of the buckman community association. Also chair of the Washington high school project advisory committee. I really didn't come with too many prepared remarks. I am pretty speechless. I am just very, very excited about this. And I mostly came to say a big thank you. You did keep your promise, absolutely. And I so much appreciate the support that the city leaders have shown towards this project, both financially and through the use of your time. I have been in all of your offices, bothering you and bothering your staff for a long time about this. And I especially want to thank the mayor for, in a time of a really hard financial crisis, for the city, with that arbitration ruling with helping to maintain funds that can make this purchase, this sort of a once in a lifetime opportunity to headache that purchase possible. I really want to thank you for that. I also especially want to thank commissioner Francesconi who identified this as a priority project and made it very clear that this was going to be something that he was going to stick with to its completion and I am very grateful that you have done that. He allocated a lot of staff time and I think kevin has become my best friend now for all these months. And also, of course, commissioners leonard and Sten and Saltzman for having, I have been in your offices, talked to you and I have just seen everybody sort of on board with this project. This land purchase represents a collaborative effort on part of Portland public schools, parks, and many, many neighborhoods, buckman, hosford abernethy, laurelhurst, richmond and a lot of support from southeast uplift. I don't think I need to remind you at this time about the need for this center. We have made that argument clear repeatedly and over all you have always tended to agree with us about your very aware of the years of neglect and the inner east side neighborhoods have endured. This plan represents a hard-worked consensual plan which is sort of unusual. It really was brought together through consensus. It's a sensible plan that benefits all. There are many representatives within our neighborhood that felt, you know, the property is about 7.2 acres that felt that all of the property should stay in public hands. And we tried to craft a vision for the property that included opportunities for homeownership within the confines of the buckman neighborhood, as many of you know. We have an 83% rental to homeowner ratio. And also to provide enough space so that should a center come in that's a little larger than maybe a neighborhood would want, we will have enough room that it would help to deal with the traffic and parking impacts. I ask your support for this purchase and also that we work together to make sure that we don't lose this land. I understand that -- well, actually, I didn't know until right now that we weren't going to be dealing with the budget ordinance also at the same time. I hope that will come soon. And I know we are all working to support that and to make sure that this land is maintained from harm until such time that monies can be obtained to build the center. Thank you.

Mary Ann Schwab: Mayor Katz, commissioners Francesconi, leonard, Saltzman and Sten, good morning. My name is mary ann schwab. I currently serve as a sunnyside neighborhood delegate to

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southeast uplift, a delegate to the former Washington high school advisory committee and the Portland public school trust request for proposal committee. I'm not going away until I jump in that pool. I fully understand this ordinance authorizing the purchase of 4.5 acres at the Washington monroe high school site put forth by jim Francesconi is a first step in a long-term effort for a future development of a community center and to preserve existing sports fields, track, and open space as an additional option for Portland's residents. I trust plans are in place for the city parks 19nance crews will continue to provide ongoing fields maintenance. We are grateful for his efforts and support since the school district budgets have declined. In addition to other passive and active users of the field, I want to remind you that vision impaired residents living nearby the area exercise their service dogs in this area. I want to reiterate the importance of option one, 4.5 acre site configuration for the community center. Fields and open space. As you know this ordinance permits the city to sell a portion of the 4.5 acres if they cannot find funds to repay the loan portion of that purchase. I think we had a member from buckman say it was diddly. Just diddly because we are talking \$700,000 here which I think is a tiny, tiny figure. This is of serious concern and I stress the importance of Portland parks immediately initiating fund raising efforts to insure the entire 4.5 parcel will be developed. As a community lobbied for in option b. We are now calling it option one meaning the larger portion. Thank you to commissioner Francesconi and the mayor for championing this issue from the beginning and to commissioners leonard, Sten, and Saltzman. For supporting their efforts. Along with the countless neighborhood and business volunteers including paper capers. We could not have come this far without your dedication to improving the livability and health of the families and residents of the inner southeast Portland. Thank you. I urge city council to approve this ordinance.

Katz: Thank you. Thank you, everybody.

Chris eykamp: Good morning. I'm chris eycamp. I am the chair of the hosford abernethy neighborhood association. I want to thank you for the support of this very important community center. Residents in our neighborhood have -- do not good access to parks and I think a community center in this location would greatly help. On a personal note I have two small children and I will understand the difficulties of raising a family in the city. I think that having a community center in this location will make that burden a little bit less onerous and will make it easier and more attractive for families to stay in the inner city which I think is a very important goal. Finally I would like to take this opportunity to thank susan lindsey and mary ann schwab for their hard work and everyone else who has put in incredible amount of time and effort to make this happen and thank you for your support and efforts to make this happen and I would like to encourage you all to support the ordinance before you today. Thank you.

Linda Nettekoven: Good morning, mayor cast. Commissioners, I am Linda nettekoven. I am the vice chair of the sewell neighborhood coalition board and I am the co-chair and the vice chair of the hand board. I also want to lend my thanks to all of you, and especially to commissioner Francesconi for his hard work in helping to move this vision a few steps closer to reality and to you, mayor **Katz**, for your special support of the process. I would like to remind that you in authorizing the purchase of the 4.5 acres at the Washington monroe high school site are supporting the number one priority from the 20 neighborhoods within the southeast uplift coalition area. We made this our number one priority for 2004 because of the long-standing need for a community center to serve the inner east side and we think this project is also a step toward a more equitable distribution of city services and amenities. As you note buckman neighborhood is home to a disproportionate share of the city's high need clientele and the social services that support them but has never received sort of corresponding infusion of public support in return so I think this is a chance to kind of rebalance things. The preservation of the open space and the development of the center will help to create opportunities for the buckman neighborhood as well as serving the needs of surrounding neighborhoods like my own. We all know that open space and recreational facilities are critical ingredients for the creation of healthy and stable neighborhoods that support families and also help

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to build a sense of community among people of all ages and life styles, which is critical as we have a more diverse and changing mix in our neighborhoods. Finally, we would like to acknowledge the public process that has brought us to this point where considering the option one, the 4.5 acre purchase. And southeast uplift has been glad to lend support to this most recent phase of this incredible community collaboration that's been going on for many years. And we are hoping that we will continue to see this kind of public process in the next phases as we all go forward to help make this a reality. Southeast uplift coalition is committed to work in any way we can with the city and any others involved in helping this process to happen. So thank you very much.

Katz: Thank you.

Don MacGillivray: Good morning. Mayor and commissioners, I am don mcilverry from the buckman neighborhood and I am very pleased to be here this morning. I want to thank you enormously for your support of the purchase of the 4.5 acres of Washington high school site and buckman. I also am very interested in history of this city, and in this property is basically been in public ownership for over 125 years. It is a landmark in buckman and the need for greater recreation has been well documented. In the early 1980's, reach community development corporation was created by the buckman community organization in response to the closure of Washington high school and that was the primary, the thing that they were interested in doing was essentially creating a recreation center and housing out of this thing so this has been over 20 years in the idea of the buckman community association. Around 1991, in 1991, the buckman neighborhood plan documented the desire to have more recreation, open space and suggested Washington high school. The parks planning documents over the years have also talked about acquiring Washington high school for use as a community center and has been actively supported the last three or four years. So I wanted to especially thank commissioner Francesconi for his active long-standing leadership on this initiative. He deserves a tremendous amount of credit for making this happen. Again, I fully understand all of you are very active and deserve thanks as well. So however, this is again only the end of the beginning. And we won't be finished with this project until there is a swimming pool and more at southeast 12th and stark. This is a big, important step and I thank you very much.

Katz: Thank you.

Wayne Kingsley: Good morning, mayor Katz, commissioners. I am wayne kingsley, past president of the central east side industrial council. Although we have not had an opportunity to take formal action on, in terms of the purchase of the land from the school district for the park, I think it's safe to say that based on our preliminary discussions essentially the central east side council supports the purchase. And later on we will have to consider issues such as the funding plan and, of course, your act will have to consider the plan but we are in favor of it and appreciate your efforts in this regard. Thank you.

Christine Yun: Hi. I'm christine yun. I am a resident of the buckman neighborhood and I want to thank city council and Portland public schools for working together on this deal, which is a great investment in our future. As a homeowner in the neighborhood, I am just aghast at the way the prices are going up. And to purchase a property of this size for the public good at this time I think is very crucial. We just don't be able to afford it in the future and we are complaining about it now. As a professional who is interested in urban issues, I also commend you for standing behind a project which supports the sustainability of inner city living and building infrastructure for the inner city. And as a member of my neighborhood, which has tons of kids and as a mother of two kids as well, I just want you to know we fully utilize the buckman pool right now and we just can't wait to get into a pool that is 25 yards long and not 20, and has six or eight lanes instead of just four. Thank you.

Katz: Thank you. Anybody else? If not, roll call.

Francesconi: This is a great thing. Infrastructure that builds communities so it's not -- and this is a great day for the southeast neighborhoods. First we had the mt. Tabor issue and we stopped

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something that could have hurt. But now we are building the kind of infrastructure that has community for the southeast parks for great families and we are doing it because of the efforts of a whole lot of folks. And I would like to thank, starting with julia brim-edwards and the school board this current school board has really and the current, and jim scherzinger, has really working with parks and the community to not dispose of community assets but to work with community partners to build community and I want to thank you them for that. I also want to thank the mayor and the city council for making the resources in this tough budget of another \$1 million but also being committed to this project. I would like to thank ken rust for helping us on the financial side and also p.d.c. And wayne kingsley who just testified, that they are willing to expand the boundaries for the purposes of testify purchasing land and we appreciate that very much. Parks are terrific people. They do what they do to build community. They are willing to take on the possibility. The probability of selling some or assets and taking the heat for that in order to make this thing happen. Because they care that much about this community center and they have for a very long time. And they want to make sure that it's done right and done with community participation. And above all else, I do want to thank you -- it's the inner southeast folks that kept the dream of light rail alive all the way to brooklyn. And it's inner southeast folks that have kept this vision of the community center alive because they want families to be served, they want children in the city, they believe in infrastructure that builds community. And that's the kind of city we want to be. But it took the leadership of the neighborhood folks to make sure that we stayed that. So I guess I did make a commitment early on that we would buy land, because as will rogers session they ain't making any more of it. That was done by future generations for mt. Tabor that we talked about earlier. Now we are doing it for this community center which also will have fields and housing and we are doing the right thing to make this spot. But my further commitment to you is to do whatever I can for as long as I can to make sure we build this thing. That's my commitment to you. And I am not doing it only for the southeast. It's for the whole city because that keeps children and families in our city and sends our message that we are the kind of city that can build up and keep families and embrace the increasing diversity that is not only inner southeast but the whole city. Aye.

Moore: Well --

Leonard: I'm mindful of the neighborhood commissioner Sten and I grew up had knot street center, now known as dishman. Not known of as the kids who grew up there as a community center as much as a place where you went to hang out and do sporting activities, the energy with which was better spent within those walls than in other things we might have done in the community. Some of the best boxers ever produced came out of knott street community center in the 1960's. My role of which was to provide a steady target. [laughter] so I figured I needed to do something different with my life. Mt. Scott, same thing. World class boxers were produced at mt. Scott community center. So what is it that this new community center will provide for kids that they otherwise never would do? Who knows? But certainly it will be a center that will be a gathering place for not just youth to expend their energies in a positive, healthy way, but also adults. I mean, to this day, I use mt. Scott community center for our daughters' swimming lessons, fencing lessons, and I am struck as I am waiting for her to conclude her lessons as I walk through, the amount of adults that participate in competitive sports, basketball, the weight room at mt. Scott community center. It isn't just a gathering place for kids. It's a gathering place for the entire community. This is a wonderful thing. I appreciate commissioner Francesconi's work and really pleased to vote aye.

Moore: Saltzman.

Saltzman: This is the great really needed community center. I am glad we can set the wheels in motion today with the purchase of the full 4.5 acres and I hope we can fulfill that pledge. This truly the buckman neighborhood has put up with a lot over the years and it's also become a truly great neighborhood, the diversity that you alluded to, the mix of businesses and residents. Kite use more homeownership and I think certainly a community center could be key in that so I want to thank

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you commissioner Francesconi and the mayor for working hard to make sure this vision is now looking more and more like a reality. Good work. Aye.

Moore: Sten.

Sten: Well, I will also glad to join in and help. This is a wonderful first step. The buckman neighborhood, and it really will serve the whole east side and frankly you will see people benefit from all over the city. As commissioner Leonard said, I grew up going to these places. My first job was at the Knott Street Center working as a lifeguard. That's in the days when you could have a high dive. I think it's wonderful and I want to thank commissioner Francesconi. He's been relentless on this. It makes me feel good the money is going to the school district. It's all our tax dollars but it's nice in buying something worth having give it to another fine calls and will help with those other high schools as the chair mentioned. I think that's terrific. As the co-chair of the grant high school city council caucus, I am also glad that you addressed that issue. I am very, it's my pleasure. Eye.

Moore: Katz.

Katz: Mayor votes aye. All right. 895.

Item 895.

Francesconi: Commissioner, we better not lose commissioner Leonard in this one.

Katz: After months and months of crafting a budget that met the needs of public safety, that met the needs of economic development, met the needs of housing and parks and recreation, I bring to you today a proposed adjustments to the 2004 and 2005 budget. I am not terribly happy about being here in this position. But these adjustments are required to cover the increased cost of the city implementing the binding arbitration award granted in favor of the Portland police association. I did warn the council and the public that this might be coming up and that if the award was made, that adjustments would be made. The arbitrator's decision came late in the budget process, and the council made a decision to go ahead and adopt the budget as is, and then come back and make those adjustments. That was a wise decision because during that time, we were able to work with the police bureau especially, and substantially reduce the cost of implementing the arbitration award. And by doing that, we didn't have to make as many cuts as we originally thought we would. But this still leaves us with a question of how to cover an estimated \$3.72 million increase in city expenses because of the award. One of the things I do want to add is that we are not cutting any critical city services. And that most of the reductions was to pull back on the new monies that we appropriated. Couple of key issues. You heard that the Washington Monroe property was still in the budget, site of a future community center. We still maintain affordable housing. We made internal budget reallocations to the Portland police bureau so that they can today, with their reallocation, add 10 additional police positions. It's not as good as 30 but it's better than none. That's the good news. Here's the bad news. \$1.67 million had to be set aside to fill additional frozen vacancies in the police bureau. They were not able to be accomplished. That was a goal that I had set, that the council wanted set, and as I said, instead of 30, we will have 10. The new city economic development fund will be reduced from \$2.3 million to \$1 million. I had a dream that this city council needed a tool, additional tools for economic development opportunities that come our way. Strategic reserve for the council to make some decisions on how to allocate the resources for the creation of jobs. That has been reduced now and only \$1 million left. The \$975,000 that was to have been placed in a reserve to help pay for the cost of increasing the owner's compensation deduction for the business income tax will no longer be in a reserve. I had to take that money aside as well. We also eliminated our \$669,000 o&m set aside for new capital projects in the parks. I do need to tell you there are some projects that are on the drawing boards. We will have to come back and find how we are going to pay for those resources because they have been planned long before this budget was put together. And \$576,000 in savings realized on the lower debt cost for the recent renovation of city hall was able to help balance this gap. I want to thank our staff and I want to thank the city council, it's not been easy. It's been very frustrating for me but I

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also want to thank the police bureau, especially the bureau. I went to chief denver rake foxworth and said see if you can find \$1 million to reallocate 10 other officers which is about \$600,000, plus, and maybe to find additional resources to reallocate for some street activities that need to be dealt with around the city. We have addressed the basic services. We made some unhappy reductions. My hope is that the economy will recover. I need to tell you that it is beginning to recover since you have all blamed me for a bad economy. I have told you, i'm taking credit for the good economy. [laughter]

Leonard: That's fair.

Katz: Is that fair?

Leonard: That's fair.

Katz: We are beginning to see signs of the recovery. It's slow. But it is persistent and we keep our fingers crossed for some very good news in the future. So that's the adjust the budget. Not all of you are going to be happy with it. I am sorry to say we have tried to do the best we can and I think we are still bringing a budget to you that protects the basic services. And hopefully, hope for a brighter future. Jennifer, I know I took everything away from you but come back and fill in some of the gaps. Thank you.

Jennifer Sims, Director, Financial Planning: Thank you, jennifer simms, financial planning manager. I am also grateful for the mayor's expensive knowledge and involvement with the budget.

Katz: You know what I did forget?

Sims: What.

Katz: We maintained at location for affordable housing.

Sims: Yes. That's correct, \$750,000 beginning in fiscal year 2005-2006. A couple of specific things I would like to mention this ordinance amends the budget and the appropriation schedule and it is a combination of one-time and ongoing funding. But most importantly it does balance in the forecast over the five years, the revision to the one exhibit being handed out is in the parks trust fund. We were showing that was a change in contingency and it's actually in capital outlay for the dishman repair that the mayor mentioned. Aside from that, I don't think there's anything else that I would add. I think you have covered pretty much everything. Thank you.

Katz: Questions? Let's open it up to testimony. I have sure after testimony there may be questions so let's open it.

Scott Montgomery: Mayor Katz, my name is scott montgomery. I live at 1531 s.w. Upper hall street, Portland, Oregon, 97201. It currently the vice chair of the Portland parks board and will become chair in september of this year. I am here to express my concerns about the office of management and finance calling for the elimination of the special appropriations for operations and maintenance that set aside. My understanding is the intent of the set aside is to fund o&m costs for capital projects, many of which are in the pipeline, and will not require funding immediately. Some of these projects, they will require future o&m dollars, though. Some of the projects are park projects but others are also p.d.c. Projects or properties which have been donated to the bureau for which parks will be responsible for maintaining. The point of saying that is that parks doesn't really have complete control over these assets. And we can't control exactly when the dollars will be spent for the o&m. I understand and appreciate the council's budget constraints this fiscal year. But I want to be sure you appreciate that what the decision means to Portland parks system in the long term. This cut is not simple. It comes at a price and that's the interrupt and/or delay of the implementation of the capital needs of our parks and has a koemen survey rate impact on the completion of the 20/20 vision plan. While building projects is exciting maintenance is not exciting. It's forever. And it's crucial to the citizens of Portland. They expect their parks to be well taken care of, restrooms clean and open, benches in repair, lawns mowed, weeds pulled and broken things fixed. This is not money that parks used to balance their budget. It's a true set aside for the care of new projects that parks is responsible for maintaining and operating. Many of these are city

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projects like the east bank esplanade, jamieson square and also the south waterfront project which will impact parks significantly when it's completed. As a parks board, one of our key tasks is to be the guardians of the parks' 20/20 vision plan. Taking away the set aside may mean the implementation of the plan may be delayed or interrupted. We can't standstill. We will meet the needs of our growing city and its future citizens. Thank you.

Katz: I don't know if you heard me that I am fully aware there are projects in the pipeline. And that we will have to find the resources to fund them. Unfortunately, they will be one-time resources until we can see our way clear. Ok. Go ahead.

Francesconi: Later, I have a memo, just something to share on that. I will give it to you now. I would like to talk about that just briefly.

Katz: Go ahead.

Bernie Foster: Good morning. Commissioners, mayor Katz, commissioners, my name is bernie foster. And I am wear one hat today. I am the current chair of our organization called the african-american for homeownership. I am here today to talk about those closing the gap, the racial gap here in Portland. I believe I see each one of you a copy of my presentation. So i'm here to support the particular resolution that's commissioner Francesconi sent out today so I will read a little bit about who we are and what we are about. On behalf of african-american home ownership we are concerned to address home ownership and the rational gamble that exists with african americans here in Portland. Our primary goal is to close the homeownership gap by about obtaining sufficient through homeownership wealth accumulation. Ours is a community-based represented by housing and business people. The mission as I indicated earlier to increase homeownership, insure efficacy, providing awareness, education, and more importantly, build trust and confidence of those that implement this service. I have been very successful in stimulating homeownership by buying activities such as to prospective buyers through our annual home buying fair, building meaningful partnerships with housing, professional and development and administering homeownership through our coaching program. Since our inception, over 50 african-american in the last four years have become homeowners. For the last four years, we have operated with approximately about \$60,000. Ok. Put another way, about \$15,000 per year or we sold each home for less than \$300. We think we have developed a strategy. And by the way, I do want to just commend commissioner Sten for when you first thought it three years ago he was very instrumental in coming to our aid and I remember the first thing he told me was, bernie, can you sell homes? And we have sold 50 homes with that little budget so I want to commend you for that, commissioner. So we are committed to this mission and we are prepared to make take a more active role by providing homeownership. I will just read it and I will sum it up by saying throughout the 1980's Portland continued to be one of the fastest growing cities in the country. From 1990 to 2000 city had grown by 21% and in 92,000 residents within the city limits. The population will fuel increasing competition for commanding housing. Many cities have dealt with minimum more home ownership and developed very creative solutions. We think we have done it here in Portland so I am here to support, taking an additional \$1 million from the \$11 million coming down so that we can essentially work within these urban areas to build better quality homes so again I want to thank you for your support and I continue working with you in terms of building homeownership. Thank you very much.

Katz: Thank you.

Ian Slingerland: Mayor and commissioners, my name is ian slinger land. I am the executive director of the community alliance of tenants and I am here today on behalf of the 40-plus organizations that comprise affordable housing now. Affordable housing now is a coalition of organizations and individuals acting to secure new resources for affordable housing in our region. Recognizing the hard choices you have been faced with in the recent weeks, we are excited for the opportunity to be here today to share in some good news. We would like to offer our great thanks for your ongoing leadership towards meeting affordable needs of our region. Your commitment of \$11 million over the coming years for affordable housing is tremendous and represents an important

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step towards building strong communities that meet the housing needs of all our neighbors. We are excited to work with you to share with the people of Portland and the region the tremendous difference this funding for affordable housing will make for the health of our neighborhoods and the families that make them up. And we're eager to work with you to build on the good work of the regional blue ribbon committee to secure new long-term solutions to the region's need for affordable housing resources. Thanks again for your leadership.

Katz: Thank you. Ok.

Moore: Rob justice, ron peterson, and clarence.

Katz: Ok. Sorry. Go ahead.

Rob Justus: Good afternoon. My name is rob justice, executive director of join. The agency that I work for as most of you know, work with folks that are homeless and sleeping outside and have had tremendous success in helping people transition. I am here for several reasons. One, to thank you for your support of affordable housing. I am very much believe that there's a tremendous need, ongoing need in our community for affordable housing and I am also conscious that a part of that allocation is supported transitions to housing which join has seen great benefit with transitions to housing. So that said, I want to thank all of you for your support of that. I also realized and want to thank you commissioner Francesconi for bringing up an idea in something that we have been very supportive of and have come to believe in and that is the use of short-term rental vouchers. One of the things that I am very conscious of in our work is a lot of the folks, the big obstacle for us to be able to get them into housing is the issue of income. One of the things that join has done very successfully is been able to utilize private, the private rental market. We have, you know, seen over the past several years a large vacancy rate in the rental market and one of the things that we have struggled with and have questioned how can we utilize that more? What I know today is that we have hundreds of folks homeless and sleeping outside who have a desire to move inside. What I also know is there are lots of vacancies in the private rental market that, if we had the resources, we could utilize. The issue for us has been the mechanism or the resource to really utilize and try to create that housing stock, you know, to our benefit. That being said, I know there's the question of, you know, using some of the \$11 million towards this effort. I myself personally believe that transitions to housing and the money for, to create new housing needs to stay there. I don't want to rob peter to pay paul but I appreciate jim elevating the issue and the idea of trying to create short-term housing vouchers and that idea isn't a new one. It's an idea that city club that is brought forward, and I believe an idea that you are going to see coming out of the citizens commission on homelessness. So I am here to support the affordable money and I am here to support transitions to housing and also affirm the idea and ask council to think about how we can create vouchers.

Katz: Thank you.

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

Katz: I think we are going to have to explain the \$11 million before we move on this morning. Go ahead. I'm sorry.

*******:** Are you ready for me?

Katz: Yes.

Ron Peterson: My name is ron peterson and I manage the home loan department at albina community bank. And I am here to testify in support of some set aside money that commissioner Francesconi has suggested that some of us, \$11 million, that you are going to explain, be set aside for helping to improve minority homeownership within the city of Portland. This is a real complex issue, and it involves economics and education. The barriers to minority home ownership are financial, they're psychological, they're sociological and in Portland they are historic in nature. And creative and innovative ideas and projects can help close the gap of minority home ownership. I want to give you a couple of examples. One example is a loan I closed last year for an elected official. A minority who wanted to be a homeowner for some time and had the perception that they couldn't get a home loan. We solved those misconceptions during our interview process and now

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this individual has celebrated a one-year anniversary as a homeowner. Information was the key. And we need more avenues to provide information to people about their ability to become a homeowner. Another key issue is providing market rate loans to individuals that may have a challenged credit file. And I don't mean by that necessarily bad credit. But the challenge credit file could be an individual whose income is hard to prove. Could be someone who doesn't maybe have the money to close a loan or it could be somebody that has a past credit problem. Many lenders will provide home loans at higher market rates for people with these challenged credit files. And for someone like myself in the banking business, this makes perfect sense. Manage the risk of loan losses by raising interest rates and fees. However, this simply raises the cost of homeownership and creates a new barrier. Perhaps we could use some of these funds that have been suggested be set aside to purchase pool insurance to minimize the risk to the lender, there by allowing the lender to make more loans at lower interest rates. As I said before it will take innovative ideas and resources to close the homeownership gap in Portland and I think the proposed monies would be a good first step in this process. Thank you.

Katz: Go ahead.

Clarence Bethune: Mayor Katz, my name is Clarence Bethune. I am a residential loan officer with Albina Community Bank and a pastor at a church that ministers to people who are homeless in North Portland. We have our services at the Union Gospel Mission. I am also a board member of the African-American Alliance for Homeownership. And I also have a coach of the Police Activities League at the Jefferson fifth and sixth grade team and I will share with you what that has to do with what we are talking about right now. Home ownership I think is one of the greatest assets that a person can have. I think it creates opportunities that they normally would not have and promoting home ownership especially among children is important because I don't want them 10 years from now sitting here talking about we need to increase homeownership among minorities. One of the things I think it's important is, it's one way for people to build wealth and as they build that wealth, it's what I call seed money and when you cut up an apple you can see how many seeds are in the apple but you can't tell how many apples this are in the seed and what happens with that money people are able to do a lot more than what they thought they were able to do as far as improving education and their quality of living. We also think that if setting aside some of these monies especially for education, it's important to reach young people early about the importance of credit, how to protect it, of investing, learning how to save money, learning how to be a wise consumer because I think all of that encompasses the path to homeownership is making those types of decisions early in life that, when you get up to the point you already know what is expected when you make out an application for a home loan. Thank you.

Katz: Anybody else want to speak? Ken, you need to come up and explain the \$11 million.

Kevin Montgomery-Smith: Hi. Kevin Montgomery-Smith.

Katz: Wait a minute. Commissioner Sten will do it. You will tell him if he is correct or not.
[laughter]

Montgomery-Smith: Kevin Montgomery-Smith. Portland Business Alliance. Vice president for downtown services. I want to talk about the \$11 million bond. I think that it's a very positive action and everybody should be congratulated, especially in addressing issues of very low and special needs housing. Important issues going forward to address the utilization of the bond and building. I know are complicated. We partnered with several different community partners to look at the bond as an option for building affordable housing quite some time ago. And realized the different complexities that are involved in that. But do want to say that if we want to build confidence with the public in the city's ability to effectively produce and sustain affordable housing, then, it does need to include some support of transitional housing vouchers, consumer choice and decentralization. We support the recommendations of the City Club on public housing. Choice is important and in the city's ability to provide housing throughout the city. We have had this discussion several times about how difficult it is to build in the central city, just primarily because

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of the land cost. And I would hope that the \$11 million would be utilized in places that you could build more, more units and larger units for different populations. It would appear that type and tenure both issues that were constrained by the rules of the urban renewal districts, that the \$11 million could be utilized to open up and brighten. It's also an excellent opportunity to pursue a goal for the comprehensive plan, encouraging income diversity and there by economic stability through housing development. I think that the, again, that the voucher idea is something that definitely needs to be flushed out just because of the immediacy of the need and thank you for letting me comment.

Katz: Thank you.

Irwin Mandel: Afternoon. Irwin mandel, downtown Portland resident. I had the pleasure of serving on the city club refer search committee and came out with the report, of course, one of the great privileges I had there was serving with one of Portland's great planners, the late ernie bonner. The idea vouchers to fill up apartments that are now vacant throughout this city, and there are many, was ernie bonner. His fingerprints are all over that report and one of the major issues that he pushed, as rob justice has pointed out, there are many people looking for affordable housing who don't have to keep subsidizing the creation of more housing when you have funds to provide vouchers for people who fill up the many apartments that are available throughout the city today. I would hope you would find a way to implement this and make it reality. Thank you.

Katz: Nobody else? Let's, two issues. One I know commissioner Francesconi wants to talk to us about, the o&m cost and I flagged that, that we are not ignoring it but we will have to deal with it on a one-time basis but let's take the housing first, and then we will come to the o&m and anything else anybody wants to raise.

Sten: I guess the question, mayor, if there's an amendment on the table, if there's not I will speak to it in my comments on the vote.

Francesconi: There's no amended and I will explain why. I guess I can address it.

Katz: Just a minute. Just a minute. There's enough issues that have been raised on it, vouchers and other ones so why don't you say something and then --

Francesconi: You want me to explain and you can respond? I decided not to make an amendment. I sent a memo to the copy which I have copies dated friday and I received commissioner Sten's response yesterday. And the reason I didn't offer a specific amendment is because of the bonding mechanism and because I know there's another process. So instead of injecting it here, I decided not to do that. So therefore there's no amendment. But the points I wanted to raise were two. And it was a healthy discussion. First, on the issue of minority home ownership there's a draft report that I have that all the council has, that's dated july of 2004. And in it, it makes, it's in response, and I appreciate it very much from all the housing partners because I made a big issue out of this, about three or four months ago -- and what it concludes is that there needs to be, from the highest levels of civic leadership there must be more championship for the role of minority home ownership. That's the first recommendation. The second is the correct staffing levels devoted to it are not sufficient. The third is that the city's resources allocated to homeownership -- I am reading from the report, from not my bureau -- the city's resources allocated to home ownership have historically that been far less than the resources dedicated to other housing activities and while funding the city's important city resources, if we commit to it will leverage other resources. So, you know, at a time that the african-american homeownership rates are in the 30's and the native americans and the latinos and we talk about gentrification, which is a force we can't control, this is something we can control. So, you know, taking money from the \$11 million, is not something I want to force on the council. But a discussion about how we are going to fund this report, when it comes to us in august, is something I want to fund now because now is the budget. And so I guess I need some ideas about how we are going to come up with \$1 million from whatever fund to put into this. So that was my first reason for the memo. The second is, I read, mr. Mandel, that the city club report. This is not my idea. This is ernie bonner's idea and the city club's idea absolutely. And that's right.

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But I also sat down with Rob Justice and I interviewed homeless folks. It wasn't so much Rob Justice. It was the homeless folks so we have a disagreement with Dignity Village. I still don't believe that's the way that you treat the homeless. But having 10% vacancy rates in these apartments and having an organization like Join with a track record, and elevating the discussion because we don't have the time to build all these units, we got to serve the homeless now. So we have 500,000 set aside in this budget and I believe -- my numbers are or the, I may be wrong -- and \$500,000 in the next budget. But the crisis is more severe. That only serves 30 homeless this year and 30 next. If Rob Justice's numbers are right. This as a strategy now when we have spent over \$100 million in housing over the last five years, is something that we urgently need to do. And this is a budget discussion, that's the mention we are taking money from parks to continue to fund this, which I approve because of the urgency, I thought it was appropriate to issue this memo to have the discussion. But not to do an amendment.

Sten: I think Commissioner Francesconi got to a lot of it and I want to be clear on one point before I make a couple of points that the \$11 million audited for affordable housing decision is the council's decision. This is a council vote to put it in there. It's been unanimous since day one and with all the things that we have to cut, it's remarkable that it's there and so I want to take my hat off to my four colleagues for seeing this and this is, I'm the housing commissioner but this is not my housing budget and so Commissioner Francesconi, it's the council's, it's yours, it's the citizens. That being said, a lot of these issues I worked on these things for a very long time and I do think a few of your time was disserved because some of the things that were flown out to you just can't be done with this particular pot of money and I think a quick conversation between myself and Commissioner Francesconi could have given you a much more focused debate today and I apologize that didn't happen. On the homeownership issue we have to do a lot more and I have been planning to bring this report back in August. In terms of how much money has been allocated to the very poor versus homeownership that is probably the most contentious talked about debate thin community over the last 10 years. We have a housing development commission. We have nonprofit -- Cheryl has been on all sides of this. I am looking at you. Have debated that year after year and we have a strong process for making that decision. The bottom line, though, is what happens every year is to take on the housing issue, even with this \$11 million, we need a dollar and we are working about fighting for 10 or 15 cents and so what happens is, we put less into homeownership than perhaps I would like to do because the money goes to people who actually don't have a home at all that are out on the street so what we have to do is leverage more money so we can take both on. That is step in that direction. Most of the \$11 million is what's called a bond, meaning that the city is borrowing the money and back over, you can see from this budget we don't have \$11 million in cash. The rules of bonding say that if the city borrows money, it has to have an ownership position in what it buys. That makes it relatively difficult to use this particular pot of money for homeownership because most people aren't going to want -- that's going to cause the banks to go nuts. But the point is fundamentally right and we need to come back and find some places. Our primary partner on these issues along with the Fairs and the other folks that are working very hard and Bernie's alliance is the Housing Center. They did 324 home purchases this is year of which 37% were minority. So in that small area, we are beginning to close the gap but we have to get that up five or 10 more times and that's going to take some funding mechanism that is need some work. I believe this committee will put as Commissioner Francesconi some clear choices on the council's table and I think when you get into things like credit and other issues, those are things you can't address with a bond but I think there are some things we could do to take those on. In fact, we have had a pretty good partnership with the state that's moved forward very well the last couple years and the better numbers are because of some of those approaches. In terms of the rental assistance, there's \$1 million of the \$11 million that's available that isn't the bond money and that is going to the transitions for housing. And that is something Join and others will take part in. That program is a little bit different than rental vouchers. What that does and I was nervous about it on

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the front end, was it gives -- it gives people one-time money to leverage their way in so it's really designed for people who are experiencing hard times but there's reason to believe are going to be back on their feet. It kind of gets them in the door. And ongoing rental voucher program which is what the city club called for is so beyond the pale of anything anybody's ever reasonably proposed that frankly folks, it's require responsible to say we can do that until we get something better going because there's no possible source of money right now that anybody's talked about other than the real estate transfer tax which we need to get behind, that could begin to take that on. And so ongoing rental vouchers are not a reality, you know. Having been in this fight for decades, local government is not going to fund ongoing rental vouchers any time soon. I told the visionary committee that and they, it was a tough conversation. I think in the long run perhaps we could come up with the flexible source. It's not popular. I get hammered for saying it but I think a transfer tax on real estate is the one that has the most nexus and I think the realtors and bankers have to work on to make it happen because it's the only way to find those flexible dollars. There's \$1 million in the one-time transition money so I think we are getting at that and I think we can frame a very vigorous discussion on home ownership that albina bank and the alliance are going to be part of and I think we can come up with some ways to take it on. So I apologize for I think what is a discussion that's a bit out of context. It should be in the context of our full housing budget but the points are exactly right and I don't have any problem with that. So with that i'll be quiet.

Katz: Let me just add, I would be remiss if I didn't bring jennifer and ken up again to talk about the liabilities hanging out there for us before we start spending -- come on. We talked about it the other way -- before we start spending money we don't have.

Sims: This could get depressing.

Katz: This is depressing. When we went through the list, it was depressing.

Sims: You want me to give you the doom ask and gloom picture here?

Katz: Start from the top. Some of them I must admit are a little shaky but she nailed them.

Sims: Ok. Well, the primary one that is looming very near you heard about is our health, outstanding health fund challenges. We have been drawing down reserves there. We have combination of escalating health care costs and a need to work on how we are going to cover those into the future so that's the main one. We also anticipate, or maybe it's already been approved, to move on to the ballot measure 37 on the takings, land use takings issue. We have outstanding litigation that we have -- haven't heard back. We had a positive result in the lower courts but we are waiting back on that. There are also possible rulings still pending on pers. I don't have the list right in front of me so I am trying to -- if you think of something i'm not remembering --

Katz: The commitment on the council to really build and fund Washington monroe.

Sims: Washington monroe.

Leonard: The baseball stadium in lents.

Sims: Should I write that down?

Katz: No, no, no, no, no, general fund. Commissioner leonard, you are not being helpful.

Sims: Those right ones that come to mind off the top of my head.

Katz: I should have prepared you for this. The point I was trying to make is that there are still a lot of items in addition to the o&m that set aside commitments that we need to maintain that would need to keep our eye on.

Sims: One of the also important ones you mentioned earlier is that we, in eliminating the o&m set aside, do we have an obligation that is one-time only? Is that something we would need to cover?

Francesconi: That's something I want to talk about when the mayor's ready.

Sims: And I think -- I don't want to lump all these into the same bag, necessarily, but we have a list of budget notes that all have not been addressed and the council has requested that solutions be brought forward to address things like that our 9-1-1 operations, our fire dredging for the access to the station 6, the list is pretty long.

Katz: Yes. Ok. Thank you. Go ahead, commissioner Francesconi.

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Francesconi: It's just a clarification. I have done a memo dated July 28 in response to your memo for the council. But it's item 5 and I wanted to show the folks. It just explains the capital set aside with a little more precision. Do you have it?

Sims: I don't. I'm sorry.

Francesconi: Well, I'm sorry that you don't have a copy of it but the main point on the second -- thanks, Jennifer. See, people thought -- if you go to the second page and then I can come back to the first, there was confusion about this capital set aside but the first category, and so that there was a larger figure set aside. Parks is here. If anybody has any questions and Robin and Janet, if I don't explain this right, stand up and come on up. But these are the first category are things that we have already purchased that were committed by the ordinance already so there's \$175,000. And those, then the next category is ones I guess they're ones we have already done as well. So we thought that there was money available but, in fact, \$259,400 were already committed. Where the problem comes is in the next category. The OHSU donation, which we already accepted, this donation is a natural area donation that Parks has been working on for a long time that's about to happen. And it's part of goal five and it's part of putting this into our inventory. The refer district neighborhood park, that's something we have been working on for 15 years. And so these are ones that are about to be due in 2004-2005. And what Parks and I are suggesting, Mayor, and I don't know the process for this, the idea of a set aside, a guaranteed set aside of a certain dollar amount, you are right about that, that doesn't make sense, because it varies in the amount that each property needs. But the idea of where there's a specific, and so instead of having lump sum, it's translating it, linking it to individual projects and required the set aside be earmarked to specific projects, not to a lump sum. That's the problem. See, because it's compounded by the fact that our capital budget has shrunk for the whole city. So not only now we are not going to have maintenance set aside but the capital budget is gone so that's the problem, Mayor.

Katz: I'm aware of the problem. You know, I guess the issue is, some decisions need to be made. I remember when I put in the money for that, we had, that was a problem that you raised very legitimate, and we put the money in. And my hope is that it will come back in again tied to projects. As you suggested. Jennifer, did you want to add anything if.

Sims: Well, I think that no one would argue with the intent that the O&M set aside was established to address the idea of planning ahead is good and the city has a strong reputation and five-year forecast and the good rating and everything. But this particular tool hasn't been used as effectively as we had intended. We have a pipeline of projects that have been anticipated but, without this group on what the real costs are and the real commitment from the council to fund them, so an O&M set aside isn't fully funded at this point. So what we really need to do is your suggesting get more of a magnifying glass on each project, when we're going to start, what money it's going to need and at the beginning of the project, and then make sure that everybody understands --

Francesconi: That's what we need.

Sims: What we are committing to, not having a feeling like, o. Well, the O&M set aside is just going to take care of it. Because it really hasn't done that effectively. And the part of it that I think the Mayor. At the same time we are doing that we need to start cranking down on that spigot on the pipeline because the resources that we have to keep supporting these projects that are coming at us are not there.

Francesconi: Yeah. And we agree but so that's why I wanted this discussion as well in front of the council. I mean, I appreciate your coming in the past but it doesn't help us in the future because we are agreeing it doesn't and here's what it means. It means that Parks will reject, will not accept some projects that are built, including some p.d.c. Projects, so we will just say no, we are not going to take them on. And then we have built things sitting there that nobody's maintained. We don't want to be Parks doesn't want to do that. But we agree with you on the issue of, then let's not accept new things. So that's why it's such an important issue.

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Katz: Ok. I like the proposed solution. It also will give the council an idea of what the o&m fees are, the costs are for each of the projects. Because right now, you are right, it is a blank number.

Francesconi: So, and I don't know the answer to this, this is not a rhetorical question, mayor, so if you like the solution, how do we act on it?

Katz: Well, why don't we talk about it. This is the first time that I have heard about this.

Francesconi: Ok. That's fair.

Katz: Let's sit down. We need to figure out, the first thing we need to figure out is how we are going to fund on a one-time basis, some of the projects that are already in the pipeline and committed. Ok. Further discussion? This passes on to second. Item 899. I forgot about all about it. Is it?

Harry Auerbach, Sr. Deputy City Attorney: There's a star on the agenda.

Saltzman: It's on the ordinance too.

Moore: It has an emergency clause.

Auerbach: It's an emergency ordinance.

Katz: Information.

Sims: Do we have to act on it.

*******:** You don't have to but you can pass it to second reading if you want.

Katz: Are you all ready to vote on this? Are we accurate, this is an emergency?

Moore: It is an emergency.

Sims: It does say that but that wasn't your intent.

Katz: That was not your intent. That was not my intent.

Francesconi: It's up to you.

Katz: Why don't we pass it on. Why don't we pass it on to second. Is everybody going to be here next week?

Saltzman: I won't but that's all right.

Katz: Would you like to vote on it today?

Moore: Do we get a motion for the amended exhibit?

Sims: Do they need to do that?

Moore: Yes. The motion to amend that exhibit.

Sims: Remember, that we handed out a revision to the ordinance? A new exhibit?

Moore: Exhibit one.

Sims: So she is telling us that you need to.

Katz: I need a motion for the amendment. Any objections? Hearing none, so ordered.

Leonard: Mayor, you said there was something --

Katz: 899.

Item 899.

Leonard: Ok. That's what you are talking about?

Katz: Yeah.

Katz: Ms. Klein.

Denise Kleim: I'm denise kleim. We are back here for a second reading and I wanted to share with you, we have three changes we would like to make. We have been meeting with the Portland business alliance and they are being handed out at this time. First one, and the third one are the p.b.a.'s request. One is on historic landmark designation. You will be seeing some code change language change coming from the planning bureau on demolition review and if it's passed by you, then, we will deal with the fee at that point. The second item is to put in, to add a \$90 fee as an hourly rate, which is just something that once in a while comes up that there's not an appropriate fee to charge so we have an hourly rate for our other fee schedules. We would like to add one for land use services and the third item was a change that we were proposing in design review that seemed a little confusing so we are just going back to current language on that.

Katz: Ok. So we have amendments and we need public testimony on those.

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Kleim: The Portland business alliance is here.

Katz: Ok. Testimony. [inaudible] have all of these changes been vetted with the appropriate folks other than the Portland business alliance? Because I am going to then pass this on for second reading for next week. Have other people been notified on these?

Kleim: No, mayor. We haven't sent anything out to the rest of the mailing list. They are very minor changes, however.

Katz: Ok. Any further conversation? I am going to move this on to second.

Moore: Should we adopt these amendments first?

Katz: Just in a second. Denise, did you change -- did you change the percentage increase?

Kleim: We just left it as proposed as the first proposal.

Katz: Which was?

Kleim: Which was overall 12%.

Katz: You did leave it. All right.

Kleim: So the only changes from the first reading were these three items.

Katz: All right.

Kleim: To all the fees.

Katz: I will take a motion on the amended fees.

Leonard: So moved.

Katz: Any objections hearing none. Ok. Everybody. We will vote on this next week. Thank you, everybody. We stand adjourned until 2:00.

At 12:56, Council recessed.

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2:00 PM

[Roll call]

Item 900.

Saltzman: Ok. Karla, go ahead and read the item before us. This is a first reading. Ok. We have a presentation from planning.

Cary Pinard, Bureau of Planning: I'm Cary Pinard with the planning bureau. Policy package 3 is the latest round of the pork plan. Initially established by council in 2002, policy package 3 continues the goal to simplify and clarify zoning code provision and eliminate regulations that hinder desirable development. The main portion of this package concerns relatively minor amendments to the land division regulations. These amounts with the result of evaluation and monitoring of the new land division rules that went into effect in July of '02 and they can be seen as fine tuning needed after an initial shake-down period, and that's what the evaluation monitoring was intended to do. The monitoring was a joint effort between planning and b.d.s. and has yielded very useful information for improving the regulations. You told us to focus on these land division issues last summer when you approved the '03-04 regulatory improvement work plan. And this package that's now before you has gone through public outreach throughout the spring of 2004, including attendance at citywide land use meetings, open houses, mailed notice to neighborhoods and business groups and to those interested in the regulatory improvement project, as well as hearings before the planning commission. With me is Phil from the planning bureau, who will provide additional information on the recommended amendments, but before Phil starts his presentation, I'd like to address some issues raised by the urban forestry commission. You received a letter from them dated July 23, where they expressed their disappointment with the planning staff.

I've spoken to a member of the commission and understand that they were planning on testifying today and asking you to adopt two of the three amendments that they requested at the planning commission. One of those amendments concerns the definition of arborist. As you can see on page 108 of the planning commission's recommended document, and the commentary on page 108, currently the code uses the term certified arborist. This can cause confusion because there are actually two separate kinds of approved accreditation programs for arborists. Professionals approved 52 the International Society of Arboriculture are certified arborists. Others are called registered consulting arborists. And the language that we recommended to the planning commission, we wanted to capture both types of professional arborists while also providing enough flexibility so that if a third nationally recognized accreditation program is created our definition would not be out of date. Though we believe our language meets the stated concern of the urban forestry staff and commission, they continue to strongly prefer a tighter definition. In an effort to get with them, we have conferred with forestry staff and prepared a potential amendment that uses their preferred tighter definition. The language is on the blue sheets of paper that we've handed out to you, and there are additional copies at the council clerk's over on that -- behind the city attorney's desk. I continue to believe that there is more common ground between planning and urban forestry than there are difference and I'm committed to working with them to improve clarification and clarify expectations. With that I'd like to turn over our presentation to Phil who will summarize the main items in policy package three.

Phil Nameny, Bureau of Planning: My name is Phil, with bureau of planning. Let me present a short summary of the policy package three this afternoon, which will allow for more time for testimony and for additional questions. The policy package three is made up of four elements. Those are the land division-related provisions, includes amendments to the bed and breakfast facilities chapter, amendments to the cultural resources plan and the zoning code related to that,

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and finally clarification of the historic resources. We also have two members of bureau of planning staff that can provide some expertise if there are questions that come up on the cultural resources plan and the historic resources. Carrie touched on this already, but just to let you know, this slide does show kind of an overall flow chart of the public participation process on this. Last -- in august we went through and had regulatory improvement work plan adopted for '03-04. From that there was some tracking and monitoring of the land division items that took place in the fall and early winter of '03-04. We had our initial public outreach which included discussion drafts and open houses in the early spring, took those comments, had a follow-up public outreach which had additional noticing and more -- another open house. Went to planning commission on the 25th of may, and of course we're now here at city council. As far as why we're looking at the land division amendments, those of you who were around in 2002 may recall that city council had asked the staff to continue monitoring the land division code rewrite. We had gone through and done some initial analysis on that and from that came up with the initial list that was looked at for the regulatory improvement work plan last year. From that initial list there have been several changes that have occurred to that. And certain issues have been resolved through other packages that have been gone through council already, certain things were held off for major initiatives such as the healthier Portland streams environmental code rewrite, we've had new items that have come in, and we've also had some things that require us to continue monitoring to determine what the significance of the issue is. And there is in the appendix of the recommended draft a spreadsheet that has both the list of all the land division amendments and then at the end of the land division portion there on page 114 to 116 we have information on the items we're still monitoring. As Carrie mentioned, there's quite a few items. We've got about 60 amendment so we don't have to go -- we don't have time to go over all of them. I want to provide a few highlights, and the next two slides show that. Some of the things we're doing as we are making some changes to the plan development chapter to ease in the clarity and also efficiency of its application. We are also providing clarity to the street standards and -- for private and public streets including common greens. We've made a couple changes in the environmental zone chapter, related to environmental review, and another highlight and clarify the tree preservation standards with land divisions, and that was a new item that came up with the 2002 land division rewrite. The second item on the list is the bed and breakfast provisions. That was also in the '03-04 work plan. This year -- the issue that came up was the current provisions, which had not been altered since the code was written in 1991, were proving to be too restrict 95 today's climate. There's some concerns about conflicts between the number of guests and the number of rooms, and the inability of some bed and breakfasts to be able to hold meetings. What we've come up with and planning commission recommends is to limit only the number of rooms on bed and breakfasts, not the number of guests. Allow for more private social gatherings. There was some very limited numbers of gatherings, number of guests for the residents' benefit. And also in the case of certain zones, allow for commercial gatherings. The third set of amendments are changes to the archaeological resources in columbia south shore. This is basically amendments to update our resources plan in our code to match what has been approved by the state historic preservation office. And it also reflects the additional testing that has been done over the past few years since our cultural resources plan was put in effect in 1996. Bob with the bureau of planning is here to also provide additional expertise on that if you have questions. One other thing I would like to mention on this was based upon planning commission recommendation, we are changing the word "cultural" to the word "archaeological" to better reflect what resources are being protected with this plan. The last item on this is the changes to the historic design review approval criteria. This is an item where we're changing the preamble to the approval criteria. We're not changing the approval criteria themselves. This is an item that has

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gone through landmarks commission and through the -- gotten approval through the state historic preservation office. We also have from the bureau of planning eliza to provide answers to questions you may have. The planning commission on this recommended that we go ahead and adopt the report and the ordinance. And also adopt the amended zoning code as shown in the report. They also recommend that we amend the cultural resources plan, including changing the word "cultural" to "archaeological" and also to direct staff to continue any monitoring efforts if necessary. And that concludes our presentation, and we welcome any questions.

Saltzman: Questions? Ok. No questions. Then why don't we go to testimony.

Ed Washington, Urban Forestry Commission: Good afternoon, commissioners, all of you. I'm ed Washington, absenting chair of the urban forestry commission, and I have with me michael harrison, one of our other commissioners, and john, one of the other commissions.

Saltzman: Can you move the microphone closer?

Washington: Actually, we -- we wanted to talk with you today about some changes that we had requested when input was asked before the Portland planning commission. We felt it was -- those ideas were good ideas, but they were not accepted. There were three items I think one has been discussed quite extensively, the certified arborists. There really is no need to go into that one. The other was power lines, we had asked for a change on the -- when you look -- hook utility lines to electric power lines, only power companies are required to keep tree limbs 10 feet from electric lines. The change will prevent -- telephone or t.v. Cable where topping is not necessary. The last was the whole issue of tree topping. Since the meeting, we have had information from the planning staff to accept our recommendations, and we're very, very pleased about that. We felt the change that we requested were really helpful changes for the city and for the bureau, so we're very pleased and we look forward to working further with them on any other issues that we might have. I think sometimes when you're going through these situations, sometimes everybody gets ahead of everybody else and the opportunity to be able to go back and step back and review those things, i'm very, very pleased with that. However, there was one, the area that we still have some concern about, which is the tree topping, and i'm going to ask mr. Michael harrison if he would please feel free to discuss that issue.

Michael Harrison, Urban Forestry Commission: In the three years i've now been on the forestry commission, something that occurs over and over again is we encounter complaints from neighborhoods and neighbors on streets within neighborhoods about excessive pruning and topping of trees by utilities. We have representation from pp&l and we have representation from p.g.e. On or commission, and they've done an excellent job of working with our commission, but generally the pruning itself is done by subcontractors. Pp&l has done an excellent program of working with the irvington neighborhood association to try to make some of these problems go away. We don't have any such relationship with any of the cable companies, the phone companies or anybody else stringing wires around the sky. And it is not necessary to prune the trees as extensively as it is for those utilities as it is for electrical utilities, which carrying significant amounts of live voltage. Electrical utilities are actually required to make sure that there are no branches from which say a child could reach an electrical power line near the electrical power line, and we want to respect that and support the utilities' ability to do that. There's no such danger or need, say, with cable t.v. So we'd like to be more restrictive about the approach to that, so we'd requested a change in the language to talk about electrical power lines rather than just utility lines in the air. Does council have questions?

Francesconi: And planning has said no? What's the status? First, we resolved -- so we're down to one issue?

Washington: Right.

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Francesconi: And it's this language now.

Washington: Right.

Harrison: It's an issue that planning has indicated they see some validity in, and they want to defer action on into a future study. Our sense is that paragraph of the code is before you is part of this package of amendments. This might be a reasonable time to save the public some time and money and make a change. We did present this request to the planning commission, so it has been aired in public.

Francesconi: Your irvington example is a good example. I live on the edge of irvington and alameda, but the neighbors called me, so I talked to kevin lynch at pacific corps directly, and your process got instituted, so I can see why you want it to apply to others. So we'll need to hear mr. President from staff about that later on I guess.

Saltzman: My understanding is you want to have the standards only apply to electrical power lines.

Harrison: There's an exemption for trimming and topping that we want only to apply to electrical power lines.

Saltzman: The exemption only to apply.

Harrison: The exemption. And there would still be a process where others could request permits from the city forester for trimming for their lines.

Saltzman: Ok.

Harrison: I'd like to ask if you have any comments you want to make.

John Warner: I can only reinforce what both of you have said. I think this pruning thing is important to have it dealt with now. There's several places in ordinances that you're required to prune, trees over the street for clearance for vehicles, if you have a tree you're required to keep it pruned over stop signs that might be on a corner lot. You're required to keep them a certain height over sidewalks. So there's a lot of places that you're asked to keep trees pruned for different and specific heights and specific purposes, and I think this helps get some of that confusion dealt with if we can have this in the ordinance.

Leonard: I am curious, is one of the reasons that we want trees pruned around cable lines, telephone lines, not because they are health hazard, but is it possible to have those lines short out against a branch and cause a power interruption or service interruption?

Warner: Well, my experience with those lower voltage lines is they put casings over them, rubber covers or sleeves on them when they -- and they can go right through tree branches. Not necessarily touching them, but very close to them.

Leonard: Isn't that true with power lines too, they rub and remove the insulation and then short out?

Warner: Well, they would short out, the higher voltages would. And those sleeves sometimes break and get slid down the line.

Leonard: I'm just wondering if it's a little more complicated than what we're prepared to --

Harrison: I don't think so.

Leonard: -- do today.

Harrison: We didn't fully introduce ourselves. I think it's relevant to know here that john warner is one of the most experienced landscape architects in the city of Portland. Ed is a community activist with deep roots in the city, we actually --

Saltzman: And who are you? [laughter]

Harrison: I've been a city planner for a while. And there's other members of the forestry commission with quite a bit of expertise. And we have talked this over in detail with our representatives on the forestry commission from pp&l and p.g.e. Again, the planning staff

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indicated this might be an issue appropriate for coming back to later if you're hesitant at that point that's probably the correct strategy to follow. We feel that it's not necessary to wait.

Leonard: My only question is, are there other issues that would cause unintended concerns?

Washington: Not around this one. Not at all. I think the three suggestions that the commission had asked us to bring forward were those issues that really were most paramount and important to us. We felt not just on behalf of the commission, but really on behalf of the city and on behalf of what we're all trying to do. And -- but I would like to say if we can get those three squared away, we're fine, because we thought those were very -- we followed their advice, they asked for input, they asked for suggestions, we had a great deal of discussion about it, and these would really help. So I'm very pleased to say that the response has been good as a result of trying to resolve these differences, and I would expect it in the future that it will do nothing but get better.

Saltzman: So we've got the issue, let's finish other public testimony and then we can bring staff back and decide accordingly.

*****: Thank you very much.

Steve Unger: Council members, my name is Steve Unger, and my partner and I are owners and innkeepers for the Lion and Rose Bed and Breakfast. One block north of Avenue in Irvington. We operate a 10,000 square foot Victorian mansion listed on the National Register of Historic Places. Some of you may remember that I spoke to you about a year ago appealing for greater flexibility to hold commercial meetings and events at bed and breakfasts located in historic landmark buildings.

Over the last year I have worked productively with Phil in the City Planning Department as we move through the ordinance review process. I am asking you today to support the recommended draft and to approve the recommended draft for the bed and breakfast ordinance and policy -- in policy package three. I ask you to approve it not because it does all the things that I had argued for, but because I believe it is a reasonable compromise. First, the recommended draft wisely corrects the flaws in the existing ordinance that met most b & b's were technically out of compliance. The recommended draft sets limits that reflect current operating procedures at b & b's in effect there will be no change in the behavior of b & b's in single family zones. The revisions just document the status quo. So, for example, if you have five guest rooms, you are likely in busy season to have 10 guests because on average two guests go into a guest room. You still will have the same five cars that you have in one for each person or each couple. It's these kind of inconsistencies that made people technically out of compliance. Second, the recommended draft also recognizes that larger b & b's operating in multidwelling zones are and others, deserve greater flexibility than b & b's operating in single family zones, and the ordinance comprehends that properties of historic significance of historic landmark status require additional special consideration. You have a letter from the Portland Metro Innkeepers Association on file. It shows that operators of b & b's understand that traffic, parking, and noise are of concern to our neighbors.

The average b & b stay involves two people staying for two nights, traveling in one car. Our guests tend to be out during the day and quiet when they return. The impact on our neighbors is no greater than a busy family with one or two teenagers. And their associated vehicles and their associated family and friends. To our -- if a bed and breakfast were to operate outside of their conditional use permit, there is recourse for any bed and breakfast that weren't complying with regulations. To our knowledge, this has never had to be -- has not been implemented in recent years. There have been no formal complaints in recent years. Given the above we request that you approve the recommended draft of the bed and breakfast ordinance and I also look forward to addressing you in the future on the upcoming historic incentives initiative, which is also important to -- in our case because of our historic landmark status. Do you have any questions?

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Leonard: I'm sure you meant to say that your bed and breakfast wasn't be as noisy as a family with two teenagers.

Unger: It wouldn't be more noisy.

Leonard: It wouldn't be as noisy, trust me. [laughter]

Saltzman: Thank you. Any other questions? Did you wish to add anything?

Dustin Cursey: We feel -- my name is dustin cursey, i'm steve unger's partner at the lion and the rose. We moved from san francisco about 21/2 years ago, and at the time we moved here we started reading in "the Oregonian" lots of commentary about support of small businesses and the need to support small businesses in Portland. And to create a friendly atmosphere for their growth and development. And we also heard and red a lot of comments about the interest in preserving historic buildings. Between the -- we were looking at the way that this bed and breakfast sort of restriction came about in 1991, and it appears that in the mid-1980's we're talking practically 18 to 19 years ago, some few bed and breakfasts on the west side were out of compliance and actually there weren't a lot of regulationse 6.ling with their overactivity. And so they -- the city reacted, and in 1991 passed an extremely restrictive ordinance. We are in irvington, irvington has more bed and breakfasts than any other part of Portland, and has one bed and breakfast, Portland's white house, who has conducted activities because after grandfathered permit for years without complaint. We suggested these folks that are out of compliance years ago, almost 18 years ago were in exceptional situations that have caused enormous restriction on the rest of us for all these years. We have been in this process for one year, simply to ask permission to ask permission. Now if you were to give us this permission, we would begin another process of, we don't know how many months, to try to satisfy all the concerns of our neighbors. And our friends, and our -- those in our -- those that would be concerned before we could gain the permission that we see. And so we want to ensure you of -- that we've reviewed this with all the other inn keepers, we understand that there were upsetting things that happened maybe 15 to 18 years ago when my children were babies, but I think that it's a new day, and it's a new time, and we are new owners, and we're hoping that this is possible. Now after this long process to reach conclusion in a positive way. Thank you so much.

Amanda Fritz: I'm amanda fritz. This is really an example of Portland planning at its finest. These folks did bring their trouble, their problem to you and to the commission, the planning commission, and worked through the process with the planners and now are on the bridge of a solution, and it's really nice to see the system working properly with people using the system to get the appropriate amount of public input and come up with a good solution. Jimmy brown made a very telling statement when he gave a speech before the 30th birthday party of the neighborhood associations last month. He said that neighborhood involvement -- neighborhood activists give their discretionary time, and today the hour and a half that i'll be coming here and staying here and going home is my 1 and a half hours of discretionary time for today. But I felt it important to come to speak to the three commendations. First mayor Katz and gil kelley, who have supported and hired people in the planning bureau, who do an outstanding job of public involvement and of planning, and of listening to concerns and coming up with a good proposal, you don't see a lot of neighborhood folks here to complain today. Or even with concerns. There are a couple of outstanding issues, but sandra wood and phil particularly and also carrie pinard from the land division code have done an excellent job of working through the issues, bringing it early to the citywide land use committee and listening to input, changing the proposal in response to input and in some places dropping proposals that it seemed obvious were too controversial. So I thoroughly commend them for this process. And also the neighborhood land use people who contrary to some opinion, don't enjoy sitting in meetings. We actually are more interested in going out and seeing what's happening in neighborhoods. It's that knowledge, that hands-on visual awareness of what is

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going wrong in the neighborhood that allows us to come back to a meeting like this and say, this code will work and this code might not. So i'm very pleased with this process. And I want to commend sam adams, who worked with the mayor to set up the regulatory reform process, which I feel is working very well. This is the third round, and it is a good process both for identifying the problems and for then working through the solutions. I heard from one of my fellow neighborhood land use chairs that you're thinking of changing that process, and I would urge you to be very caution. It took us a long time to figure out how to do the process in the first place, and if you're going to change it, there still needs to be the same amount of public input and the same amount of time for the neighborhood land use specialists to be able to give you the input both on whether something is a priority and whether there are a lot of sticky issues in the wording. I would caution you when individual commissioners want to jump over this process to bring forward something that seems to be the crisis du jour, that there needs to be a proper process for deciding and looking at the impact analysis for whether the crisis of the day is indeed something that deserves immediate attention or whether it should get back in line, go back into the hopper and go through the process of prioritizing and deciding as a city which projects would work -- to work on first.

Saltzman: Thank you.

Richard (Dick) Levy: I'm chair of the irvington community association land use committee. And the inn keepers asked me to address appropriately as if I were staying at one of their bed and breakfasts. That's why i'm so casual this afternoon. I wanted to let you know we had -- we have been working with the folks, officials and the people from lion and the rose on the bed and breakfast ordinance. Eight of the 20 b & b's in Portland are located in the irvington neighborhood.

So it really does have an important impact in our community. Our committee wanted me to thank you for considering loosening some of the regulations, which has been recommended in this proposal, because it seems to us that if there are two people who run a b & b and they each have a birthday, and they might have two parents who are still alive, and they might have birthdays, they've already exceeded what were the original regulations that they were permitted to have in terms of events and the number of people attended birthday parties. So some of the regulations we know were written as was mentioned earlier in reaction to misbehavior, we might say, on the part of some early bed and breakfasts mostly on the west side of Portland, thankfully, not on the east side --

Leonard: That's where all the rowdies live.

Levy: That's correct. That's my view. One of the other things that's very important in irvington, and I think people, I know all of you realize this, is that big historic homes are very difficult to save these days. And we're seeing more and more effort to either demolish them or divide them or move them, and by having some of these historic homes being used as bed and breakfasts, they certainly are being saved for the community and for our children, our children's children to see and enjoy. Lastly, these are small business people and they employ people in the neighborhood, most of them take public transportation, most of the people stay at bed and breakfasts. Particularly close to the broadway corridor also take public transportation. So this is a clean industry, this is one that the neighborhood supports, and we have had no, not a single neighbor has complained or has commented in opposition and we've given them plenty of opportunity to do so through discussions in our neighborhood newsletter. So I appreciate your considering this and we urge that you pass the draft language. Thank you.

Francesconi: That's good work on outreach, because last time this came up we heard from some. I heard from somebody I know really well, so you've done a nice job.

Tim Ramis: Members of the council, for your record, tim ramis, i'm a lawyer in Portland. I'm here on behalf of a family, the rosenfeld family who's had the experience of living next to a home which

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has been converted to a bed and breakfast. And who are very grateful for the current regulations and the limitations that are placed on the property which they believe have contributed to the peaceful coexistence of the properties. The families asked me to offer two broad comments. The first is that it would appear that the case has been well made for making the changes suggested in mull if I family districts. Particularly the case that if we allow flexibility for operators, they may be able to better resist the temptation to demolish the property and redevelop it for an allowable more intensive use. Also in those districts it's much easier to create a compatible situation between the surrounding multifamily uses and the bed and breakfast. Second comment is that within single family districts, no compelling case has been made that the current policy in your zoning code is somehow wrong. There is no claim that there is pressure to demolish single family house and single family districts in order to accommodate more intense uses, and it's clearly much harder in single family areas to create a compatible coexistence kind of situation. Therefore, we ask that the current rules not be changed in single family zones. I provided a draft amendment that would achieve this purpose and ask that you consider it. In offering that amendment, i'd offer two things for your consideration in deliberating whether in single family areas you truly should change the policy that's existed since 1991. First, the current code is good policy for single family neighborhoods. It allows bed and breakfasts to be located there, but through the conditional use process, the limitations can be tailored to the particular property and the concerns about impacts in the area. The policy is described by the staff at page 117 in the staff report and i'm paraphrasing, it's to place restrictions to bed and breakfast uses so that the net effect of the use would require them to be similar until their impact to other neighborhood uses. And that's really the key I think to the current policy. No one has argued that's bad policy, no one's argued that somehow we're balling things to get more flexibility to bed and breakfast somehow carries the policy out better. Second comment is that the current tool in the zoning code has been a very valuable one, it allows limitations on a number of guests, food services, private uses of property, and the case of the rosenfeld family, these limits are critical, they believe, in keeping a balance on the impact of their next door neighboring use. Without someone explaining why it's better for single family neighborhoods to take away these limitations and change this process, we don't see a justification for changing the policy in single family areas.

Saltzman: Thank you. Anybody else?

Moore: That's all who signed up.

Saltzman: Anybody else in the audience who wishes to testify? Ok, phil and carrie, do you want to come back up here? I guess we need discussion on the exemption for changing the exemption to apply only to electric power lines for tree topping and pruning. Rather than utility lines -- maybe there doesn't need much more discussion, maybe we need to decide whether we want to change it, but we would like to hear what your rationale was for broadening the exemption. Then the bed and breakfast in the single family zone.

Pinard: We can address them in the order you heard testimony. For the urban forestry request to restrict pruning around utility lines to just the exemption for electrical, they did bring up that issue in response to our original package that was sent out for several rounds of discussion. We think it it's a valid thing to look at. What our response is of, we should go through the correct process to evaluate it, is based on the regulatory improvement work program impact analysis report you adopted this in the spring of 2003, along with that you told us to go through and impact assessment, a little chart of a model impact assessment is here on page vi right before page 1 of the report that talks about asking a lot of the questions that amanda asked and part of it is what are you trying to accomplish, what would it cost to do, who would have to comply, what are the costs of enforcement, who would enforce it. I think all those things should be looked at and hopefully the

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answer will be that we can craft some rules so there is less tree pruning than apparently there is now. I think we just want to go through the process of asking those questions about the impact for instance I think they made very good testimony for making the change right now. I would just want to make sure we checked in with some of the other utilities, the phone, cable, I don't know how much outages in storms, if branches are knocked down phone lines, the ability for people to not be able to call out, to get help is something that we just want to evaluate. That may not be that crucial when we look at more and more things going to wireless technology, so i'm not saying we shouldn't make the change, I just think we should go through the process of asking all those questions and coming up with the right answer. Along the lines of what amanda -- I guess I want to thank amanda for her very nice comments. The bed and breakfast folks are an example of people who came and asked for their changes, and they wanted them when they first asked for them last year, and we said, it sounds like there's some good things to look at here, and you're right, a lot of the regulations are very restrictive, but you should just ask to get in line and get in a package. And then we'll get the package done as soon as we can, and here about a year later they're back with results of that, and they've gone through that process. So it's more of a process response to the idea of the utility lines than any problem with the concept. Along those lines I do want to make a pitch for some improved recommendations that will be coming from the planning bureau for making this process of deciding what should be in a regulatory improvement package more efficient not to have it take as long as it did this last time. I'm sure i'll be talking a lot to amanda to make sure she feels comfortable with the amount of public input that we maintain through that, but we're trying to make a more efficient better process so people don't have to wait as long. So that is our response on the utilities.

Francesconi: Before you move from that, did this make you -- I don't -- I hope this doesn't sound sarcastic, because i'm smiling, but does this make you feel good when you cite our own process back to us? And hold us accountable? Which is a rhetorical question.

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

Francesconi: I think we need to follow -- i'd suggest even though it seems like it's a good idea for all the reasons advocated by the urban forestry, I think we should probably follow our own process and not get into this right now. Mr. President?

Saltzman: Is there a policy package this could hook into?

Pinard: There is one with -- there's interest in what's going to be in it and how fast we can get it to you, and we are proposing to streamline the process of prioritizing what could get into the subsequent packages and we'd like to try with policy package 4. Even though I think there is some analysis that needs to go in, it doesn't seem like an extensive long drawn-out issue. So I think we could add it to a package without lengthening the time of that package.

Francesconi: It might be good -- are you working with urban forestry, but get them involved right away too, so that would be a good thing.

Pinard: Going on to the additional testimony --

Sten: Do you want to discuss those now ask or lay them all out?

Saltzman: I thought you covered the b & b's too, but did you have further responses?

Pinard: We can respond to some of the issues for the b & b's. But -- or you can take it an issue at a time, whatever you would like.

Saltzman: Let's go through the b & b and then we'll decide.

Pinard: Phil is more the expert, so i've asked him to prepare some response.

Nameny: I think most of the testimony was in favor of the changes the planning commission was recommending. There was a couple issues that were broad up -- brought up most regarding how we're making slight changes to bed and breakfasts in the single dwelling zones. Currently the

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zoning code allows somebody to apply through a conditional use review for up to five rooms and up to six guests. And this is where you heard some testimony that said that can create a potential conflict in how somebody may run their business, because if somebody, say, gets four rooms, it's going to be hard for them if the first three rooms get rented out to couples to tell somebody interested in that fourth room that they can't have that room, and it basically creates an internal conflict and opportunities for not being in compliance with the code and it's also very hard to enforce. There is an enforcement problem with trying to determine the number of guests per room rather than just number of rooms that are being rented out. So what the proposal is doing is eliminating the sixth guest, and it's just keeping that maximum at five rooms. This also is a proposal that is in sync with the building code as I checked with members of the development services staff on that. So that's with that piece. As far as the other piece with the private gatherings, that was something that was looked at just being potentially too restrictive. Right now if you're going to have more than two couples over for dinner, it counts as one of your four events for the year. Granted, bed and breakfasts, because they do have guest that's stay overnight, have some impact that may need to get lessened by not having as many parties or events for the enjoyment of the family but we felt that maybe was too restrictive and a result of some of the only plants that happened in the 1980's, so we did loosen up to allow them to have more private -- things for the private enjoyment of the residents of the bed and breakfast without necessarily -- they can go up to having eight people and they can have more events per year. I believe those are the couple things that tim was a little concerned about changing with the single dwelling zones. But in our analysis, we did not see that that would have a large effect on the surrounding neighborhood. Other single family houses do not have any restrictions on how many parties they can have. An individual living in a house can have a large barbecue every weekend of the summer can that's not really regulated. So we were trying to strike a balance here between the bed and breakfast and other single family residences.

Saltzman: So they're now unlimited for private?

Nameny: They're not unlimited -- we raised so you can have -- you're unlimited up to eight guests, so in essence you can invite four couples over, that's unlimited. Anything more than that you're still limited to 12 per year. So you are still limited more in a bed and breakfast facility than you are in a single dwelling, trying to balance the fact there are always guests staying overnight, which is an impact. We were trying to make the basically the zoning code work in a way that doesn't create additional enforcement problems. And we found that the number of rooms and the number of guest and having that potential problem definitely was an enforcement issue. And also the fact that if somebody invites three couples over, which in essence could be violating the code on that, is something that neighbors are probably not going to notice. So it's once again an enforcement issue, about when does a gathering become something that's more an effect.

Saltzman: Ok. Any further questions? So we -- if -- are there any amendments members wish to offer for -- before this moves on to -- it will move on to a second reading, but --

Pinard: Are you interested in the amendment that we suggested on the blue sheet of paper that the urban forestry commission also agrees with?

Francesconi: Let's do those. I'd just move that we adopt those blue sheeted amendments.

Leonard: Second.

Saltzman: All those in favor say aye? [chorus of aye]

Saltzman: We're supposed to do roll call.

Sten: You can do that.

Saltzman: Ok.

Francesconi: You can do anything you want.

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Saltzman: Amendment is adopted.

Sten: Tell me again, i'm inclined to adopt the urban forestry proposal and the electric lines. Tell me again what's going to happen through the process before you get it back here and we adopt it.

Pinard: For that particular issue we would do a little bit more analysis, find out about what's the deal with trees and tree branches with other nonelectrical utilities, what kind of dangers they pose if you don't trim them as much. Our goal is to have the least amount of trimming possible. But not go too far to create an unwarranted safety situation or, you know, livability issue. That probably in and of itself was all our regulatory improvement staff was working on, wouldn't take too long. But that would be one of several different things we would throw into package four, and the whole package would go out for around where we ask for public input on our discussion draft. We say, here's some ideas, what do you think about it? Then after we listen, we make changes and write it up and that becomes our proposed draft to the planning commission. Once again, we tell people, come on down, tell the planning commission if you think this is a good idea or not. They hold one or more hearings and make their recommendations to you, and then would you hold a hearing once again with a notice that would be similar to this one. So there's -- there's quite a few hoops to jump through before this would get back if you don't pass it today. We are trying to keep that right balance, the right amount of input and the speed.

Francesconi: Do the affected parties know that we could be passing something today? Do they even know about this? These companies?

Pinard: There hasn't been a particular notice that's gone out that that is a proposed change. However, the proposed changes come up in all the legal process you going through that was requested first the planning commission, so it's on the public record there, now it's being requested at a public hearing here. So our -- our attorney can tell us if there is any other notice that's actually required.

Kathryn Beaumont, Sr. Deputy City Attorney: If you wanted to adopt the amendment today, I don't think any additional notice is required.

Saltzman: Well then there's no amendments, this -- except for the amendment we adopted this, will move to second reading. And that's all items of business we have for this afternoon. We stand adjourned until 2:00 tomorrow. Thursday.

At 2:54 p.m., Council recessed.

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2:00 PM

Item 901.

Saltzman: The city council meeting shall come to order. Karla, please call the roll. [roll call]

Saltzman: The mayor is absent. If you could read the first item.

Francesconi: Due to the unplanned absence of some key staff, we'd like to have this held over until august 4 at 9:30. And we'll take public testimony at that time. We've alerted the property owners last week and we tried to alert most of the public, so I hope there's nobody here, if there is, I apologize.

Saltzman: Without objection we'll schedule that for august 4 at 9:30. Read the next item, please.

Francesconi: Thank you.

Item 902.

Sten: I'm going to ask the sierra club to come up. This will be a very brief presentation. I've been working with the sierra club looking at this issue, and decided to file this resolution for several reasons. I'm personally quite oppose and wanted to give the city council a chance to take a look at this and think about a city position, which is what a resolution does. To the proposal -- essentially -- it's a huge problem. We need to figure out a way to safely move and store radioactive waste. It's a national emergency darn near. But the plan right now is to move about 1,000 truckloads of radioactive waste through the city of Portland in unmarked trucks without escorts and just frankly it does not look like a very well thought out plan, and the documentation itself i've had a chance to look at says their best guess is we could see 10 cancer deaths just from this going through in the trucks, let alone if something were to be hit or spill over, and I think we need a better thought out plan. Adding to this is that it's not even a permanent solution. It's a temporary idea, some of the facilities they're trying to clear up are full, so the idea is to for some undisclosed short amount of time to move radioactive waste to hanford. And I think if we're going to take the risks of radioactive waste, moving through our community without proper safeguards or at least the best safeguards, at least it ought to be something we feel would solve the problem. The reality is, it's a temporary storage place at hanford, and hanford itself continues to leak into the columbia river. So we're talking about moving radioactive waste through the city to a place that currently needs to be cleaned up first. So the resolution essentially says, it urges president bush to order the united states department of energy to immediately reconsider its decision to ship additional radioactive waste to hanford through cities such as Portland and to defer any additional radioactive shipments to hanford until such time as existing contamination is cleaned up. I want to put this forward, also just frankly it's not lightly I know when the council considers these types of things, but I felt the council resolution process was one way and I thought an appropriate way to bring this to the attention of citizen and to let them know this is going so they can think about it themselves. Matt, why don't you give us your thoughts. And natt is the key person at the sierra club that's been studying this issue.

Nat Parker, Sierra Club: Thank you very much. Members of the commission, I appreciate your time today. Commissioner Sten has said it best. This is an issue that poses serious threats to the health of this community. Obviously we have a legacy of toxic waste, spent nuclear fuel rods, old nuclear weapons. This is a problem that endures and consists across the country. And right now the bush administration has proposed to consolidate that waste in our back yard at the hanford nuclear reservation. Hanford is the most contaminated site in north america. It has underground storage containers which are leaching radioactive material in the columbia river. As you know, yes downstream from hanford. The idea of putting additional nuclear waste, radioactive material in the

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back of tractor trailers and shipping that on our interstate highway system, through the city of Portland and out i-84 is a danger I think that the city simply can't afford. And so we're here today to thank commissioner Sten and obviously encourage the rest of the commission to get behind this resolution. We think we can send a strong message to the administration to rethink just how they're going to deal with this waste. And putting it through the community is not the way to do it. There is a better way. We would like to see waste dealt with at existing facilities across the country. It's not cheaper, but it's safer. And so we want to see some serious action by the administration to reverse their proposal.

Francesconi: I have one question. Thank you for bringing it. Why would we even allow this if hanford is cleaned up? The resolution says until cleaned up. I don't think we should ever allow it through the city.

Parker: You make a good point, and I agree with you and the sierra club and our 22,000 members in **Oregon** agree with you. It's one way of saying that if you -- you need to address the problem at hand before you even put forward a proposal to send additional waste. My guess, commissioner, is that it will take decades to clean what is already there. As you know, there's an initiative right now in the state of Washington which essentially says just that. That before you plan to truck further waste there, you actually have to clean up what is on site.

Francesconi: But just the hazards from terrorism, the exposure to safety, I don't think we should allow it under any conditions.

Parker: I appreciate that.

Leonard: I'm embarrassed to say I was not even aware that this initiative in transporting these radioactive wastes was occurring. What's the source of the radioactivity?

Parker: The source comes from low-level and radioactive waste. As you cross the country, sir, there are facilities which are repositories of spent nuclear fuel rods, in other words, fuel rods that have been used to make electricity. Also the byproducts of refining plutonium for weapons. Hanford was the site where the manhattan project, refined plutonium for the bomb we dropped on hiroshima. We have a legacy much nuclear waste we have to deal with, but as you know, putting that waste on the highway when in fact accidents happen every day on the highway. If a truck were to jackknife in Portland, this poses a serious threat to not only the health of the community and the environment, but the economy of Portland. I'm glad that it's been brought to your attention.

Leonard: Was this a specific act that's going to occur, or is it going to occur in general over an extended period of time?

Parker: The department of energy a few weeks ago released a record of decision which puts the estimate at 17,000 as a very conservative estimate, 17,000 truckloads nationwide which will be trucked to hanford. The original environmental impact statement released by the department of energy put that estimate at 70,000 to 92,000 truckloads. 12 million cubic feet of radioactive waste being sent to hanford. Of that, we expect just over 1,000 trucks to pass through the willamette valley and through Portland.

Leonard: Is any of this material discussed to be in place, is it the yucca mines in nevada?

Parker: Yucca mountain is the government's proposed permanent repository for the nation's nuclear waste. There is a bigger debate here as to how do we deal with waste that lasts millennia? Yucca mountain was identified as a possible repository. That site has been found to sit on a geographic fault line, so we have still working on solving that issue.

Leonard: My question is, is this a step that would otherwise go to a permanent repository that's going through Portland to end up at hanford?

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Parker: Hanford has been proposed as an intermediary repository for this waste before it goes to yucca. They'll ship it in, part of that waste will in fact remain at hanford.

Saltzman: My only question was, does this put -- is the sierra club opposed to the repository at yucca mountain as a permanent disposal site?

Parker: Yes. The sierra club is -- we think there's a better way to deal with this waste, and that is to actually mitigate and secure the waste at existing facilities. As I mentioned before, it's not cheaper, but we think it's safer.

Saltzman: In terms of the classification that's going on right now at hanford, that's what you support?

Parker: Trification[?] is a process by which we can in some ways neutralize the threats of that waste, but to take untreated waste, to put it in a truck and to pose that possible threat is the wrong way to go. There is a better way. It's a larger debate. It's tough to decide. It outlasts the storage containers it's put in. It's a larger debate.

Saltzman: Nothing in this resolution touches on that debate.

Parker: No.

Saltzman: Anybody else wish to testify? Or is anybody else signed up? Ok. Karla, please call the roll.

Francesconi: This very directly affects the health and safety of all of our citizens. It's difficult enough to drive in traffic, let alone with hazardous nuclear waste as one of the things you have to worry about. So for the good of our citizens, we should never, ever be transporting this through cities, especially also given the added threat of terrorism. Aye.

Leonard: I'm -- I find myself feeling probably because i've just learned some of the details a little outraged by all of this, that the administration is proposing. So I appreciate greatly commissioner Sten not just bringing the resolution, but making the community aware of this. Aye.

Saltzman: I appreciate commissioner Sten bringing this to our attention. I certainly think the legacy of nuclear energy and nuclear weapons is what we're dealing with today, and unfortunately we're going to have to deal with that legacy for a very, very long time. There do have to be responsible solutions. I do think -- I spent a lot of time back in the early 1980's working for congressman wyden on the nuclear waste policy act which came up with the concept of a permanent repository, and we also fought very hard to make that wasn't hanford. We sort of got to stop shifting the ball around and realize there has to be a permanent solution, and that's probably it. But I know this is a different issue, and it is important that we deal with the hazards of nuclear waste transport and the risk. Unfortunately as I said, these are hazards that will stay with us for thousands of years. Aye.

Sten: I appreciate the council taking the time on this. I want to thank the sierra club, and also encourage citizens out there to get in touch with the sierra club, see the information, and write to our congress people. It's pretty straightforward. This stuff is so dangerous, the studies around it predict that just by driving by it some number of people will get sick and potentially even die. Obviously we have to deal with it as a community, but the last thing we should be doing is driving it through urban areas for a temporary fix. We need to deal with it properly and right, and moving it around on trucks through the middle of busy cities is obviously not anything like the right way to do it. So I think it's an important message for the city council to do because of the health of our citizen and the potential bad effects to our economy, if this were to go 32, and I hope people get active on it. Aye.

Saltzman: Ok. That brings us to our next item, karla, could you read --

Moore: It's not until 2:30.

Saltzman: Oh, ok. So we will stand adjourned for 17 minutes. [recess]

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At 2:14 p.m. Council recessed.

At 2:30 p.m. Council reconvened

[roll call]

Saltzman: Please read the item.

Item 903.

Saltzman: I'll turn it over to our attorney to read the ground rules.

Kathryn Beaumont, Sr. Deputy City Attorney: Ok. Because last week's hearing concluded after it barely began, I've recommended to the council that we start afresh. I have a few guidelines to outline for people in the audience concerning the nature of the hearing, the order of testimony, and guidelines for presenting testimony. First, this is an on the record hearing. This means you have to limit your testimony to material and issues in the record. This hearing is designed only to decide if the hearings officer made the correct decision based on the evidence that was presented to him. If you start to talk about new issues or try to present new evidence today, you may be interrupted and reminded that you must limit your testimony to the record. In terms of order of testimony, we'll begin with a staff report by Stephanie Beckman of 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 appellant will go first and will have 10 minutes to present the appellant's case. Following the appellant, persons who support the appeal will go next.

Each person will have three minutes. The applicant will then have 15 minutes to address the city council and rebutt the appellant's presentation. After the applicant, the council will hear from persons who oppose the appeal. Again, each person will have three minutes. Finally, the appellant will have five minutes to rebutt the presentation of the opponents of the appeal. The council may then close the hearing, deliberate, and take a vote on the appeal. 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 appeal. If the council takes a final vote today, that will conclude the matter before the council. As a side note, I would remind the council that tomorrow is the last day for making a decision under the 120-day deadline established by state law. Finally, in terms of guidelines for testimony, this is an on the record hearing, because of that it means you must limit your remarks to arguments based on the record compiled by the hearings officer. In presenting your argument you may refer to evidence that was previously submitted to the hearings officer. You may not submit new evidence today that was not submitted to the hearings officer. If your argument includes new evidence or issues, the council will not consider it and it will be rejected in the city council's final decision. If you believe someone who addressed city council today improperly presented new evidence or presented a legal argument that relies on evidence that's not in the record, you may object to that argument. Finally, under state law, only issues that were raised before the hearings officer may be raised in this appeal to city council. If you believe someone has raised issues today that weren't raised before the hearings officer, you may object to the council's consideration of that issue. Additionally if the applicant fails to raise constitutional or other issues relating to proposed conditions of approval with enough specificity to allow the council to respond, the applicant will be precluded from bringing an action for damages in circuit court to challenge the conditions of approval. That concludes my opening statement.

Saltzman: Thank you, Katherine. Do any members of council wish to declare a conflict of interest? Do any members of council have any ex parte contacts to declare or information gathered outside of this hearing to disclose?

Leonard: As I said last week, when that issue came up I was contacted early on by some of the residents that I referred to the appropriate bureaus.

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Saltzman: Ok. Any questions before we go on to the staff report? Ok. Stephanie, please give us the staff report.

Stephanie Beckman, Bureau of Development Services: Thank you. As you know, you heard the staff report last week, so i'm going to try to run through it quickly. If you have questions, just stop me and ask at that point. The purpose of today's hearing is to consider an appeal the hearings officer's decision to approve with conditions a 34-lot subdivision. The proposal is to subdivide a 41/2-acre site in the r-5 zone to create 34 lots, two new public streets, a private street tract and a storm water tract. This is a zoning map which shows the site is zoned r-5. This is an aerial photo that shows the site, you'll see powell butte nature park to the east, spring water corridor to the south. This is an existing conditions plan that shows the site. You can see there are some moderate slopes on the site, and a depression that crosses the northern portion of the site that is believed to be a former drainageway or stream. This is the preliminary subdivision plan. You'll see the two new public streets going in the east-west direction, a private street tract and the storm water tract at the southern end of the site. This plan is basically the same, although it shows the street improvements and utility connections. This is a photo coming up on southeast ellis, the site is to the right of powell butte nature park is straight ahead. Here is a photo looking south of the site. This photo is of southeast 1 hundred 45th, the site is on your right, and the park is on your left. This is a photo of the depression that runs across the site. From the corner of southeast 145th and ellis. This is looking north from the interior of the site. And this is a photo of the existing house that's proposed to be removed. The hearings officer approved the proposal subject to conditions. Appeal has been filed by the neighborhood association, and the three areas of opposition listed in their appeal statement were regarding storm water management, streams, springs, and seeps and mitigation option for tree preservation, and instead of going through all of the slides going into those in detail, i'm just going to briefly respond to that. Storm water management, the bureau of environmental services has reviewed the storm water plan for public improvements and the calculations, etc., and has found that it provides adequate storm water for the project. In terms of streams, springs, and seeps, there are -- this chapter deals with these features on the site. There's no evidence in the record that there are any of these features located on the site, therefore it does not apply to this development. And in terms of tree preservation, there are detailed findings in the hearings officer report that go through the mitigation option for tree preservation, and there are conditions in place to preserve tree number 11, which has been the subject of the appeal. This plan shows the storm water pond located at the southern end of the site. You can see 10-foot setbacks which is one of the question that's was raise the in the appeal, which was a decision made by b.e.s. One of the concerns raised by the appeal was flooding caused by this site, or exacerbated. You can see there is floodplain to the south of the site. All of the storm water on this site will be collected and disposed of on that site, so it should not contribute to flooding. This plan shows the proposal for tree preservation. The green arrows point to trees that are proposed to be preserved and the red circle shows tree number 11, which has kind of a unique condition that it's required to be preserved unless it's later determined not to be feasible during construction, and then the applicant can remove it with additional mitigation. So the alternatives facing council today are to deny the appeal and uphold the hearings officer decision as is, deny the appeal and uphold the hearings officer's decision with modifications, or uphold the appeal and overturn the hearings officer's decision. And as the city attorney already mentioned, the final decision by council is due by july 30, which is tomorrow. So any modified findings would need to be adopted today, unless otherwise -- unless the time line is extended by the applicant. And that concludes my presentation.

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Saltzman: Thank you. Any questions of staff? Ok. Let's hear from the appellant. The powellhurst-gilbert neighborhood association. You'll have 10 minutes.

Shelley Devine: My new name is shelly divine, I want to thank you for agreeing to rescheduled this item from last week so I could get married and be here before you today to speak as the attorney representing the neighborhood association on this appeal. So thank you very much for that. Along those lines I wanted to clarify my representation of the neighborhood association, and my understanding is there might have been some confusion last week about what my role is. I am an attorney, and I do represent the neighborhood association in that capacity. At the same time, I am also a homeowner within the neighborhood association, and I am the closest homeowner to the southern end of the portion of the development, the proposed development. So i'm wearing several different hats, but they're all the same color and the same size. So I think that I can adequately represent each party. First I wanted to start by stating briefly that the neighborhood association is not opposed to the development of this property, but what is so important about doing it is that we do it smart and we do it right. And there are some unique characteristics about this property that make it even more important to develop it with vigilance and with sensitivity to the surrounding area and to the surrounding neighbors, as well as the neighbors that will live within that parcel itself once it's developed. Specifically I know stephanie touched on some of the unique characteristics of the property, but I would like to briefly elaborate on those. The property is bounded on three sides by either conservation zoning or open space sign -- zoning. It runs the entire length of its eastern end runs across -- directly abut powell butte nature park, to the south, the spring water recreational trail corridor and to the north, the r-5c overlay zoning as well. It is a 4.5-acre parcel that has moderate to steep sloping on the property with grades of between 10 and 20%. This is pertinent because the sloping slopes down to the spring water corridor and directly south of the spring water corridor where a number of homes are located is the johnson creek basin. And as stephanie pointed out, that whole area has a thinks -- whole area has a history of flooding, due not only to the johnson creeks that run through, but it also has johnson creek has a number of slews that also run from johnson creek even closer to the spring water corridor, even closer to the proposed development. And even more water comes down off of powell butte nature park, runs across and under through culverts, the spring water corridor, and again, adds to the whole water issue. Last but certainly not least for purposes of what we're going to talk about today, the greatly exacerbated flooding issues that have occurred in this area due to retention pond failures. The retention pond that is being proposed to be built on this site is going to be located at the downhill southern end slope of this property, and the water, the storm water run-off that will run downhill into this pond will be contained there. This leads into why the neighborhood association appeals the hearings officer's conclusion that the developers have met the approval criteria of chapter 33.653.020, storm water management. The applicant is proposing this tract b, where the retention pond is going to be, as I said, at the lower end of the site. This chapter, in order to be satisfactorily met and approved, requires the developers to prove that an adequate amount of land and an appropriate location has been designated on the preliminary plan. It also requires the applicant to show that a storm water management system can be designed that will provide adequate capacity for the expected amount of storm water. Briefly the developers had their first engineering statistics drawn up, calculations done and they submitted their original preliminary plat back in the very early part of this year where tract b was designed at 10,000 square feet. The city came back to them and said, no, that is not sufficient to contain the amount of expected storm water runoff for this property. They went back again, they recalculated, they did new statistics, and they came back and proposed a 14,00097-square-foot tract b. Again the city came back and said, no, that is not large enough to contain the expected storm water runoff for this tract -- for this entire development

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parcel. I'd like to quote to you from several memos that b.e.s. And the site development stated back in april of 2004 specifically regarding the retention pond issue. Quote -- b.e.s. Does not approve of the conceptual design of this development submitted with the land use application. Tract b is not large enough to accommodate the size of pond needed. And site development, I quote from their memo, the response from the bureau of environmental services states that there's a capacity issue with the storm water pond and that the proposed tract b to be used for the storm water facility is not of sufficient area to accommodate for such a facility. Furthermore, due to the undersizing tract b for the proposed pond, the proposed sanitary and storm sewers will not have sufficient area either. We proceeded to the hearing in front of the hearings officer on may 12 with the assumptions that this was going to be a serious problem for the developers, but lo and behold, to our surprise, we learned at the may 12 hearing that there had been some last-minute dealings between the developers and the city and what they were now going to do was they were not going to require, despite that language I just read to you, they were not going to require the developers to resize and enlarge tract b. Instead, what they were going to do was violate their own storm water management manual requirements of a 20-foot setback and only allow a 10-foot setback, so as to increase the sides of the retention pond within tract b. And yet at the cost of reducing the setback. I quote from Portland's storm water management manual at section 3.5. Quote -- surface retention facilities must be implemented to the maximum extent practicable to manage storm water from development sites. At 3-15, the storm water management manual expressly requires a 20-foot setback. This is not a distinction without a difference in this case. As we've explained and as the record is replete with testimony and dozens and dozens of photos of the area directly south of this property, the flooding here is very real, and very significant. And it has been caused in the past by retention pond failures. And if this retention pond is not adequately designed and sized, and it fails, the results will be catastrophic to the neighbors that live directly south of this proposed development. The 20-foot setback is not just an aesthetic buffer as the developers told us at the neighborhood association meeting. The 20-foot buffer here is critical as a safety buffer as well for the reasons that we just described. There is another critical reason for making sure this retention pond is safely sized and has adequate capacity, and that leads into our second issue for appeal as a neighborhood association. The hearings officer failed to even apply the approval criteria for section 33.650.020 -- excuse me, .200a regarding streams, springs, and seeps, which requires any such streams to be placed within a preservation tract. The officer concluded that there was no evidence that a stream ran through the property. With all due respect, there was a wealth of evidence that was introduced submitted by a soil and erosion engineer, by the friends of powell butte, by neighbors, and even by the city that in fact a stream does run across the property from powell butte nature park in a southwesterly downhill direction, but was artificially diverted some years back. That artificial diversion was maintained by the prior property owners of this property prior to the development -- developers purchasing the property, and the evidence also established that no one is maintaining that artificial diversion now at this point. And it is likely to reassert itself again across the developed property in one of several different drainage patterns. B.d.s.'s own survey indicate the bed is a 50 to 75-foot wide linear depression, four to six feet deep. This is not an insignificant stream channel. And b.d.s. Was concerned about this channel from the very beginning. I quote from their summary of the preapplication meeting with the developers when specifically discussing this approval criteria on streams, seeps and springs. Quote -- stephanie raised concerns about the historical drainage patterns on the site. On visits to the site in previous years, city staff witnessed wet ground at the southern portion of the site where it abut the spring water corridor. Yet in their most recent briefing to the county clerk, they state, and I quote - there is no reason to expect the diverted stream to return to its natural channel. Apparently

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hedging their bets, they then state, quote -- if this did occur, a reestablished stream would not be able to enter this site except by sheet flow across the road. Well, you will hear from another landowner directly above this property that that is in fact what is happening during heavy rainfall, and that that sheet flow across the road is only one method of how the water can and does enter the property during heavy rainfall. And yet that sheet flow has not been calculated or accounted for in designing and sizing this tract b retention pond.

Saltzman: Thank you. Your time is up.

Devine: Thank you.

Saltzman: You'll have a chance to come back for rebuttal, right now we're going to hear from the supporter. I'm sorry, people who want to testify in support of the appellant. People in support of the neighborhood association.

Saltzman: Please give us your name and you'll each have three minutes. There's a clock there that keeps track of your three minutes.

Erin Devine: My name is erin devine. I'd like to speak on the matter of fire hazard. Living south of the property for six years i've put out three vagrant fires, two with the vagrants still there and one fire left alone. I've also put out one cigarette butt still smoldering in august of last year. All 300 feet away or less from the proposed development n an art in the tribune last week, another development caught fire. 125 firefighters were called. In that article the fire bureau argues that property owners need to be able to trim trees up to 30 feet from their homes and clear out undergrowth that can fuel fires. At the b.e.s. Argues two, that too much trim would go destroy valuable wildlife habitat and harm creeks and streams. This property adjacent to powell butte needs to be replanned to take care of the fire hazards with sprinkling the homes and/or creating a buffer zone with less houses. It incorporates safe run of water for the wildlife of johnson creek and powell butte. Some developers would like to call me the acronym nimby, which stand for not my back yard. I am not opposed to developing this property. Portland is a model for the nation and city planning, which includes high density housing within the urban growth boundary. I am only against poor planning and rules that have been bent that would apply to this development. I would like if the same rules would be applied to a same development if it abutted a forest near forest park, mt. Tabor, rocky butte or the west hills. Thank you.

Saltzman: Thank you.

Mary Walker, Friends of Powell Butte Nature Park: Good afternoon. My name is mary walker and I represent the friends of powell butte nature park. The friends of powell butte are disappointed that you have allowed a poorly planned development to be approved and built on the southwest corner of powell butte nature park. We ask that you have the following conditions met prior to the development to address some of the flaws with this development. Number 1, engineer the ditch along southeast 1 hundred 45th to handle twice the previous flow plan. The current plan does not take into account that the water which flows off powell butte in this area was diverted in 1970 by an amateur engineering project, a neighbor wanted to dry out his land so he moved the stream. This ditch that was constructed without approval of plans will now naturally fill in, in fact a tree has already fallen in, pushing more of the runoff into the property. It was only the regular ditch cleaning efforts of the canons that kept our property and basement dry. Since the ditch is now under cutting douglas fir in the nature park, it is park's best interest to see the natural course of water return, since the ecosystem in the southwest corner developed without the ditch running through it. This was naturally -- this will naturally happen since there will be no longer regular maintenance to keep the water in an unnatural course through the park, but you must plan through the water through the development, since this is where it will naturally run. Number 2, reengineer tract b to comply with city code. Do not make exceptions to the code. Number 3, use the sprinkler

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option for fire protection. This protects both the forests and the homes from wildfire. Please do not approve a road across spring water corridor for fire access. The crossing damages of wetlands and is consistent with the park's plan to keep this area vehicle free. Thank you for thinking of the long--term needs of the park, the eventual homeowners and the neighborhood. And also I have something from barrett erosion and sediment control. Allowing the 34-house subdivision in a high wildfire hazard area with limited access will consist of very narrow road along east side of the parcel and bordering the west boundary of the powell butte park, and then at 12-foot gravel access up across spring water from the south is not considered an -- adequate for the fire protection and the safety and health of the future occupants of the proposed division w my previous comments about the diversion not being properly engineered, or designed and with the poor access and being located in the highest wildfire area east of Portland, this proposed subdivision is an excellent example of some Portland -- poor land use planning. That was james barrett.

Saltzman: Thank you. Perfect timing.

Joy Gohl: My name is joy gohl, and I live just north of this. We share the same boundary of the park. This proposed dead end development in its dead end, there's one half road in entering and leaving this 34 housing project as proposed, it's a fire trap right next to these tall trees in the forest.

The city has allowed variances to codes and compromised the park by allowing emergency access through the wetland along the spring water trail. Transportation department made their code variance based on possible, future east-west streets going through. I don't know how the residents are going to feel safe until then. The code in california for wildland fires is to have a fire break the height of a tree, which makes sense because houses burn when burning trees fall on them. The new temporary owner and developer of this property drew up plans to maximizing -- maximize housing density. They expect to sell each home for 225 to \$300,000. You this is not low-cost housing.

You can't build low-cost housing next to a nature park. The proposed development calls for bull dozing and filling the land, removing all but four or five of the 36 existing trees, giving the reason for leveling to provide sheet flow. But since the roofs of the houses are drain in addition gravel basins and the drives ways, sidewalks and streets in tract b, there's no need to provide sheet drainage. We would like -- you know, we find this development to be premature and unsafe. It should be shelved until there is a wildland fire code and the east to west roads go through. We don't think the nature park should be compromised by building a fire access road, because you don't go into a fire, end of the fire anyway. However, if you feel this risky development deserves conditional approval, there are important improvements that can be made to reduce the negative impact. We would like the following conditions to be met. A second entrance into the development at least a half street or alley needs to be built along the west side of the property. The current plan limits ingress and egress to the one-half street on 145th. In case of a park fire, the firefighters need to be able to approach from west to east after evacuating residents. There is no safe escape route as long as the only exit passes directly under the canopy of the park trees. We reject the use of existing wetlands for fire access. We want the alternative sprinklers used as this meets all current city fire code requirements.

Saltzman: Thank you.

Gohl: And the rest of the speech is -- I handed it in to you.

Saltzman: Ok.

Francesconi: What's that, one question, I didn't understand what you said. Low-cost housing won't be -- can't be built near a nature park. What did you mean by that?

Gohl: I meant that these houses normally would sell for much less money. The same house, because it's next to powell butte, is bringing a substantial profit to the developers.

Francesconi: Thanks.

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Donna Lee Taylor: I am an immediate neighbor to the west side of the proposed development. The severe natural topography of the property referred to in the staff report as a quote linear depression crossing the site and the consistent annual history of water drainage through the site is unquestionable evidence of the historic and existing watercourse of runoff from Powell Butte during high rainfall periods. This subdivision proposal does not appropriately address this fact. The applicant for land development has requested the mitigation option for tree preservation due to the quote need for grade -- need to grade the site for adequate storm water management end quote. That ties two issues together in a double negative. The standards for tree preservation and zoning code section 33.630.100 cannot be upheld by the current proposal because of the intention to fill the natural water drainage site. This is neither rational nor appropriate. To ignore these issues as they have been clearly outlined by the land use planner, Mr. James G. Barrett, and other concerned parties with the -- would be an irresponsible act, allowing for significant negative impact to both a unique city park and wilderness area and existing as well as proposed future residents and properties. I would also like to emphasize as others have the serious concern for preservation of existing and future homes and the lives of the occupants given the considerable fire hazard known to this area. This hazard will increase exponentially with the proposed cancer trace of homes and the irrational planning for fire truck access. Is the city of Portland prepared to accept the risk and potential liability of property and lives lost to poor planning in a location where annual fires occur? Thank you for your further consideration of these important issues.

Larry Gohl: Larry Gohl, neighbor to the north. On property zoned R-5 environmental conservation. We share the same hillside forest margin and seasonal stream issues with this developer. Number 1, before this development is approved, the applicant and city engineers must specify plans for a culvert along the east shoulder of 145th. A seasonal stream currently flows in a ditch that has eroded six feet deep. Stream water must not flow into the sewer system, undermine 145th or erode the forest. Based on six winter storm cycles, the culvert needs to have this cross-sectional area, that's how big that stream is coming out of there --

Saltzman: We can't see it. Oh, I see.

Larry Gohl: The size of two pieces of paper.

Saltzman: I thought were you holding it up the wrong way.

Francesconi: It was a test.

Larry Gohl: That's how big that is. It's about 75% of a 24-inch pipe. It cuts through. Tract B must be up to code and out of the spring water corridor. Number 3, firefighters can be blocked out and residents would be trapped as long as the entrance and exit is one 22-foot-wide opening along the forest margin, or trees in excess of 50 feet tall may be on fire. The half street improvement 145th is half safe. A similar street along the west side would provide a safe east-to-west escape route until Portland has an urban wildland fire code, use good judgment. Burning embers land on my roof last summer before help arrived. Wildland fire is fast and its smoke is deadly. Today is the time to require an east-to-west escape route, and to deny any variances that would depend upon roads built in the future. And then this next page is this large page is submitted as -- was submitted at the land use hearing as one alternative that would protect human life from wildland fire by providing that east-to-west escape route, as well as it calls for preserving the craftsman style home, orchards and wildlife habitat and would provide a staging area for fighting a forest fire. Do you have any questions?

Saltzman: Apparently not.

Larry Gohl: I've got 13 seconds for you if you do. Thank you.

Saltzman: Thank you very much.

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Moore: That's all who signed up.

Saltzman: Anybody else wish to testify on behalf of the appellant? Ok. Then let us move to the principle opponent. You will have 15 minutes.

Daniel Kearns, Attorney representing Applicant: Good afternoon, my name is Daniel Kearns, I represent the applicant in this case as an attorney, my address is 610 Southwest Alder Street, Suite 910 in Portland, 97205. I'd like to -- I have with me Corey Larner and Jeff, who are the developers of Spring Water development, they'll have a few comments before we're done this afternoon. I'd like to go through what I've heard as the appeal issues. This is an appeal filed by the neighborhood association, a new issue that I see coming up -- come up this afternoon that was not in the appeal statement, is inadequacy of the hearing officer's findings with regard to fire compliance. So that -- they're required to state with specificity all the appeal issues and the appeal notice, and that's a new one that's been added. I don't think staff has even briefed that issue. I'd like to begin with the storm water and drainage issues that were raised. Tract B is on site. Mr. Larner and Mr. Jorgensen, unlike a lot of developers, spend an awful lot of time and personal involvement in their developments, and ushering plans through the city bureaus, figuring out what the problems are, working through, and they've spent a huge amount of time, and one of the issues was the sizing of this storm water tract. As I understand it, it was originally called out to be storm water swale, which under your code requires you have to provide adequate capacity, plus a margin of safety of two. So two times basically the capacity. So they sized it, their engineers sized it that way to meet the 10-year, 24-hour storm event. And after b.e.s. reviewed it, they said, no, this is a pond and a pond has a factor of four. So the initial memo that Ms. Devine quoted from was back April 16, when that difference was detected. They went back to b.e.s. and resized it, so it has a safety -- margin of safety factor of four times the capacity to accommodate the 10-year, 24-hour storm event, and it pushed in order to do that, it pushed the setbacks of the storm water pond itself. That's not a land use criteria, and it's not the setbacks that you see in the land use code, it's in the b.e.s. Standards manual and as Ms. Devine quoted, the requirement is comply with those to the maximum extent practicable. So in order to get it -- get the margin of four, that's how b.e.s. decided to reduce the setback. As I understand it, it's also a fenced storm water pond which isn't all that aesthetically pleasing, but to the extent that the neighborhood association says there's a safety problem created by a 10-foot setback from the fence line of this pond, I don't think that's true. Colleen Harold from the b.e.s. who went back and forth on this matter, she is here. If you have any questions about did b.e.s. agree that this meets the standard, and it's clear from her May 24 memo and Stephanie Beckman's May 26 memo that it does. It meets b.e.s. requirements. The drainage from -- of the street, 145th, drains will be draining on to this property. We're required to ensure, size our first of all plan for storm water drainage collection and treatment and detention so that the post development rate of discharge don't exceed predevelopment. And we do that, we meet that requirement, including the right of way that will be developing, it's a half street right of way plus I think it goes 22 feet of pavement. It's an existing 60-foot right of way that's already there, 145th existing comes across the spring water corridor, 60-foot-wide right of way. With already \$indicated to the city. It will be improving. The drainage from Powell Butte Park, as staff mentions in their May 26 memo, is park drainage. There's a ditch that runs on the east of our property through the park, Mr. Goal mentioned it, but that has always functioned as the drainage there. Are several culverts that have been installed on the park property to facilitate use of that, and that's how drainage works on the west side of Powell Butte Park. And it's an off-site condition that doesn't affect our development, and we don't affect it. I can't imagine water building up so deep on the park side that it would overflow this right of way into this development property, but that would be a -- that would be a pretty significant rain event. There are photographs in the record

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of I think the 1996 flood that show flooding in the area, and there was a lot of testimony by the neighbors before the hearings officer. It's important for you to know that ms. Devine's property and the property south of the spring water corridor are all within the 100-year floodplain and our property isn't. The photographs show that our property isn't flooded. The 100-year floodplain during the 1996 flood is flooded. That's how floodplains are supposed to function. You try not to approve developments in the 100-year floodplains, so I don't know the history of her property, but it's Johnson Creek overflowed and contributed to those floodwaters. The draw across our property that the neighbors claim is an existing drainageway, staff reported and correctly so that there's no evidence that for at least the past 30 years that has ever been anything, drainage course, a stream course of any sort. It's a depression, this is not perfectly flat land by any means, but it certainly is not a drainageway, seep, or spring that's subject to regulation by your code. We had a wetland specialist go in, there are no wetland plants there, there's -- it's just a depression on the property. As much as they would maybe like to categorize it as a drainageway, it simply is not, and has not been -- had water for at least 30 years, presumably a lot longer than that, but that's as far back as staff cares to look at it. Trees are an issue in this case. Tree 11 in particular. If you look at the grading plans it shows existing grades and proposed grades. There are some slopes on the property, and it's -- the grading plan will be smoothing those out and what it will do to the few existing trees on the property is either kind of bury their base or porch them up on a pedestal, so initially it was assumed that none of the trees could be saved. That was another one much those issues that Mr. Lerner and Juror again son went back and forwards. So tree by tree they identified trees that could be saved in some fashion. So there are six of them in that category. I have to take issue with an explanation you heard from staff on tree 11. The proposal isn't to decide during construction whether to take this tree out or not. This tree is to be saved, but it may not survive months or years after the development. If you look where it's located, it's on lot 17, there's one of the grading plans shows tree 10 -- tree 11 and tree 10. It's basically in the middle of lot 17. The reason why we -- there's some uncertainty as to whether it could be saved is because we have to move those lot lines. We have to between now and final plat, move the lot lines to put -- to get that tree over towards the lot edge so that a building envelope can be identified. That's allowed under your code, there's a certain percentage of movement on lot lines, and street locations, also we're going to seek to eliminate the utility easement along that property line. If we can do that and Ms. Beckman indicated that it's all doable at final plat, then tree 11 will have no problem being saved. It's a root protection zone issue. So that's why we were unable to say 100% for sure that we can save it. Your code as you read it has a pretty severe penalty potentially if you're required to save a tree and it doesn't survive months or years even after development. And so that's why -- unlike any other city code I've seen, you're potentially on the hook long after development. I talked with Stephanie today and they indicate they've never interpreted the code that way, which is some comfort. But the bottom line is, this tree is not going to be taken out. This is -- we're not going to make that decision during construction. This tree is going to be saved, and we hope that there isn't damage to the root system. And there won't be if we can get those -- move the lot lines as your code allows, basically adjustments between preliminary plat and final plat. That's the story with tree 11. It's on the save list, and the small chance it might die months or years after the development, that's why we proposed mitigation for it. Even though it's not an issue you should address, the fire issue, there is ample documentation by the fire bureau that this proposal meets their requirements. What you're looking at is the entire development, this whole end coming down Ellis Street is considered a dead end. So additional east-west streets are not going to make this something other than a dead end type development. The only thing that will do that is the emergency secondary access across the spring water corridor. The park bureau is very concerned

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that would become a permanent access for people, and no one would want that to happen. So -- the fire bureau can get in and out, it is the secondary access to the ellis street access point. So 145th is developed across west of ms. Devine's property up to the spring water corridor. There would be bullards put there that meets the full extent of the fire bureau's requirements to not have an access there is a lot less safe. It doesn't provide the secondary access required to fight a wildland fire. Merely sprinkling the homes isn't going to save powell butte park, it's not going to save if anyone has a heart attack, the secondary access is what does the trick. That's what the fire bureau required, that's what the hearings officer put in his decision. With that I turn it over to corey and jeff for any additional comments they have.

Corey Larner, Springwater Development: With the limited amount of time left, there's been quite a mischaracterization as poor planning and poor development. This is not a happen hazard proposal. Before we acquired the property, we had issues and concerns surrounding a swale or depression that runs through this site. The first thing we did was hire a private geotech and also took b.e.s. And mike ebling, the lead geo tech for the city of Portland out there and dug test holes. We studied that swale from top to bottom. Basically at the -- what would be the northeast corner down to the center of the property. We dug depths from five to 11 feet there. Is no evidence of water running in that. We have documentation in the record. I just wanted to touch on that in reference to the pond, people talking about -- talk about the fear of the pond overflowing. Well, what they're not recognizing is, the entire site does not drain into the pond there. Are two sumps already approved by d.e.q., registered by d.e.q. That pick up surface water from ellis street, from new street, and half of the 145th, and its course from north to south. I would leave all the technical questions, i'd defer to b.e.s., but this is not something we just shot from the hip. We spent a lot of time developing it, we modified it, we worked through issues and concerns not only of staff, but of neighbors. There's obviously fundamental differences between neighbors and developers, and I do not entirely agree that the new spin on things today is not in my back yard, because a year and a half ago that's exactly what we heard from their neighbors. This is an r-5 conservation zone. It is not. It's an r-5 zone, it's a criteria-based process. We have met all the criteria, we worked with staff, we were approved at the hearings officer's level, and we believe we should be approved right here today. We -- we're sympathetic to their issues, but this is a criteria-based review. That's really all I have to say.

Kearns: Unless you have any question, we'd ask that you affirm the hearings officer's decision, which is based on numerous bureau staff reports addressing these issues and finding compliance with the city code.

Saltzman: Thank you. Any questions?

Francesconi: I have questions for b.e.s., but first I need to make a disclosure, because I have had a meeting now that I see you, corey, and --

Larner: No, that's jeff.

Francesconi: That shows you. And we may -- we did not talk about this case, we may have talked about the existence of a case, but I don't recall a conversation at all. So I want to give disclosure, now that I see you up in front of me. We didn't talk about the issues of -- at any nature, and I don't even know if we talked about the case at all, to be honest. I don't think we did.

Saltzman: Thank you. Any opponents of the appeal wish to testify? Ok. Then we will have rebuttal by the appellant, and you'll have five minutes for rebuttal.

Francesconi: And then after if we could have b.e.s. Come up.

Saltzman: Sure.

Devine: I would actually like to hear from b.e.s. Too. They go first just because the -- they're stating the b.e.s. Requirements have concluded this is safe, now we're talking about the setback

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that they've gone ahead and reduced their own setback to allow enough capacity in the retention pond without enlarging or resizing tract b. Again, as we've talked about, we keep coming back to the issue of why are they making exceptions to their own rules to give these concessions to the developers when we have downhill of this property such a severe and serious flooding problem? It's -- i'll just repeat it -- we're not building on flat land out in the middle of nowhere where if the retention pond fails, there isn't the capacity for a catastrophic event. There is. It's been proven in the past that what has happened is not only flooding from johnson creek, not only flooding from nature park, the nature park, but flooding from retention pond failures in then exactly this area. In response to mr. Karen's question, my house was built in 1902, and so that's probably why I was able to build there. The wetland specialist that -- they're talking about the wetland tests they did, was -- my understanding was those test were done in october of last year, the driest part of the year, and there has been other evidence put in by b.d.s. Themselves, as me evenings -- as I mentioned, in that preliminary report that city staff has been out to that site in past years and has seen, you know, wetland at the bottom of that property right where the retention pond is going to be built. I was very comforted to hear that the developers intend to save tree 11. That was not as unequivocal when it was presented earlier, but if that is their intention to do so, good, it's a 24-inch mature douglas fir tree, it should be saved, and if they're going to make every effort to do what the hearings officer suggested should be done, he gave them several different alternatives to saving that tree, great. This is the second time corey thi mention add number of private reports, geo technical reports and engineering report that's were done at that property that were never entered into the record. That causes us concern. We would like to know why those weren't made a part of the public record. And with that, I will turn over the rest of my time to joy.

*****: Ok. There was one thing that he said that concerned me about the 60-foot right of way in improving the street, 60 feet that. Means he's going into the park, and he's going to take out a lot of the huge trees right along the margin that you saw in the picture there. So I hope I misunderstood that. I hope he's not going into the park and making a 60-foot-wide street.

Francesconi: He's not going to be doing that.

Joy Gohl: Ok, because that's what it sound like he said. The other thing that concerns me is, when we met at the neighborhood meeting, corey larner said that the -- his name is jim schwagger, a chief engineer with the fire department, he -- that he was pushing to have the -- instead of doing sprinkling the houses, to have the access across the spring water trail. I spoke to him and he denies that. He said the code says either sprinklers in the house or another access, and he said we're not biased, the developer, it's not up to us, the developer can do either/or. And now he's saying that it's the fire department that bans that this. So I don't quite understand that. So we -- there's no need to change the contours of this land. We want the existing craftsman house and orchard retained, and the development reduced from 34 to 28 lots per the drawing that my husband submitted to you. He'll be able to make a very substantial profit. There's no reason to not to reduce the negative impact that this intensive housing development will cause.

Saltzman: Thank you. We're now at the point -- we wanted to have b.e.s. Come up. Questions for b.e.s. Or stephanie?

Francesconi: Just the storm water side. The amount of runoff and whether there's adequate capacity. And then there's this question of the setback. But first on the capacity side, are you folks all confident that we can handle all the extra runoff and that there is adequate capacity, just talk to me a little bit about the storm water issues you've heard discussed here before we get to the issue of the setback being reduced.

Colleen Harold, Bureau of Environmental Services: Ok. My name is colleen harold, I work for the bureau of environmental services. There's no extra runoff, there's -- the pond is only deal with

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the runoff from this development. And that -- the storm water hierarchy really did kick in here. We have some that handle different areas that are preceded by swales, so what's entering the pond is minimal as we could get it. Yes, the pond meets our criteria. The 10-year event, 24-hour storm. With the safety factor of four. And this was a very difficult and challenging site to get that, and we did a lot of back and forth, and I did reject it many times before we got here. So the developer has taken the time to make that work.

Francesconi: Now on a scale of 1-10 in terms of your confidence in that, is it near 10, or near 1, 10 being high? You're sure that the capacity has been met?

Harold: It has met the criteria of the storm water management manual. The only way to see how this pond performs is to build it. I do not know the answer to that. This area is sketchy, but it has met the storm water management manual criteria.

Francesconi: So what happens if it doesn't?

Harold: If the pond over flows, it borders the spring water corridor, it will go into public domain, it will head south and east where there's a drainageway leaving Powell Butte Park. It will inundate the drainageway, and it has a place to go.

Francesconi: Ok. On the criteria, we have to unfortunately deal with criteria, and that's why I appreciated that the presentation was aimed at the criteria. A lot of times they're not. So I appreciate that. So let's talk about the setback. 20 feet -- 10 feet instead of 20 feet. How come that doesn't violate the criteria?

Harold: Because the -- this is a technical decision, and we're not setting a precedent on this pond, we've done this before, reduced the setbacks on ponds. Is the setbacks are for aesthetic reasons, they make the pond area look nice. So we like to have 20 feet. This pond, however, borders the springwater trail once again, and really felt that reducing the setback we'd still have a nice pond. It also enabled them to leave the tract area the same and gain the capacity because we created an extra 10 feet around the circumference of the pond to gain the capacity we needed. I didn't feel that -- I had no idea, and did not anticipate that it would become an appeal item when we reduced the setbacks. I don't do this alone, of course we -- I had a lot of guidance when I did this. It doesn't affect our ability to maintain the pond, it doesn't in our minds affect -- make it unsafe in any way. So we did it, and we --

Francesconi: It may not be an appealable item.

Harold: I would like to add something that in the appeal --

Moore: The mike is backfeeding. Could you talk into it? I'm sorry. Choose one and speak into it.

Leonard: You need to get close to the mike.

Harold: Yes, sir. The appeals section of the storm water management manual says that only the applicant can appeal the setbacks. So he did, in our minds, and we reduced them to 10 feet.

Francesconi: And we grant those? This is not unusual?

Harold: This is not the first time we've done it. This is my first pond. So I know that other people have done it within our bureau.

Francesconi: Ok.

Sten: I have a question. Following up on the setbacks, is it 100% clear in the code that the setbacks are just there for aesthetic reasons? It seems intuitive to me, but I'm not very expert on these issues, that they would serve a secondary purpose if the pond were to overflow. In addition to aesthetics they would give you more space to stop the overflow from getting places it shouldn't go.

Harold: It's not clear, no.

Sten: It is clear that the setbacks are just for aesthetic reasons?

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Harold: No, it's not clear that they are for aesthetic reasons. No.

Sten: The original memo you turn third degree down because of the setbacks. Right?

Harold: In the original memo I said that the tract b was not big enough to meet the criteria for a pond. Which includes the 20-foot setbacks. So, yes, you're right, but we felt that the setbacks were a technical decision and not relied on the land use decision, not a condition in the land use. So when we sent the engineer away and had him reanalyze this, with the reduced setbacks, and was able to get the pond size he needed, that's when we allowed it to proceed. And I don't know how else to answer your question. It's not clear in the code.

Leonard: My recollection, and I actually walked this section of springwater quite a bit, my recollection is that were there to be an overflow, there are at least one and maybe two if memory serves, fairly good size ditches on immediately abutting each side of the trail.

Harold: There is.

Leonard: That the water, if you assume did overflow, would get into the first ditch and if it overflowed that, would go across the trail into -- as I recall, quite a bit deeper ditch before it would fill that up and go to the properties to the south.

Harold: Correct. So holding them to that 20-foot setback, the north side, would not give us the solution that we needed, it wouldn't flow -- overflow to the north, it would overflow to the south. And we knew the spring water corridor was there. So we are using it. The public right of way is on the east, development on the north, private property on the west.

Saltzman: Further questions?

Sten: Just one last one. You felt -- i'm trying to get the distinction that we sometimes allow smaller setbacks and -- I understand that, were you sure when you did that that this would meet the functional requirements --

Harold: You bet.

Sten: You're positive?

Harold: I am positive.

Saltzman: I guess this question is for stephanie on the tree preservation. I guess i'm looking at condition 13, and it does say that tree preservation plans shall be submitted before time plat approval and it shall preserve and it does list tree 11 among the trees. So that's pretty unambiguous.

Beckman: Right. The way the conditions are set up is that the applicant would have to provide -- the time of final plat, they'd have to provide a final tree preservation plan. That would have to include tree number 11. However, there are conditions, e-2 and e-3 that state e-2 states that tree number 11 shall be preserved unless it is determined not to be feasible during construction in which case condition e-3 would apply, and the second portion of condition e-3 goes over the additional mitigation that would be required if in fact tree number 11 was removed later. So what we would anticipate is that the developer would come in with a plan to preserve it, we're anticipating there would be some encroachments in the root protection zone, so if they got out there and for some reason found that it just wasn't working, that they could remove it, mitigate, there would be no further review required at that point.

Saltzman: Isn't that, no pun intended, doesn't that undercut our whole tree preservation efforts if you put a condition like that?

Beckman: It's not typically how we do things. Usually they're required to save the tree or it's determined that they can't. This came about because of the applicant's concerns that they would be put through basically either in violation, or a late -- another land use review later which is called a tree review. And they didn't want to do that. As a way to get to a point where everyone could live with it this, is the condition that we came up with. However, the applicant has said that they would

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be -- they are proposing to save the tree, but were concerned about losing it years later as they eluded to, we did discuss that further, and the way that we have -- the zoning code is real gray in terms of how long these trees have to be preserved. What happens if a tree dies two years later, what do you do? So there's nothing in the code that tells us what to do, so the way we've interpreted that is that it would be required landscaping and it would be required to be replaced. Unless it was clear that someone intentionally violated the tree preservation plan by cutting it down or otherwise killing it. So I believe they could commit to preserve the tree and if it were to die years later, that probably wouldn't be an issue.

Saltzman: So if we just modified or deleted e-2 and just said tree 11 shall be preserved, we could do that and there is a scenario if the tree dies that they can be dealt with?

Beckman: As long as it doesn't die during construction or immediately after, yeah.

Francesconi: Did you want to say something on the storm water issue?

Beckman: I did want to just point out that -- I think I said this earlier, the storm water pond setbacks are not in the zoning code. They're part of the storm water management manual. I think you know that. So someone asked, I believe, how this was allowed to meet the criteria if the setbacks were reduced, and I believe the criteria that call even was discussing were the storm water management manual criteria, not the approval criteria for this land use review. So it wasn't what was looked at by the hearings officer is whether or not b.e.s. Had determined that there was adequate capacity, not whether or not all the technical standards of the pond were met. That's something that b.e.s. Is responsible for in their technical review.

Francesconi: Is that right, Katherine?

Beaumont: That's right. The basic question that's answered during the land use review is whether there is an adequate amount of land and an appropriate location, and whether a storm water management system can be designed that provides adequate capacity for the expected amount of storm water. That's the basic question that's answered here. And I believe b.e.s. Has responded that in their professional judgment, that can be done, or those criteria are satisfied.

Saltzman: Further questions? Ok. Council discussion? Motions? I would express an interest in modifying the language to just outright preserve tree 11 and change the conditions of approval accordingly.

Leonard: And I'll move to affirm the hearings officer's report with the modification recommended by commissioner Saltzman. With respect to the tree.

Saltzman: Second.

Beaumont: I guess to be clear, because we need time is short to make a final decision, we need to be very clear about the language that you are approving or not approving. It seems to me that to implement that we would need to make some modifications to the hearings officer's decision.

Saltzman: I can describe that, what I think the changes need to be.

Beaumont: All right. That would be good.

Saltzman: On page 35 of the hearings officer's decision, condition e-2 would add -- would say all development activities on the site shall conform to the tree preservation plan approved with the final plat, trees 9, 10, 11, 13, 33, and 34 shall be preserved, then delete the last sentence.

Beaumont: All right.

Saltzman: And then on condition e-3, I believe would you delete -- you would delete -- would you keep the first two sentence and delete everything after that. Starting with, if it is determined tree 11 cannot be saved, would you delete all that language.

Beaumont: All right. And then there is also some language within the body of the findings that we need to modify, because I believe the hearings officer had provided for the flexibility to make changes at the time of -- during construction. I think what you would need to do is on page 10,

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would you need to delete the third full paragraph and then also add tree 11 to the list of trees in the first sentence of the fourth paragraph.

Leonard: Page 10, third paragraph?

Beaumont: Page 10, third paragraph would you delete. Correct me if you think i'm wrong, stephanie.

Beckman: No, that's right.

Beaumont: And then you would add tree 11 to the parentheses in the first sentence of the fourth paragraph. And then turning to page 11, you would need to delete the second full paragraph, it's actually the third block of text on that page.

Saltzman: The one that starts with "as discussed above"?

Beaumont: Yes.

Saltzman: Ok, delete that paragraph.

Beaumont: Finally on page 15, the second -- the second full paragraph, it's the first big paragraph on the page, the very last sentence you would need to add the following language -- "it reads with the necessary alteration to preserve the five trees proposed by the applicant, comma, and add, as tree 11 as required by the council, comma, the extent of proposed clearing and grading is reasonable given the site's topographic challenges. I think with all of those changes to the text and changes proposed by commissioner Saltzman to the conditions, you can proceed to adopt the hearings officer's decision as modified under commissioner leonard's motion.

Saltzman: Ok. That will become the modified motion.

Beaumont: And I apologize for being so technical, but time is short and we need to make sure the council is clear about the decision you're making today.

Saltzman: We need to do it today. Ok. So that's the motion.

Francesconi: That's why we pay you the big bucks, katherine.

Saltzman: I seconded the motion, further discussion, we'll go to roll call.

Francesconi: You know, personally I may have preferred something else. I'm very aware of the park and the issues of spring water corridor and something else, but we have to follow these criteria. I am concerned about the fire hazards, having been the fire commissioner in the past, but the criteria haven't been changed yet, so these he's met the criterion as they currently exist. So we can't pass something based on how it may change. I know that you can -- may disagree with that, but we're bound by a certain set of criteria, so I am concerned about the fire hazard. I'm also concerned about the capacity of that pond to really handle storm water. But we have to rely on our staff, our excellent staff, I would add, who has said that. Now, this 10-foot adjustment I think is really not an appealable issue. I'm not saying anything you don't -- that you want to hear, but I do believe that when we have criteria, we either change the criteria or we have to approve developments. And in this one they met the criteria. Aye.

Leonard: Well, as the newest member of the council I probably asked more than the rest of my colleagues, how do you like your job? Some days it's fun and some days it's not. This is not a fun day. I just moved from the north side of powell butte to the south side of powell butte two weeks ago. I'm intimately familiar with this area and powell butte. In fact, on the 4th of july my wife and I and our dog rosie ran into mary walker at the top of powell butte watching the fireworks as she was doing her friends about powell butte duty, making sure people weren't improperly setting off fireworks up there. I mean, it's a part of our life. I use the trail a lot. I'm reminded yesterday, commissioner Saltzman talking about another subject said that when citizens see open land in Portland, they don't view it as city property or private property or city parks, they view it as open space. It's open space to all of us. And I know precisely where this piece of property is, I can envision it, and, yes, it's a beautiful piece of open space. But we do, as commissioner Francesconi

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said, have a rule of law that we follow. And I haven't always agreed with the staff recommendations on these kinds of issues, in fact I was trying to count up, I it this lions's share of these cases I voted with the neighborhoods against the developer, but in this case I think the developer has met the criteria for this particular development. I think that the concerns raised by the neighborhood are legitimate concerns, but have been thought out in our codes as well. Therefore, the fire concern obviously is one that rings a bell with me. I note in the conditions that the fire bureau have required noncombustible roofs in that area, which may not sound like a lot, is a big deal that hasn't always existed in other fire zones. When we've had conflagration that have started in wildlife areas. So i'm satisfied the criteria has been met, i'm satisfied that the staff has done their job in a very responsible way, which I appreciate, and I vote aye.

Saltzman: I believe too that this proposal has met the criteria that the city council has set forth in its land use code, and that this property was zoned r-5, or is zoned r-5, it was our intention for this property to be developed, and I don't think we can interject ourselves and -- in too much of a degree in saying whether there should be fewer houses or not. I think it has met all the standards, and i'm glad we are going to make sure the tree 11 is saved and i'll vote aye.

Sten: Well, I want to go on the record on something. The council I think is correct that this meets the criteria, but the council made a decision -- i'd have to go back and check when it was, but very recently when we changed the subdivision code, I voted against that for exactly this type of case. The reason the council can't vote on the sides of the storm water pond is the council purposely decided to not allow itself to vote on these issues when the subdivision code was changed. I believe that was a mistake, I voted against it then, and I hope the council will reconsider that issue at the at -- at some point for this very reason. I would rather say the pond is not adequate and say when you're in this kind of area with this kind of natural habitat, we shouldn't change the setbacks. Let the -- if it's 20 feet it's 20 feet, you can do it or not. It's not a matter of can they meet the 20 feet, it's a matter of can they meet the 20 feet and build 34 homes. There's absolutely no question you can meet the intent of the rule, you just build a home or two less and reconfigure the piece. But because the council made what I think was an incredibly poor decision to take our ability away from ourselves on this, and it was a council decision, the issue of the pond setback is on -- unappealable to the council. It's a technical decision, so if I voted for it it would just be a protest vote, but the protest I want to put forward is the council should change that code. Particularly because, I don't mean any offense to the staff, it's just that these areas are not fully understood. Our staff believes this will work, but we don't know, and I think we should have the legislative authority at the council level to make a decision that we don't want any change in those setbacks at a technical level. But that was the decision, I lost that vote at the council, so I have to honor that. To your other issues, the reason i'm going to support it is that I look exactly at what you're appealing on, I do believe that we should as a council as i've said, be able to take that on, but cannot. I'm not convinced on the stream in springs and seeps issue. I understand your argument, but I think that was so long ago it went there, that I couldn't in fairness do that. I would be prepared to vote against this on the tree mitigation, but I think we have modified that to say that that tree has to be saved. So i'm going to support this measure, but would like to go back to the record that I think neighborhoods should be able to appeal technical storm water decisions, but because you can't, I feel compelled to vote aye.

Saltzman: So we have denied the appeal and affirmed the hearings officer's decision with one modification. Do you need anything more from us at this point?

Beaumont: No, you've made a final decision.

Saltzman: Final decision just in the nick of time. Ok. We stand adjourned until wednesday.

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At 3:50 p.m., Council adjourned.