



CITY OF
PORTLAND, OREGON

OFFICIAL
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **18TH DAY OF JUNE, 2008** AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Potter, Presiding; Commissioners, Fish and Saltzman, 3.

Council recessed at 1:13 p.m.
 Council reconvened at 1:50 p.m.

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

At 12:39 p.m., Pat Kelly replaced Ron Willis at Sergeant at Arms until 1:50 p.m. when Ron Willis returned.

DUE TO THE ABSENCE OF TWO COUNCIL MEMBERS NO EMERGENCY ORDINANCES WERE CONSIDERED THIS WEEK AND ITEMS WERE NOT HEARD UNDER A CONSENT AGENDA	Disposition:
COMMUNICATIONS	
807 Request of Mary Frances Hunter to address Council regarding Sellwood Combined Sewer Overflow project (Communication)	PLACED ON FILE
808 Request of Pedro Ferbel-Azcarate to address Council regarding siting a sewer pump station in Sellwood (Communication)	PLACED ON FILE
809 Request of Lauren Murray to address Council regarding youth transition from shelters to the streets (Communication)	PLACED ON FILE
810 Request of Jeremy Todd to address Council regarding repeal of the sit-lie ordinance (Communication)	PLACED ON FILE
811 Request of Olivia Johnson to address Council regarding people without homes (Communication)	PLACED ON FILE
TIME CERTAINS	

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<p>812 TIME CERTAIN: 9:30 AM – Approve the First Amendment to the Lents Town Center Urban Renewal Plan to expand boundaries by 140.05 acres, increase maximum indebtedness by \$170 million and extend expiration date to June 30, 2020 (Ordinance introduced by Mayor Potter)</p>	<p align="center">PASSED TO SECOND READING JUNE 25, 2008 AT 9:30 AM</p>
<p>813 TIME CERTAIN: 10:00 AM – Approve the Twenty-Eighth Amendment to the Downtown Waterfront Urban Renewal Plan to remove 47.03 acres from the Plan area and standardize Plan amendment process (Ordinance introduced by Mayor Potter)</p>	<p align="center">PASSED TO SECOND READING JUNE 25, 2008 AT 9:30 AM</p>
<p>814 Approve the Tenth Amendment to the South Park Blocks Urban Renewal Plan to remove 3.20 acres from the Plan area and standardize Plan amendment process (Ordinance introduced by Mayor Potter)</p>	<p align="center">PASSED TO SECOND READING JUNE 25, 2008 AT 9:30 AM</p>
<p>815 Approve the Amended and Restated River District Urban Renewal Plan to expand boundaries by a net 41.98 acres, increase maximum indebtedness by approximately \$325 million and extend expiration date to June 30, 2021 (Ordinance introduced by Mayor Potter)</p>	<p align="center">PASSED TO SECOND READING JUNE 25, 2008 AT 9:30 AM</p>
<p>816 Approve the First Amendment to the Amended and Restated River District Urban Renewal Plan to expand boundaries by 8.53 acres and increase maximum indebtedness by \$19 million (Ordinance introduced by Mayor Potter)</p>	<p align="center">PASSED TO SECOND READING JUNE 25, 2008 AT 9:30 AM</p>
<p>REGULAR AGENDA</p> <p>Mayor Tom Potter</p>	
<p>817 Reappoint Dianna Shervey, Brian Krieg and John Warner to the Portland Urban Forestry Commission for terms to expire December 31, 2011 (Report)</p> <p>Motion to accept the Report: Moved by Commissioner Saltzman and seconded by Commissioner Fish.</p> <p>(Y-3)</p>	<p align="center">CONFIRMED</p>
<p>Office of Emergency Management</p>	
<p>818 Extend the Intergovernmental Agreement with Clark County for the distribution of equipment, supplies and services procured as a result of Urban Areas Security Initiative Grant FY 2007 (Second Reading Agenda 771; amend Contract No. 52307)</p> <p>(Y-3)</p>	<p align="center">181927</p>
<p>Office of Management and Finance – Business Operations</p>	

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<p>819 Amend Intergovernmental Agreement with The State of Oregon for placement of the New City Archives on Portland State University campus (Ordinance; amend Contract No. 37444)</p>	<p align="center">PASSED TO SECOND READING JUNE 25, 2008 AT 9:30 AM</p>
<p align="center">Office of Management and Finance – Financial Services</p>	
<p>820 Statement of cash and investments May 01, 2008 through May 28, 2008 (Report; Treasurer)</p> <p>Motion to accept the Report: Moved by Commissioner Saltzman and seconded by Commissioner Fish.</p> <p>(Y-3)</p>	<p align="center">PLACED ON FILE</p>
<p align="center">Office of Management and Finance – Revenue</p>	
<p>821 Authorize the Revenue Bureau Director to file actions in Small Claims Court for the collection of delinquent receivables (Second Reading Agenda 775)</p> <p>(Y-3)</p>	<p align="center">181928</p>
<p align="center">Commissioner Sam Adams</p>	
<p align="center">Bureau of Environmental Services</p>	
<p>822 Authorize individual grant agreements for implementation of stormwater management demonstration projects funded by the Environmental Protection Agency Innovative Wet Weather Grant (Second Reading Agenda 778)</p> <p>(Y-3)</p>	<p align="center">181929</p>
<p>823 Amend contract with Brown and Caldwell for professional engineering services for the Columbia Boulevard Wastewater Treatment Plant Facilities Plan Update Project No. 7847 (Second Reading Agenda 779; amend Contract No. 36255)</p> <p>(Y-3)</p>	<p align="center">181930</p>
<p>824 Amend agreement with The Wetlands Conservancy to extend the term of the agreement and provide for additional compensation (Second Reading Agenda 780; amend Contract No. 35339)</p> <p>(Y-3)</p>	<p align="center">181931</p>
<p align="center">Office of Transportation</p>	
<p>825 Call for bids and authorize a materials purchasing contract for the Traffic Signal Light Emitting Diode Replacement project (Second Reading Agenda 783)</p> <p>(Y-3)</p>	<p align="center">181932</p>
<p>826 Grant revocable permit to Rogue Ales to close NW 15th Ave between Everett St and Glisan St on August 1, 2008 through August 3, 2008 (Second Reading Agenda 784)</p> <p>(Y-3)</p>	<p align="center">181933</p>

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<p>827 Create a local improvement district to construct street improvements north of Francis St in the SE 31st Avenue Local Improvement District (Second Reading Agenda 800; C-10026) (Y-3)</p>	<p>181934</p>
<p>Commissioner Dan Saltzman</p> <p>Parks and Recreation</p>	
<p>828 Approve The Simon and Helen Director Park as the name for South Park Block Five (Ordinance)</p>	<p>PASSED TO SECOND READING JUNE 25, 2008 AT 9:30 AM</p>
<p>829 Authorize and amend a Joint Use Agreement with Housing Authority of Portland, Portland Public Schools and the Boys and Girls Club of the Portland Metropolitan Area for programs and services at New Columbia Community Campus (Second Reading Agenda 797) (Y-3)</p>	<p>181935</p>
<p>City Auditor Gary Blackmer</p>	
<p>830 Certify abstract of votes cast and proclaim candidates elected and nominated at Municipal Non-Partisan Primary Election held in the City of Portland, May 20, 2008 (Report) Motion to accept the Report: Moved by Commissioner Saltzman and seconded by Commissioner Fish. (Y-3)</p>	<p>ACCEPTED</p>
<p>831 Assess property for sidewalk repair by the Bureau of Maintenance (Hearing; Ordinance; Y1066) Motion to overrule remonstrances and to assess the properties for sidewalk repairs: Moved by Commissioner Saltzman and seconded by Commissioner Fish. (Y-3)</p>	<p>PASSED TO SECOND READING JUNE 25, 2008 AT 9:30 AM</p>

At 2:33 p.m., Council adjourned.

GARY BLACKMER
Auditor of the City of Portland

By Karla Moore-Love
Clerk of the Council

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

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WEDNESDAY, 6:00 PM, JUNE 18, 2008

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

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Closed Caption File of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

JUNE 18, 2008 9:30 AM

[roll call]

Potter: Prior to offering public testimony to the city council, a lobbyist must declare which lobbying entity they are authorized to represent. Please read the first communication.

Item 807.

(did not show)

Potter: Please read the next.

Item 808.

Moore: He called and is not coming.

Potter: Ok.

Item 809.

Potter: When you speak, please state your name for the record for the record, and you have three minutes.

Lauren Murray: My name is lauren murray. I am 21 years old. I have two children. I've been homeless off and on for three years. I begged d.h.s- to take my baby girl who was then nine months old because I was then living behind a dumpster with her. Since then, I have not changed. I have been a client for new avenue for youth. I wandered over here with myself and my backpack and joined the protest in front city hall. I didn't know how to live the adult street life. I was told that this was so we would have to suffer the adult street life and then have the desire to get off the streets. The day I joined the protest, I met about 30 people who still check up on me today. For the first time in my life, I have people who care enough about me to ask how I and my kids are. The same people that are ignored daily that aren't given any kind of respect out there on the streets are my family, and I take great offense to the fact that we as a whole are constantly being harassed by the same people who swear to protect us. I hope that you as a human, not a mayor, realize the mistakes you have made by allowing the no camping and sit/lie ordinances to be in effect. I am no longer homeless because I got myself into treatment. It's amazing that, because I am an addict, I now have housing yet many are not addicts and are still stuck on the streets. I had to search daily for a spot I could go to with other people to not be seen by the police or people with houses who would then have to come to terms with the fact that others are not living like them. You're putting all 21-year-olds like me in jeopardy. I do not find it safe to try to find places to sleep by myself. I just wanted to take a moment to thank all the protesters, young and old, homeless, houseless, for supporting human rights. Thank you so much for helping me in my name of need. I have more respect for you than you will ever know. I love you all and will not ever give up on this issue. I was wondering, since I was 30 seconds left, if you could give me another spot.

Potter: No.

Murray: Ok. Thank you.

Potter: Please call the next.

Item 810.

Moore: Someone called in sick. He was not be making it.

Potter: Call the next then.

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Item 811.

Potter: Please state your name for the record, and you have three minutes.

Olivia Johnson: I'm olivia johnson. Oh the professionally I support the homeless community through my work at new avenues for youth amount outside in. I personally support the houseless community through my involvement with united poor people. 3000 youths sleep on the streets of downtown Portland. Overall, Portland is providing comprehensive services for the homeless youth community. Mayor Potter, as former executive director of new avenues, i'm sure you're aware of the extensive funds being offered to organizations supporting youth. Outside new avenues, two of the largest youth homeless providers spent \$3800 per client served, yet these funds are obviously insufficient as only 160 out of 360 youth were served in 2007. This leaves 2840 youths still on the streets. These youths are offered a relatively high degree of services until they turn 21, at which point they are subjected to a whole new system. The houseless adult services are shameful in comparison. According to the bhcd, budget from 2000/2008, adult service providers spend just \$1123 per client served. There are no safe places, no educational opportunities, and no job training opportunities. The shelters have extensive waiting lists. There's a several-year waiting list for section 8 housing, and you gentlemen just chose to cut the adult homeless services budget by \$15 million. People, whether young or old, need a safe place to sleep. With consistently full shelters and the sit/lie and camping ordinances in effect, thousands of our community members fight for a full night's rest. Sleep is an unquestionable basic, basic, basic human right. Before envisioning any 10-year plan, we must confront the problem at hand. An immediately solution has been brought forth by the community on several occasions, a green zone, in case you have forgotten, a public green space by day and a safe, legal, and sanitarian recampsite by night located in the city center. Designating a green zone is a flexible, innovative, multipurpose, and cost effective solution to the immediate term problem. I'm aware of how damaging sleep dev privileges for regular disabled permits investigation can be for my own mental state, and I know where i'm going to sleep every night. We live in a sick society where human beings are willings to sit back while their brothers and sisters are denied something as basic and simple asleep. Congratulations on opening the 10-year planning committee, but to do this while criminalizing these folks for the sit/lie and anti-camping ordinances, to actively participate in one's own community, they need sleep. Please exercise your political will and create a green zone. You can implement an immediate solution. Bodies need to rest peacefully to be productive. Commissioner fish, are you willing to answer a question?

Fish: I'll do better than that. I'd like to actually meet with you, make an appointment to meet with you to talk about green zones in greater detail, and so outside of the constraints of this forum, i'd like to talk to you more. So we'll put you on the calendar, and i'd like to have you come in and talk about that.

Johnson: Can I just share with the audience really quick that in 20006 you stated at the housing opportunity candidate forum that being homeless is not a crime and that you will never support any proposal which sacrifices the civil liberties of the homeless?

Fish: I stand by those words.

Johnson: Thank you.

Potter: Thank you.

Johnson: Thank you to everybody in the audience, comrades. You've done great. Stick together. Love. Just stick together.

Potter: That's sufficient. Thank you. The consent agenda, we don't have a majority. Nor will emergency items heard. Please read the 9:30 time certain.

Item 812.

Potter: This morning, the council will be considering the first reading of five ordinances to amend four of our communities' urban renewal plans. These amendments will serve to close down our two

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older urban renewal areas, south park blocks and downtown waterfront, and expand two other districts, the lents town center and the river district. There will be no vote today because, by state law, this is a nonemergency ordinance and the vote is scheduled for next wednesday, june 25th. We're going to start with item 812. To do that, i'm asking the Portland development commission chair, mark rosenbaum, county commissioner jeff cogan to come forward.

Mark Rosenbaum: Good morning, mayor Potter, commissioner Saltzman, commissioner fish. Good to see you today.

Potter: Good morning.

Cogan: On this introductory conversation respecting the amendment of the urban renewal areas. I'm joined today by commissioner jeff cogan from Multnomah county who will have some specific comments to make as well as it relates to the impact that these amendments will have on the county and its budget and the cooperative work we've had together. I'd also like to take this opportunity to thank commissioner Saltzman for his substantial work on the urban renewal advisory group which resulted in four of the five amendments you see coming before you today. You'll have amendments you'll be addressing that relate not only to the downtown area I just mentioned but also to the lents area. It's the p.d.c.'s strong desire and direction that our staff take a look not just at the downtown area but the east side as well, and that results in the amendment that you see here and the discussion you'll have in-depth about what we think is possible on the east side of the river to compliment what is going downtown. I want to emphasize that the work you see is not just the work of p.d.c. staff but substantial outreach to the community, including all neighborhood associations impacted by the amendments and business associations represented in the area both large and small. We also stayed informed and, as a result of this process, have new partnership arrangements have have been made with both Portland public schools and Multnomah county. We think that's in the best interest of the community as it relates to our work.

Jeff Cogan: Good morning, mayor Potter, commissioners Saltzman and fish. My name is jeff cogan. I was the Multnomah county representative on the urban renewal advisory group. Last month, Multnomah county board was presented with the plan amendments that are before you today, and thanks to the new spirit of partnership and the cooperative relationship and good leadership at p.d.c., i'm happy to say that that briefing lacked the drama of previous Multnomah county/p.d.c. Interactions, and Multnomah county unanimously voted to support all the amendments before you today. Through my participation as a representative on the urban renewal advisory group, Multnomah already had an opportunity time part its perspective on the front end of this work, which avoided intergovernmental heartburn on the back end. More importantly, it resulted in the proposed plan amendments that reflect the communities but broader communities' priorities while fighting blight in a manner appropriate to the challenges we face today in the 21st century. Our participation in the west side study group went so well that Multnomah county and p.d.c. signed a cooperative agreement referenced by chair rosenbaum so that, from this point forward, when groups are formed to consider the formation or expansion of an urban renewal area Multnomah county and as well Portland public schools and other partners i'm looking forward to in the future will have a seat at the table to participate in those conversations to make sure that the broader impacts on other jurisdictions as well as the community as a whole are considered as these decisions are being formed. Together these agreements, I believe, mark the beginning of a more evolved, positive relationship between Portland development commission, the city of Portland, and your jurisdictional partners. I thank you and applaud you for this partnership and would encourage you to support the amendments before you today. Thank you.

Fish: I just want to compliment commissioner cogan, who is actually my county commissioner, for framing this issue, the impact of decisions we make with respect to our urban renewal districts and other jurisdictions. As a candidate, I had to chance to sit down with you, jeff, and you educated me

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about the impact, the 26 cents on the dollars, in terms of mature districts. As we know, the city has been having structural surpluses of late, and the county's been experiencing structural deficits.

Cogan: Indeed.

Fish: And that is particularly important to me because, as the new housing commissioner, I'm charged with leading the 10-year plan to end homelessness. We have the money to do our end, which is break some mortar. You're experiencing deficits, which puts at risk your obligation to provide the services. I thank you for making the connection for all of us between the decisions we make at urban renewal districts and impacts on other jurisdictions, and I think the cooperative agreement is a really positive first step in making sure that everybody is affected by our decisions at the table, so I compliment you for your work on that.

Cogan: Thank you, commissioner fish.

Rosenbaum: The slide you see before you outlines the nature of the amendments before you and also discusses prior urban renewal areas that have been in existence in relation to p.d.c. You'll see that over the last number of years, p.d.c. has completed six urban renewal areas which have been retired and two of the 11 districts that p.d.c. oversees right now, we will issue our last indebtedness in -- indebtedness in 2008, based on the amendments in front of you and one the airport u.r.a. is already out maximum indebtedness and no additional debt will be incurred as it relates to those districts. I think it's important to understand that p.d.c. has served was a very important source of capital to make the infrastructure and development opportunities in this city possible and to keep the city strong. In going forward today, you are looking at another opportunity of providing p.d.c. with the tools to invest in our future and make significant improvements in terms of our job readiness, our development opportunities and safety for the city and housing and I believe it's a very important step. Let's begin with the first urban renewal area and a discussion of the lents amendment, and we'll start there. The p.d.c. board's concern that, as we watched more and more of the city's population move further out to the east side in order to find lower cost of living, that part of our community have access to the tools that p.d.c. makes available. And accordingly p.d.c. staff for the last year has been meeting with the neighborhood associations, business associations in doing evaluation of the opportunity which exists to help small business and housing opportunities on the east side of the river. The first amendment you'll be looking at thereabouts suggests the enlargement of the lents urban renewal area from around 70th and foster down to around 50th with some additional activity at 122nd. I think this will make a profound difference in that area. The other thing I'd like to emphasize is that the committee involved in this wanted to make sure that, with the expansion, pdc didn't loose site of their desire the lents center is created. That is the focus of pdc's effort. We're not going to move away from that, but we do think expanding the territory provides resources to a broader range of folks as well. So with that brief introduction, I'll turn it over to Kevin cronin and bob Alexander for a detailed run through.

Bob Alexander: For the record, I'm bob alexander, special projects at p.d.c., and I'm joined today by kevin cronin, who is the project management for the lents amendment. The urban renewal advisory committee that advised the lents group recommended the following items. To extend the last date to issue debt from 2015 to 2020. They would also recommend increasing by 170 million to 245 million the total maximum indebtedness. That would extend the last date in which debt would be paid off to 2026. And also, which you'll see in a moment, increases the acreage by approximately 140 acres, which would go from 2707-up to 2847. These particular amendments were again recommended by a subcommittee to the lents advisory commission and passed on to our commission for your consideration today. Kevin cronin will now detail some of those details of the expansion.

Kevin Cronin: Bob just provided us a financial picture. This is kind of the geographic look. The first one that just popped up is the foster corridor. This is just the commercial corridor with a couple of multichannel properties on either side of the commercial corridor that runs from about

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50th all the way down to the existing boundary at 79th. There is just starting to happen some things with foster corridor. Some new businesses are opening up. P.d.c. wants to help continue more businesses to locate there. Out of all the phone calls i've gotten at my desk, this is the one that I get the most in terms of folks that are really interested in seeing what's going on there, folks that want storefront grants, business loans, those sorts of things. It's a really positive thing. The next area I want to bring up is a couple of the key intersections we looked at as far as opportunity sites. There seems to be continued blight not along the foster corridor but these major intersections. The one that just popped up is the intersection of powell and 122nd. There's lots of opportunity sights out there. The next one generally speaking is the one 122nd and foster, additional opportunity sites and additional blight that's been addressed. We have alice ott middle school we would do a project consistent with the schools, families, housing initiative. As well as [inaudible] they've just completed a master plan and have asked for our assistance. We're also asking for deletion of right of way along 205. That 65 acres would go back into the general citywide kitty for city council and p.d.c. to use for other urban renewal areas. I don't want to lose sight of the existing u.r.a. as we move forward. That was something we heard loud and clear from urat subcommittee. The existing town center area is right down here. 205, 92nd and foster and then The fruit land land site is another key area. Going from sort of the macro level down to the micro level looking at town center, I just wanted to kind of brief you real quickly on some of the acquisition activity we've had since 1998. Assured NW right here, we've just completed phase one. Phase two. And then former lents site i'll talk a little bit more about as well. I have some good news to report. We just closed on the 92nd avenue gentlemen's club right here just across from the new copper penny. As you know, the max green line is under construction, and I will talk a little about that as well. We have over the last 10 years acquired these properties. Now we're positioned to actually package them and r.f.p. them and start to redevelop them, so we're right on the cusp of trying to get something under way. You can see from the photo we have existing phase one. There is retail down below. We're just starting to see those spaces fill up. The café is opening up this week. Assurity NW moved their headquarters and there are about roughly 35 jobs to that location. Phase two is this graphic with the circle around it. We'd like to get that under construction shortly. This is an example of the type of redevelopment we'd like to see in a town center and continue to move forward with those other properties that I just mentioned. It really demonstrates that the lents town center is open for business. I mentioned the green line, max-I205 green line. In addition to the lents town center, there are three other station areas, southeast powell, southeast holgate as well as southeast flavel. We plan on redevelopment assistance and making sure some of these stationeries get off the ground. With additional funds, we can make that happen. And, in addition, I think really, for the green line to work, I think tri-met really supports p.d.c. Tri-met really needs p.d.c. to be successful in order for the light rail stations to work. Our job is to make the places around the stations, Tri-met obviously is responsible for getting the ridership to make it work. Freeway, this is all about jobs, jobs, jobs. This is the biggest key site we have not only in lents but also in the city. We would like to work with the current property owners and make something work at this site. We are current property ownership that is willing to listen to the city. We'd like to come back at some point to talk to the council about that. With additional funds, we can provide public infrastructure assistance, debt financing, and economic development systems to make something happen. And then sort of the last project is more sort of a housing type project, but it's also going to be mixed use. As I mentioned, the former little league site, which is located to lents park, we are just requesting a zone change from the bureau of development services, and with that zone change we would lake to issue an r.f.q. to get a developer onboard and work with that developer. The problem is we don't have additional resources to offer any additional carrots other than the land to make that site work. With the amendment, we can actually get something off the ground there, and we're very, very excited about that. So I am going to get out of this power point show temporarily so we can go to a video

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produced by p.d.c., and it has a couple of our local stars from lents town center area. [video follows]

Alexander: Behind is one of the major projects here in the lents town center, and it represents the type of commercial development that we're really anxious to bring to lents. It's a high-quality building, has lots of space for retail and offices upstairs. It's also been really successful in bringing new jobs to lents.

*****: One of the nice features about the building is the street scape. It really represents the future we want to see in foster. More pedestrian accessible, bringing in more business for neighbors. We hope that will be the future for the rest of the foster corridor. This is what you see on southeast ramona street, which is actually of interest to the light rail station. It's one of four stations in lents and perhaps one of the most important, because this is the lents town center at foster road station.

*****: And what we have here is where it leads from the light rail station to where the sidewalk ends and then has a 20- to 30-foot stretch to connect us to the other side of the sidewalk, and it is not a.d.a. compliant.

*****: There is no plan currently for investment of ramona street, and it's very important that we really consider improvements here as you can see how deficient this street is.

*****: What the plan amendment will do is bring resources to this area that will allow us to redevelopment this street and really focus on transit-oriented development and improving the quality of the actual gateway to lents and the view that most people will see from the light rail platform.

*****: We've been here in this studio, in this building on southeast 57th since 2000. We've become a center in our local community for arts performances, rehearsals, yoga classes. With the coming of the foster urban renewal area in this part, it's going to help us, because right now we're thinking of expanding our space. We're way too small for what we do, and we have the ability to move further to the site block, which would be nicer for the neighborhood as well and more of a storefront feeling and as well as expanding our space so that we could have more audience and the dancers could actually have a dressing room.

*****: So going back to the presentation, I would like to turn it back to bob alexander, please.

Alexander: So those current and future projects which you've just seen are reflected in the t.i.f. Resources required, approximately \$170 million increase. The pie chart before you reflects those priorities divided into transportation, redevelopment, housing, and economic development, industrial emphasis. Within transportation, we just heard about foster road area. Within redevelopment, certainly the lents town center redevelopment itself and revitalization is a key element. Within the industrial economic development category, freeway land is a critical project. Within housing, we will continue to do home buyer programs and other important programs related to affordable housing. This list was one that was developed through a great deal of neighborhood input as well as input from other taxing jurisdictions, and it represents again approximately \$170 million total. This, however, does have impacts to the other taxing jurisdictions. The following represents what is the present value impact of this increase in maximum indebtedness during the 11 years from 2014 to 2025. The taxing jurisdictions have been consulted as part of this process. Included in your packets are letters are support from Multnomah county e.s.d., the port of Portland, david douglas school district, and you heard earlier from commission cogan about Multnomah's support, and there's also a cooperative agreement with Portland public schools. I'd like to now turn this over to some invited testimony.

Fish: Before we do that, could I ask a question?

Potter: Yes.

Fish: I want to go back to the chart. I'd just ask the general question. 25% of this pie chart is dedicated to housing. How are we doing overall in terms of meeting the 30% satisfied goal?

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Alexander: We are doing well with that. This is actually project expense only. And if you were to include in the staffing, we're about 31% of our total effort in terms of the t.i.f. set aside.

Saltzman: I wanted to ask a question, too, on that pie chart about the 18% for materials, services, bond issuance.

Alexander: That is part of the financing issue. We do have folks here who could respond to that specifically.

Saltzman: Are you telling me 32 million is involved in the staffing of the lents u.r.a.?

Alexander: As I understand it --

Cronin: We'll respond to that.

Tony Barnes, Portland Development Commission: I'm Tony Barnes, principal budget analyst at p.d.c. The amount labeled as bond proceeds or materials and services includes all staffing and administrative costs and implementing all projects and programs associated with this amendment and any bond issuance costs are included in that.

Saltzman: Does that include service related like planning, design, consulting services or is this all internal p.d.c.?

Barnes: It's all internal cost estimates at this point.

Potter: How do you then prorate the cost of this effort? Is it based on the total amount of the t.i.f. money available or is there some other formula used to be able to include the cost of the Portland development commission?

Barnes: I don't have the specific answer to the proration in this particular model. Normally we take an estimate of total bond proceeds, roughly between 15 to 20% over the life, looking at the future of the district that would go towards overall administration of projects and programs in the district.

Potter: Materials and services aren't normally personnel. Are you computing personnel into this, too?

Barnes: That's correct.

Saltzman: Is this broken down in our notebooks or can we get a breakdown of this before next Wednesday?

Alexander: Yes, it is broken down in your notebook.

Saltzman: It is.

Alexander: Yes.

Potter: Further questions? Thank you, folks. We'll call up the invitees -- invited speakers.

Nancy Chapin, President, Foster Area Business Association: Good morning, Mayor and Commissioners. I'm Nancy Chapin, the president of the Foster Area Business Association, and I also of course have a business on Foster Road. I'm testifying in favor of the Lents Urban Renewal Expansion Amendment West on Foster Road as well as the other expansion proposals included. This important project to support its businesses, its community with having the opportunity to do storefront improvements, to take some of those buildings that have been there a long time, some of which have even been empty longer than they should have been, and assist new owners in being able to move forward on the kind of investments that need to be made in some of them, including earthquake improvements and so forth, has the potential to be very important. I mean, Foster Road is the road into Lents, the road out of Lents, the road through Lents, and some great things have been happening in Lents in this nine years. I personally think the things have happened -- when I look back at the fact that federal dollars have been coming into Northeast Portland for 43 years through the Model Cities program, the first federal dollars that came in, and the fact that they're just now moving into really making some tremendous progress in that area, I think that the Urban Renewal Advisory Committee and the folks from p.d.c. and the community has done amazing things this nine years of the Lents Urban Renewal District. So I just want to give my -- the Foster Board of course has

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definitely approved my testimony here today and is delighted to have this opportunity to improve our community by having the expansion of the urban renewal district. Thank you.

Jess Lavehtall, Lents Neighborhood Association: Good morning, mayor Potter, commissioner Saltzman, commissioner fish. My name is jess lavontal. I represent the lents neighborhood association. Also serve as the neighborhood association delegate to the lents town center urban renewal area committee. And i'm here to express my support of and the neighborhood's support of this expansion. When we first found out about p.d.c.'s plans to consider this expansion, we had some questions. After all, this is called the lents town center urban renewal area, and the town center roughly defined is 92nd and foster. However, looking at the three questions -- the three key questions that we were asked -- should the current expiration date be extended? Should the u.r.a. Boundary be expanded and where? And should maximum indebtedness be increased to complete existing problems in the u.r.a. plan and to continue funding existing projects and identify new projects identify by the community? The answers from the neighborhood astoundingly was yes, yes, and yes. And here's why. On the urban renewal committee, we were looking at a budget of essentially closing down 10 years of effort for urban renewal, yet the results, many neighbors felt, were marginal. We've seen some new businesses come to the neighborhood, but we've also seen some stalling over the years, and now we think that things are just kicking into gear, especially with the coming of light rail, with new businesses moving to the neighborhood, and again we still have one of the last major centers of job creation in the city, the freeway lands. By this expansion, we are increasing opportunity for the whole neighborhood to improve economically and socially as well. I think we have a lot of opportunities for new homeowners, for new businesses, and better options for transit-oriented development in what's going to become a much more challenging environment in the future. So looking at a visionary perspective, this urban renewal expansion really is a win/win situation for lents. Thank you.

Cora Potter, Lents Town Center Urban Renewal Advisory Committee: I am cora Potter, and i'm the chair of the lents town center urban renewal advisory committee. No relation to the mayor.

Potter: That's probably good.

*****: [laughter]

Cora Potter: I want to first thank the city council and the Portland development commission for the opportunity to participate in this process and for the opportunity to speak today. My friend, mark, asked me the other day at the community forum for the Portland plan how i'm able to remain so positive about the potential for change in outer southeast Portland, and one of the reasons is my experience during the plan amendment process for our urban renewal area. It's been more than a year since we started talking about the potential for expansion of the u.r.a. in a routine budget committee meeting. Since then, i've watched the community move from a position of apprehension to one of excitement. In the last few months, talking with citizens across the city, i've rarely, if ever, heard from someone that thinks bringing significant resources to the area to greatly improve the built environment is a bad idea. Resistance from our tax jurisdictions failed to materialize, and instead I was pleasantly surprised by the positive feedback and encouragement we received. The whole experience has led me to believe that there is great support at all levels for completing, improving, and expanding the original vision for the lents town center and adjacent neighborhoods. And I really feel that what this plan amendment represents is a good move forwards positive parity of investment in the city and outer southeast Portland. This is an area where the populations are increasingly becoming more minority, more low-income populations, a lot of low-english proficiency population, and we really need to focus on making sure that, as the population grows, we're making a good place for them to live. So approving this amendment means that we're greatly improving the odds that one day outer southeast Portland will be a place where elders can stroll arm and arm along a grand boulevard on foster road through a vibrant business district, where a worker

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can get on the max and two stops later arrive at a bustling center of commerce and distribution, then ride the train back to the park to meet their family at a little league game. It will be a place where a traveler can stay in a small boutique hotel and ride the streetcar to the hawthorne district one day and a bicycle to sellwood the next. Achieving the goals in this u.r.a. plan is an essential part of creating the city of Portland that we all would like to see citywide. Thank you.

Potter: Thank you, folks.

Fish: Mayor, may I just make one comment?

Potter: Yes.

Fish: I just want to say that the video component of our presentation was terrific. The power points have gotten very sophisticated here. The video is a great asset. And I assume you both now have agents and you're looking at the next career move.

*****: [laughter]

Fish: But I really appreciate that. I have to do a council work session in october on our city's housing policy. I'm going to take a page out of what you've done because I think it's hugely effective.

Laventall: Please do. And we invite you to come out to the lents neighborhood.

Fish: Love to take a tour with you. And great to see you, nancy.

Chapin: The 13th is fun on foster, so especially put that on your calendars.

Potter: Thank you, folks. How many folks are signed up to testify on this particular issue?

Moore-Love: We have four more people signed up.

Potter: Please call them forward.

Potter: Could you read them again, please? You'll be next, mr. Butler. Folks, please state your name when you speak. You each have three minutes.

Beverly Palatay: My name is beverly palatay. I live here in Portland, Oregon, and i'm very concerned. I'm roman catholic. I go to st. Michael's. And i'm very concerned about Portland. You know, I see a lot of homeless people on the streets all the time, and it really depresses me, because - - you know -- the young and they can do better than that. A lot of them out there, they can work. And -- you know -- I have compassion for them. I know it's hard times, but --

Potter: Ma'am, is this testimony in regards the lengths urban renewal area expansion?

Palatay: Well, that, too.

Potter: That's what you're to testify to. Thank you.

Palatay: Ok. Well, I think that in the lents that we're having here, I think it's wonderful. I think we're making a lot of good progress, and I think we need a lot more improvement toward that, too. And I think with the support of our community and -- you know -- things like that, I think we can get a good outlook on things. That's my testimony.

Potter: Thank you. Please state your name.

*****: [inaudible]

Potter: You wanted to speak to us about lents?

*****: Yes.

Potter: Please go ahead. You have three minutes.

Hanh Kim*: My neighborhood really making [indiscernible]. I like to clean it up with those things. But is sometimes the beautiful trees and is a nice neighborhood, but some trees are really taking up the neighborhood. And them also my house and nearby three house across the street have stores, and people customers go in there, buy some candies and cans of drink. Just throwing them on the streets. I keep picking them up, but I like those kind of stop.

Potter: Thank you.

Jim Dryden: My name is jim dryden. I live at 122nd near foster for 30-some years, and i've been discouraged with the bad appearance of our foster street, so I was hoping to reach businessmen, because they can do what they want on the town center and new buildings, but businessmen need to

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sharpen person up the appearance of their businesses. It would be of great benefit to them and to all of us. Not knowing if I would have an opportunity to leave something, I took about a dozen pictures in the last week to leave with somebody showing what I mean about the junkie appearance of existing business. We can't expect them to move, but I hope we can see for their sake and ours, that they spruce up the appearances, because no matter what we do with the approach to the max and to 92nd and foster, the heavy concentration of body shops, iron works and things that have a legitimate reason to be there need some perking up. One example -- and with this i'll finish -- is the power station at about maybe 105th. It's one of the few in the city that have never been asked to put any hedges. It's just ugly electrical. And so it's a lot up to us as individuals, business owners, and residents to straighten up our own places and then have the government help with building and new jobs. That's what I had to offer.

Potter: Thank you, sir.

Mark White: My name is mark white. I'm a representative of powell hurst neighborhood association. I'm here to offer my approval of the expansion further into powell hurst gilbert. I also like to encourage the town to work with the p.d.c. to further expand the urban renewal area to the other side of 122nd. That corridor has seen tremendous growth in the last several years. In fact its reached its in-fill expectation for 2015 in 2007. Population has grown 25% between 1990 and 2000 and the same growth is expected between 2010-2020, perhaps a little bit more. There's still quite a bit of opportunity there. The boulevard is quite large. There's plenty of room for mixed development that would include both commercial and residences. There is effectively no commercial development in that area between holgate and foster. And currently the urban renewal area already includes the western side of 120 second. There's tremendous opportunity. The area is anchored on all sides by natural resources. It has leach botanical garden to the south, powell butte to the east, zinger farms and begger's tick in the west, and it also has spring water corridor going right through the middle of it. So the potential of anchoring all of that together between the natural resources and the extremely viable opportunities for development I think are excellent. I'd also like to note that the neighborhood association in recent months had p.s.u. students come in to do a study of the 122nd corridor and voted about 4-1 in favor of mixed-use development over additional multi-family development. I'd strongly encourage you to vote in favor of this amendment, but i'd also like you to really think about the needs of that area beyond 205, beyond 92nd to where a tremendous amount of growth is going but a lot less attention. So I think it's possible to have not only the lents town center development but also another business district on 122nd.

Robert Butler: I'll give you \$100 for the rest of your time. No? I'm robert butler. Southwest 18th avenue, Portland, Oregon. I'm talking about item 612. I'd like to say this also applies to the other ordinances, most of my comments. Saving you time. The same general comments. First of all, this strikes me as the largest single discretionary decision to borrow money in the history -- discretionary the history of our city. It's the largest in the history of our city. Discretionary. Might be wrong. I think it is. 170 million represents 40% of the total package. 40% of the total package is a big number. I'm looking for the analysis that says year by year these are the cash flows, the expenditures, the returns, the high end, the low-end risks, how we can compare alternatives and do an analysis equal to maybe a \$4 million expenditure instead of a 400 million, because I don't see the analysis here for even a \$4 million expenditure. I don't even see one spreadsheet over the life of the project. Secondly, the effect on education. It's interesting that the Multnomah county superintendent says all four ordinances would not fiscally impact his kids. It's in your attachment. Amazing that he would say that. School district of Portland did something different. They says, we know you're going to take money from the kids. We know that \$400 million additional, \$100 million of that represents education for students in burns. Coos bay clear across the state, we're taking their money. We know we're compromising our own kids' education tomorrow, the next day, for decades to come. We know that, and we support it. I ask you which is worse? Supporting it or

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not even knowing what you're doing. I am really upset that you're compromising our kids today, my kids, their kids with this kind of a philosophy, this kind of expenditure. I don't think you can steal from our kids' education and you shouldn't. Thirdly, these borrowed funds, they're coming from tax dollars that are used for public safety, streets, improvements. You're creating blight, so you're creating blight in the process of trying to help blight, and I think that's a mistake. I would urge you to look at senate bill 412, 2005 session, of how we separate taxes for kids from losing their education. Thank you for listening. This is a big -- very big -- item. 40% of the city council is gone. I think we deserve more of a quorum to deliberate this. Thank you. And appreciate your good for fortune, your good luck, and your hard work.

Moore-Love: That's all who signed up.

Potter: There are some questions for staff. Could the staff please come back?

Fish: I just want the public to see this is the phonebook size of our briefing on this issue. So commissioner Saltzman and I could use some guidance as to where in this compilation of documents is the breakdown for that pie chart just so we could follow that.

Alexander: That's in exhibit b under the planning commission's summary in one location on page 9. It's also located in the main part of the report.

Saltzman: Are you speaking all within the lents tab?

Alexander: In the lents tab, yes.

Potter: Where in that exhibit for the lents is it?

Fish: Just for the record, we appreciate you pointing that page out. Commissioner Saltzman and I would appreciate between now and next wednesday if we could just get a more detailed break down of those numbers so we can look at them and, if we have any questions, could bring those to your attention.

Potter: Why don't you do that for all the council offices.

Alexander: We will.

Potter: Good.

Fish: I have a couple of other questions, and one is just a general comment. I know that a principle driver of what we're doing here with the lents urban renewal district is to create jobs and the focus is on family-wage jobs. We know today that it takes about \$85,000 of family income to afford the median-priced home in our community, so therein lies one of our biggest challenges in terms of housing affordability. Could someone just briefly address the question of how have we done on job creation up to this point and what the forecast is going forward under these amendments?

Cronin: We had an evaluation done from 1998 through 06/07, and I have a number. Don't have that off the top of my head. I need to thumb through this phonebook. So direct assistance to small business has led to over 183 jobs being traded or retained since 1998. Those would be jobs that were created or retained?

Fish: 183 jobs?

Cronin: That's correct.

Fish: And would those be jobs either created or retained? And would those jobs qualify under the general heading of family wage jobs that we're talking about, 18 to 22, \$25 with benefits?

Cronin: Based on my understanding, yes. They take an average of the various jobs of those businesses they work with, and it's a living wage.

Fish: Looking forward, have you done forecasts of what you anticipate these amendments would generate in terms of future activity, building in some assumptions?

Cronin: Historically we have not done projections for job growth. We leave that piece to other city agencies. Bureau of planning has economic and policy information. We sort of leave it to them to project. Now, to a specific -- that's like a citywide number. As far as specifics in the lents, we still don't have a projected number of the number of jobs that we're expected to create.

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Fish: I would just say that, from my point of view, since we hear frequently that we should be focused on economic and job creation as a core function of our urban renewal districts, I think it would be helpful to me and probably my colleagues just to be able to quantify that data as much as possible. I think it's also, to the extent there's a good news component, also something we should be sharing with the public.

Alexander: Commissioner fish, if I may, I believe in the lents town center, the johnson creek industrial area, they estimated 500 jobs if that particular project was redeveloped in the freeway land area. That was one estimated number.

Cronin: Yeah. We look at it from a project basis but don't do it for the whole u.r.a. because of variables. When we put together a number, we want to be confident about that number, even if we have to put a lot of assumptions behind it. Historically, you see us stay away from trying to do that. That's why we try to look at the specifics of how many jobs we want to create at x, y, and z. Sites.

Fish: I could take this issue up when I have my regular meetings with the executive director just 'cause again i'm on a learning curve like this, so i'm trying to get a handle on this. The other thing I wanted to ask you, with respect to freeway lands, because obviously with the prospect of having the land where the post office is currently sited, the conway area development, the area around the convention center, the rose quarter, we have these extraordinary possibilities. Is there a possibility, with the contemplated development of freeway land, there would be some combination of industry and park there?

Cronin: Both those concepts are on the table right now. We are internally looking at freeway lands right now amongst all the bureaus and trying to make freeway lands work for the entire community. One concept is to redevelop it as an eco industrial park. Another concept is to do both, try to have a recreation point as well as having industrial there. All those issues are on the table right now, and we're trying to get through that issue.

Potter: It's my understanding that the freeway lands, actually only about two-thirds of the property could be used for construction, that the rest is in the johnson creek corridor area and that is subject toed flooding so that would only be about two-thirds and the rest would go to the natural habitat restoration.

Alexander: There's setback for flood control there as well as part of that redevelopment.

Saltzman: We heard testimony and there's written testimony from the powell hurst gilbert neighborhood about extending the urban renewal area further east on holgate. Why did we not take that into consideration?

Cronin: It's a good question. It's something we talked about to them when we presented last april. We were by fault very conservative in the number of acres we were looking at. We wanted to not set expectations too much. We set expectations too high back in 1988. We delivered some things. We haven't delivered others. We wanted to maintain the focus on town center but look at some other sites. Foster corridor was one that, in my opinion, was a slam-dunk. These other opportunity areas are going to be more difficult to turn around, so we concentrated on some key intersections. We know we've got lots of vehicle trips, lots of visibility. It'll will be a high-impact area for the community. So concentrate those resources in certain areas. We did not want to extend it too far. Also we have a citywide limit of 15%, and we did not want to sort of take up all the acreage in lents 'cause we have 10 other districts that are going to be looking at their futures as well through the future of urban renewal process.

Alexander: The total limit by state law is 15% of cities, so before we started this amendment process, we were about 850 acres. We have roughly 700 acres left.

Saltzman: Before this amendment or after this amendment?

Alexander: After.

Saltzman: 700.

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Alexander: Right. The average size of a community-based urban renewal district, by the way, is about 1500 acres. Downtown, it's roughly 300 acres. So I think there was some concern, and that's why we actually took right-of-way out of i-405 in order to help that overall -- and 205 to help that overall number.

Saltzman: I guess I need to ask then -- this may be a question for our legal council at this point, but if this council wants to include that area of holgate, east 120 second, do we have the authority to do that, amend it?

Alexander: I think that's a question for legal council.

Saltzman: Are we way too far down the road? I guess what takes me as a little ironic is we're going to see in subsequent presentations on the river district, and we draw those lines pretty willingly, i'd say, to accommodate projects and where we think things are going to go, and this seems like a pretty small, innocuous request to add a few blocks of holgate east of 122nd, so i'm kind of looking at the parity equity on this one. Maybe i'll get an answer from harry in a few minutes. Part of our role, I guess, is to approve this. Implicit to me is the ability to amend.

Harry Auerbach, Chief Deputy City Attorney : The short answer, commissioner Saltzman, is that in order to do it you'd have to go back through the same process as a plan amendment.

Saltzman: We'd have to do the whole public renotification of every resident in the city?

Auerbach: I believe so. I could look into that and give you the details, but that's by initial reading of the statutes.

David Elott. I think that's correct. We would probably need to take that back through the process initially to the Portland development commission for approval and then to the planning commission and then back to you.

Saltzman: So it wouldn't necessarily require -- it would require the citywide notice, too?

Elott: Probably. You'd have to look at the significance of the change, but probably it would require the super notice as well.

Saltzman: If you could take a look at that, we'll talk more about it.

Potter: Other questions? Item 812 is a nonemergency ordinance and moves to a second reading next wednesday. Karla, please read items 813, 814, and 815 together.

Potter: Just through 15?

Moore: That was 815. Did you want 816?

Potter: No. No. Thank you very much. To introduce items 813, 14, and 15, we have commissioner charles wilhoite and county commissioner jeff cogan.

Charles Wilhoite, PDC Commissioner: Good morning. I am charles wilhoite, p.d.c. Commissioner, and it the honor of serving as the co-chair with former commissioner erik Sten of the urban renewal advisory group, and i'd like to thank you for this opportunity to come before you today to talk about these significant and important amendments that will have the potential impact of continuing to alter the landscape of Portland and our downtown area for years to come. On that committee was also commissioner Saltzman, commissioner cogan sitting to my right from Multnomah county. We had john cruise, a citizen representative, and we had don hanson from the planning bureau, and we also have chair rosenbaum. As you know, that particular committee's charge arose from the joint budget committee that related to the formation of the june 30 '08 budget of the p.d.c. During that budget committee process, we noted that the downtown waterfront and south park blocks, urban renewal areas, were set to expire, meaning that we would hit the date where no debt could be issued after that date. So looking at that circumstance, we were charged with the responsibility of looking at urban renewal in the downtown area, and that committee sat through, as chair rosenbaum mentioned this morning, roughly 10 months of meetings. We had nine specific meetings. We had individuals coming in, speaking to us, representing jobs and the economy, arts and higher education, infrastructure, including parks, transportation and energy, and urban planning and policy. And our goal was to look specifically at urban renewal in the downtown

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areas with regard to the south park blocks, the downtown waterfront, and the river district. Of course there are constituents throughout the city who have visions regarding what should happen with or to those urban renewal area and the use of increment financing going forward, and we did consider many of the things you heard talked about today. The mission of p.d.c. is to focus on development of housing. Commissioner fish, you emphasized the 30% setaside. That was one item guiding us during our process, but we also looked at general and economic development. I remember the initial meetings in that process, and our initial reaction was we have done very well with regard to urban renewal, urban development in the city of Portland through the direction of the council and the implementation of p.d.c. Is it time to this shut down certain urban renewal areas? We realized that the success we had achieved led us to realize that we had significant things that yet needed to be accomplished. Some of those items included preserving affordable housing in the south park blocks, certain investments in retail and other economic activities. We also have the opportunity to look at the post office a project that has been considered for some 20 years and we had to factor all those thoughts into our consideration as well as tax jurisdictions into dollars that were being forfeited. And we heard that quite a bit. There's been a discussion that it was not considered enough. I will tell you that commissioner cogan's presence on that committee and other parties who came in and talked to us made it clear that that was something we had to consider for our decision making. At the end of the day, it boiled down to decision making with regard to limited resources and unlimited demands almost. As we concluded our process, we looked at the critical projects that remained to be completed. Old town, chinatown and certain investments in workforce housing and economic development. There was just a long list of items that yet needed to be completed so that we can continue the growth and development and advancement of Portland.

And that was, in a nutshell, the key issue we were facing. So when all was said and done, we determined that there were critical projects, critical investments that needed to be completed in order to complete the planning that has been established in the Portland plan and that has been laid out with regard to Portland development commission while considering the taxing jurisdictions. And i'm here today to urge you to support these amendments because all other things considered I don't think anyone in the city can say that the impact of Portland development commission through the city's guidance is not favorable and positive with regard to downtown Portland, and we can't ever come to the conclusion that we can be done with investment. Coming from a business perspective, investment is constant and required in order to maintain what we have and advance our position, and that's really what we're talking about. We're facing economic downturn right now in the country that's slowly coming through Portland, and we're feeling it, and that's not the time to stop making investments in our future, and that's really what we're talking about. Because we completed that process considering housing development, economic development, taxing jurisdictions, we brought to the county to the table. Other parties will come to the table in the future. We can't pause or stop on our development activities, because it will cost us much more down the road. In my two years at p.d.c., I have yet to see a project come before me that started two or three years ago and staff smiling at us as they're recommends it to us saying, oh, by the way, it's cheaper. That's not going to happen. I encourage you to support these amendments. We have work that remains to be done, and that will help advance the city of Portland. Thank you.

Jeff Cogan, Multnomah County Commissioner: Good morning again. Jeff cogan from Multnomah county. As p.d.c. Commission wilhoite mentioned, I did serve as the county's representative on the west side advisory group that considered the three agenda items we're now discussing. I'd like to say that mr. Wilhoite did a very terrific job of synthesizing what was a long detailed plan, and I do agree with his characterization of both the level analysis, the balancing, and the very cooperative collaborative approach that that process entailed. Multnomah county does support these plan amendments. We believe that they balance the needs of the community while fighting blight with smart targeted investments. Before we delve into the bigger picture

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presentation of these ed amendments, I wanted to briefly draw your attention to a letter that I have submitted to you today which is going to be passed out right now on behalf of myself and Multnomah county chair ted wheeler. This letter outlines some of the reasons that the plan amendments before you conform within an established urban renewal law to partner with jurisdictions, flight central city blight, and protect public and private investments on the downtown bus mall. The River District Plan amendments propose to do among other things investment in two buildings of particular interest to Multnomah county, the first is the mccoys building at southwest stark street and fifth avenue and the second is the lincoln building at southwest oak street and fifth avenue. The plan amendments would bring those into the river district. A third Multnomah county building, the meade building at southwest 5th and Washington is already located in the river district urban renewal area. All three buildings are located on three blocks smack-dab in the middle of the downtown bus mall. This is an area in which local government is currently investing hundreds of millions of dollars, being matched by more investment from the private sector to combat blight and promote a vital central city. This particular portion of the bus mall is among the weakest and most blighted. Specifically, these three buildings require significant seismic, interior, and exterior upgrades and therefore meet the legal definition of blight. The meade building is currently within the river district ura which is by definition blighted. The mccoys and lincoln are located directly adjacent to the river district. The mccoys and mead buildings are in need of either major renovation or demolition. Both are at serious risk in a major seismic event, and every major building system in both buildings is substantially beyond their normal life. This endangers the general public as well as Multnomah county employees. They're insightly, decrepit and contribute to the blight of the surrounding neighborhood. The Lincoln building is actually two buildings. One was built in 1895 and the other in 1950. They require a major seismic upgrade for safety and extensive street-level renovations to conform with the city's plan for the bus mall. Although there is no legal requirement that work done in an urban renewal area be done for the exclusive benefit of that area's residents, a significant number of the clients who will be obtaining services at the mccoys health clinic are known by the department to live downtown, including in the river district, and there are likely to be other social services provided to neighborhood residents as well if these plan amendments are adopted. In conclusion, Multnomah county's intentions are to work within urban renewal law and to do our part to combat central city blight, we're pleased to be able to partner with the city of Portland, p.d.c., to clean up the downtown bus mall and, as a consequence, provide safer, upgraded building for the county's employees to work in and for the downtown community to access services to place valuable downtown real estate back on the tax roles and to remove impediments to economic development along the bus mall. I encourage you to support these plan amendments.

Durston: Now i'm going to take over. I wanted to thank commissioner wilhoit and commissioner cogan. It was a very long process, and it was very well done in terms of the collaborative nature of it and the scope that was undertaken. Commissioner wilhoit needs to catch a plane in a few minutes but may be scooting out in a few moments. Bob alexander will be joining me to carry you through the rest of this presentation. Just to reinforce commissioner wilhoit's note about the schedule -- meeting schedule -- in addition to this, in those packets is a one-page summary of the urban renewal advisory group's recommendations. What we brought today to enter into the record, though, is the completed report just because it does give you more context and background on the tough decisions and tradeoffs that the advisory group made and why they did it. Now I'm going to turn it over to bob to give you an idea about how were closing out the two older districts.

Alexander: The first of those two close-out strategies related to the downtown waterfront, we have the 28th amendment before you what that amendment does in addition to the south park blocks amendment would be to close these districts out by their 2008 date which originally was recommended for extension by the budget committee two years ago. After the URAG examined those issues determined those should not be extended beyond 2008, these districts expired in april.

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South park blocks will expire in July. The second issue with these two downtown waterfronts and park blocks is that they would likely shrink in two phases. The first phase is before you now, which would be certain properties that would be added to the river district to complete important projects that need to be done. The second is an intentional downsizing as part of a search for potential new urban renewal district, and that's something to be done into the future. It is not contemplated as part of this particular ordinance before you today. Related to that issue was a question of can we pay for the existing bonds with the amount of assessed value we have? MBAC is the bond insurance company that the city uses, and they have agreed to shrink up to 40% of each one of these two districts according to their assessed value. They say that can go up to 40% and still pay back the city bonds. That's the reason for this two-part shrinkage if you will. The issue related to the 2008 close-out date of downtown waterfront as the slide shows, you'll get approximately 50 million dollars to finish projects there currently, those include important projects such as Ankeny-burnside redevelopment, the Saturday market move, and affordable housing. Uwajimaya is also one of those. I think there will be a letter and testimony related to the creation of this oriental supermarket in the downtown waterfront area. So in conclusion, on the downtown waterfront ordinance, this would remove about 47 acres from this district. Related to the south park blocks strategy as I mentioned, many of those things already it will allow about 35 to 40 million in additional debt to finish core projects which would include the retail core improvements. Those are basically direct loans to retailers to attract new or retain key destination retailers. This is for tenant improvements within the area. Urban renewal funds are restricted to so-call the bricks and mortar improvements. This would assist those retailers in cleaning up and addressing their business needs. Second is the affordable housing that would be done, and that's the primary purpose frankly of the south park blocks additional, the last part of the strategy would include helping approximately five different projects for a total of about 305 housing units within the south park blocks area. And finally this ordinance would remove about 3.2 acres to be included into river district. Those are the 2 ordinances before you.

Durston: On that last point and a good segue into why we looked at adding property to the main body of the urban river district is that the city's no net loss policy for the downtown area requires us to preserve all section 8 projects and in fact all affordable housing downtown. P.d.c. is charged with that responsibility. In order to take advantage of the opportunities and challenges that the expirations of section 8 projects coming up in the next five years bring to us, we needed to make sure that the close-out resources in south park blocks were available to dedicate to these preservation projects, and we will have a plan shortly to show how, in the next five years, we actually have a plan to preserve each of those facilities if the owner does in fact opt out of the project. So this is a safety net for us to get that piece of the no net-loss project done. What it did was require us to look at other priority projects within the south park blocks to determine what needed to go into the river district. Let me first tell you about what in river district still needs to get done. The first slide was Centennial Mills. This is a parcel that we acquired with the Bureau of Environmental Services some years ago when the original plan was to daylight Tanner Creek and create a water feature on the waterfront. That turned out not to be feasible. We won't be daylighting Tanner Creek. We still want to make sure there's a connection from river district to the waterfront, it's a very important part of the plan. We also, in acquiring that building, recognized that this really represents some of the historic fabric of Portland's waterfront. Those of you who have seen it and walked through Centennial Mills will recognize it's an interesting, albeit, challenging preservation project. These are old growth timbers that it was built on. It is kind of the definition of blight. In order to renovate it and preserve some of its historical features, we need to have a public/private partnership engaged in that effort. And what we have done successfully is used a nationwide r.f.p. process to select a lab holding company to do that development with us, and it's going to leverage a lot of private money, provide a mixed use project with a lot of market rate

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housing, and it's going to do it in such a way that it will really leverage public moneys in a pretty fantastic way. There is quite a bit of work that still needs to be done in the district, and the fields is a park, and it's an important park because it really represents the north end of the river district. We'll talk a little bit more about what's in the west end or the north end of the district and it really is what the potential of the river district is in the original concept of the plan. The fields will provide another park that's much more oriented towards recreational opportunities for people in the pearl and throughout the city. It needs to be connected to the redevelopment of centennial mills. What that should do is, in that north end, we have about 30 acres of underdeveloped parcels that this will spur a lot more private investment. So where you're seeing undone work, this is the primary area of undone work in the river district. The next real challenge in river district that is an existing challenge but is a great opportunity is the u.s. Postal service site, 16 acres prime real estate in the downtown area. Clearly it's not a compatible use any longer for this now residential neighborhood. The u.s. Postal services has signaled to us that they're willing to consider an alternative location for their operations and have entered into a sales negotiation agreement so that we have an opportunity to negotiate a sales price and acquisition price for this parcel. The vision for this property is very big. As I said, 16 acres in the center of the downtown area. Probably doesn't exist in too many urban areas around the country. What this will allow us to do -- and this will take some time because the postal service will be there for another five, six years but, as we look at options, the idea of having an employment-oriented campus there with many, many jobs, possibly combined with some additional housing for that workforce, is really an opportunity that few people would suggest that we miss. This is that north river district area, a lot of underutilized property. Hopefully we will be sparking that with the development of the fields and the centennial mills project. We're looking at moving things and recognizing that what we're doing is really relooking at how the river district works, what can be added to the river district to make it work better, and to finish up some of the undone projects from the two older districts. This is the list. They're all outlined in the projects. We'll cover them in more detail later. As you can see, it's a fairly funky-looking map. This map is very strategic in terms of the development opportunities and challenges that we have in the district. The old town, chinatown, that's the funkier part of this map, was designed in collaboration with neighborhood stakeholders, both residents and business owners. I think it was one of the most best pieces of public involvement work done in my career where people sat down, got serious about what the highest priorities for the community were in a large sense, not just in an individual stakeholder sense. What you see are the prime acres for which there are key opportunities for development that will actually convert old town china town to a neighborhood on the cusp to a neighborhood in full renaissance. This next slide will show you why it's connected to river district. As you can see, Broadway bridge comes over, and that's north Broadway there that divides, say, the u block from the post office, the r block from the 511 building. 511 building and the post office are both in the existing river district. Everything west of that is currently in downtown waterfront. Our goal here is to look at this in a holistic sense. This fits right into the portland plan and the central Portland plan process specifically. We have a chance to take a look at this acreage and really think about how we're going to make the segue way from the pearl district to old town, chinatown in a way that's going to generate a lot of energy and meet multiple purposes. I'm going to flag for you now the union station. Union station was acquired by the city some time ago. We see it as an optimal site for a multi modal transportation center. The problem is -- and this is why it's such a wonderful building, but the problem is it's historic, and the building needs extensive rehab. We're just now getting to that stage of doing the costs estimates on it, but we're talking about tens of millions of dollars if you want to preserve this historic site for the long-term and to make it into a useful facility for the community. When we do that and we think that that needs to occur, we need to look at it in the context of the u block. The u block has been identified as the future home of the homeless access center or the resource access center that's going

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to be located there. At the same time you have the greyhound station what we really want to do is talk to that bus service and see if they can't relocate possibly into union station as part of the multi modal transportation hub that we'd like to create there. But that's a huge parcel that's very underutilized for a downtown area. If we can look at those holistically and keep an eye to what the potential opportunities that are afforded by the u.s. Post office, we have a real chance to create this segue way between river district and old down chinatown that works for everybody, and it is part of the balancing that we will have to struggle with throughout in terms of most of our homeless services for single adults are located in the old town, chinatown area. That's not going to change. How do you create a business environment where the retail and business can thrive and we can get some mixed income housing in there as well and still not disrupt the ability to serve homeless people in the downtown area. So these are the projects that we will be talking about, well that this will make happen. The union station, the fairfield hotel, another section 8 housing project the city owns. P.d.c. owns it on behalf of the city. It hasn't been rehabbed. It needs to be rehabbed. It's also a fairly expensive rehab, and we know how to do those but, if you do them too skinny, you don't get a very good product and it doesn't stay up very long. We'd like to have a full rehab of that building and preserve it not only for the current residents but hopefully residents in the future. The 10th and yamhill garage is a city-owned facility. It's kind of grown out of its useful age. It is not performing as we'd hoped in retail. This will give us an opportunity to redesign that facility, maintain the parking, rethink the retail on the ground floor usage but also look at mixed use above, housing, possibly office space. We have a real potential there. O'brien square was added to this effort at the request of a letter actually sent by the planning director, gil kelly, who said this is a critical location both in terms of parks and recreation opportunities but also in terms of revitalizing that section of the retail core. It's an underutilized park now. It sits above a city-owned parking structure that is probably in its last years of usefulness. We don't have this in the budget, but it's been added because we know some time in the future we'll be ready to move on that site. Here are the specific changes the move will bring to you.

Alexander: In summary, we're looking at the following issues: Extending the expiration date by one year to 2021, increasing the total maximum indebtedness by 324 million over the next 12 years, adding approximately 50 acres, about 40 of which bob had just detailed which are north of burnside in the old down china town area, and that would also include releasing about eight acres underneath the i-405 right-of-way. The impact -- excuse me. The breakdown of those is included as follows. You'll see the key projects that we have just discussed in terms of redevelopment. The centennial mill and post office project, under infrastructure, talking about assistance to Multnomah county and the 10th and yamhill parking garages and business assistance target industry, development, and financial assistance programs and housing. The access center is a critical one. This is to break out how that 324 million would be allocated over the life of the district. I might mention, in answer to the previous question, it appears that you can see between project program staffing and administration and issuance and reserve costs that these come to about 17% compared to about 16% in the previous chart. So these two are roughly equivalent, again, we'll get you specific information prior to next week's meeting.

Durston: And this is the financial impacts. They are substantial. They are substantial to all our taxing jurisdiction partners. We did do a round of conversations with all these folks to let them know it was happening. We got basically the same response back. It hurts. We know we're losing some resources, but we also know that the urban renewal history of urban renewal in our community is that you are building a tax base. We see that on the back end of all the districts but more importantly a lot of our overlapping missions actually get filled with urban renewal activities. When we went and talked to the port, which had been a neighbor in the old town, chinatown, first they recognized old town, chinatown needs more work obviously. They were also very excited and extended and have been very helpful in terms of the conversation of the u.s. Postal service. They

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would love to see that service move out to the airport area, and they want to see that as a major employment site. Metro has been very supportive. It's not a huge impact to them. They were very frank that money wasn't a significant matter of consideration for them, but the interesting thing they said was, one, the importance of the downtown development is high concentration of people, good transit, everything that metro stands for is being represented in the downtown area, and the more we can keep that a healthy environment, the better for them. This is an interesting side note. They encouraged us to continue to work with the school districts, because as we look at opportunities to partner with schools, the metro c.e.o., michael jordan, said it's time that we also help them have conversations among themselves about joint use of facilities, and I think some of that conversation will go forward as we have conversations with individual districts.

Saltzman: Is there a reason that Portland public school district isn't listed?

Durston: I'm going to get to that.

Saltzman: Ok.

Durston: And there is a memo, and i'm hoping that -- no. Sorry. There is a memo. Staff at p.d.c. sat down with Portland public school staff, and it probably took us two months to work this out. The conventional wisdom has been, well, this really isn't an impact to schools because the state school funding formula basically creates a wash. We went into that discussion with that approach. The school district -- and this is Portland public -- oh, excellent.

Potter: Could you give those to the city council?

Durston: The Portland school district was very clear that that wasn't the end of the story, and they made the case, and persuasively so, that their local option levy is impacted and that they have something called the state gap fund. And it's a state legislative authorized fund that allows a local levy basically to be imposed for schools. That helps equalize the extra challenges Portland public schools has with their caseload or class load. The cumulative impact of that is about \$5 million a year. That's both lents and this river district change. 30 million, I believe, 30 to \$35 million, cumulatively. So it's a significant impact. The impact of these amendments one could argue wouldn't have that impact because the local options expire before these amendments kick in in terms of taking money out of the school district. But, again, in conversation with the school district, we were able to recognize and agree that, if those local option levies aren't renewed, the school has an even bigger problem in which any kind of loss of revenue is even more significant. So this memo is the result of those conversations. I think it was helpful to p.d.c. to understand the full impact its urban renewal areas have on the school districts, and it applies mostly to Portland public, because a vast majority of our work is done in Portland public schools. But we have similar relationships with the other school districts. David douglas in particular, because of the lents, they will also see some offset in revenues. They don't have a local option levy. That's one of the challenges that they have. Nor does the gap fund apply to david douglas school.

Saltzman: So I realize we have representative from Portland public here, so I guess the agreed-upon foregone revenues is a present value of 35 million probably.

*******:** Yeah.

Saltzman: We'll have david wine speak to that.

Durston: So that concludes the kind of formal presentation. We now have embedded witnesses who have been very close participants of this discussion.

Potter: Patricia gardner, patrick government maker, ken oliver, david chase, and david wine. First three folks, please state your name when you speak.

Patricia Gardner: Patricia gardner, pearl district neighborhood association. Honored commissioners and mayor, to many people, the concept of the expansion of the river district urban renewal district began with janice wilson's committee, a joint committee that basically said, let's look at that. To the pearl district and to old town, chinatown, it actually begins in the early '90s with the original river district plan. In that plan, the river district was to stretch from the river to i-

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405. It was both the pearl district and it was old town, chinatown. The original vision of the river district was a complete community, a mixed use, mixed income neighborhood on empty land blighted from the rail yards and a land blighted for economic malaise. One of the goals was to help the goals of the original river district plan was to help the city of Portland meet the 20/40 vision of metro to keep sprawl from our region. The expansion of this urban renewal district, the river district urban renewal district into old town, chinatown and the expansion of capacity allows us to complete that vision. Without the money from urban renewal district this vision is not possible. If we had not had an urban renewal district we would not have 5,000 people living in the pearl district.

We would not have the number and moreover we would not have the mixed income that we do which a lot of people do not see on the surface because we do a really good job building our buildings. We would not be where we are and we would not be where we could go. Urban renewal districts have allowed the beginnings of a great community but we are not done yet. North of pettygrove there are acres and acres of blighted land and the exact same state when the district was formed. It is still a brownfield it is still empty. In the pearl district alone there are over 30 acres of land that still wait to be turned into jobs and homes for all incomes and all types of families. We have the post office which is waiting to bring not hundreds of jobs but thousands of jobs to portland. Not only are there opportunities on the blighted land of the pearl but there are huge opportunities in old town, Chinatown. By doing the expansion we can finally bring the pearl and old town Chinatown together only with the expansion of their urban renewal area can we fulfill the policies of metro by putting as many people as many different types of people both living and working in the heart of the city. Only with the expansion of the urban renewal area can we fulfill the original river district vision. We urge you to complete that. thank you very much.

Patrick Gortmaker: Patrick gortmaker, co-chair of the joint land use committee of the old town, Chinatown visions committee and the old town, Chinatown neighborhood association. Mr mayor, commissioners thank you for giving us this opportunity to speak with you this morning. As patty indicated our two districts, the pearl district and the old town, Chinatown neighborhood, four years ago began talking about this and as we discussed how to make our district joint together more contiguous we also looked at the opportunities that continue to present themselves in old town, Chinatown and insure that we realize the growth and potential that we had with our properties in old town, Chinatown. We'd like to take credit for this but patty indicated that what really is known as the Janis Wilson report in which she directly, the conclusions were that more resources at that time remaining in downtown waterfront be directed toward old town, china town redevelopment and opportunities and also start the analysis of what could be annexed from old town, Chinatown into the river district. Tools of tax increment financing in old town Chinatown have been instrumental to our successes. The affordable housing that we have developed over the last 10 years in old town china town has been extraordinary. 70% of our current housing inventories at 50% and below. In fact I think richard harris submitted a letter to you all this morning talking about those successes and central city concerns successes in developing over 860 units of affordable housing combined with that enhancing the infrastructure of our community based organizations and social services to insure that they continue to provide the services of individual who seek those services. And the relationship between those services and housing has been extraordinary in old town, Chinatown. And then of course in the last year and a half, our successes with the university of Oregon opening at the white stag blocks the ground breaking for mercy corps headquarters and now with the amendment to extend the downtown waterfront. The additional resources to ensure that we complete the move for portland Saturday market into the waterfront and of course finish the improvements along Ankeny and underneath the burnside bridge. So despite the successes though oldtown, Chinatown is still at risk and still needs resources in the form of tax increment financing. 130 plus acres are in old town, china town. We have a proposal now for annexation for 40 acres those sites that we feel offer the best opportunity for increment development. We have two

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nationally registered historic districts with many underdeveloped unoccupied resources ensuring continued tax increment resources for seismic loans, storefront grants and economic development tools for quality jobs will help ensure those buildings are redeveloped and occupied. We need to tip the balance of housing. We've done the 50% and below, we aspire for the 50% to 150% in our district. By developing workforce housing and homeownership opportunities, we will reach that housing goal. We also want to ensure that the barriers are continued to be looked at and broken down in and out of the district. That's why the burnside couch couplet remains a high priority for our district. Breaking down those barriers for better access into and out of the district. So with all these remaining goals and opportunities in old town, Chinatown its imperative that these amendments before you today move forward and that old town, Chinatown can realize its potential its renaissance and become a jewel for this city to live, work and play. Thank you.

Jan Oliver: Good morning, I think its still morning. My name is jan oliver I'm the associate vice president for institutional affairs at the university of Oregon. You know the university was and is very excited about our move into old town, Chinatown. But we know now that with everything that's happened much, much more work remains to be done. We selected that site because of its historic roots in what is truly an extraordinary community. And it was also the universities desire to have that kind of connection with our neighborhood, wherever we recited. And this is a prime place to do good neighborhood connections. The u of o wants to be part of this historic neighborhood and we were not deterred by its somewhat spotty history. In fact we embraced the history and the diversity that exists in old town, Chinatown. We want to be a contributing partner in the neighborhoods emerging changes. What bob Durston calls the renaissance of old town, Chinatown. And I don't use that word lightly. It's a renaissance that needs to balance the new economic investments with the needs of the existing social service agencies. Which have traditionally served some of our communities most economically disadvantaged citizens. The proposed closeout of downtown waterfront includes several key projects in the Ankeny plaza burnside bridge area that are important to the u of o but much more work remains to be done. While closing downtown waterfront makes sense additional investments from the river district are critical to capitalize on the existing urban renewal investments and the momentum that has begun with significant commitments from the university of Oregon, mercy corps and a variety of private sector property owners. Done correctly additional investments in the oldtown, china town neighborhood will pay substantial dividends building a stronger neighborhood for current and future residents of all economic status. Thank you all very much for your time.

Potter: Thank you. Is sam chase here?

Durston: He is not.

Potter: Okay.

Davide Wynde: Good morning, mayor potter, commissioner Saltzman, commissioner fish. Sounds nice to say that doesn't it nick? My name is david wynde. I'm a member of the portland school board. I'm here to speak on behalf of the board and the portland public school district. Thank you for the opportunity to speak to you today. My comments really cover the array of the urban renewal issues that you're discussing today. I'm just going to speak to once. Having sat on your side of the podium I know its better to have somebody speak once rather than come back multiple times. Portland public schools supports the concept of urban renewal and tax increment financing. We see these as you do, as tools to revitalize business district, industrial areas and our city neighborhoods. We appreciate that 50 years of such investments has profoundly shaped our city for the better. Urban renewal funding can be a direct boon to schools as well. Investments in family housing, safe routes to schools, parks and recreation not to mention family wage jobs can create healthy neighborhoods supporting and surrounding our schools. Like you, we believe urban renewal dollars can be the catalyst to benefit our neighborhoods, businesses, schools and citizens for decades to come. At the same time urban renewal also involves direct costs to portland public

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schools. I'm going to talk today specifically about direct costs. Public finance is a morass when you try and explain it. Obviously the foregone property taxes involved in urban renewal really from all point of view there's two components to that. There's the indirect impact on us of the general property tax levy that goes as part of the state school fund and that impact is not as significant for us and I'm not going to talk about that today. But as you heard earlier, there are two streams of funding that provide a direct impact to portland public schools each year on the basis of foregone property taxes. And those have to do with our local option and get funding revenues that would otherwise be generated in the 10 urban renewal areas that lie entirely or primarily within the school district boundaries. And as that memorandum that you've seen earlier establishes for you that net cost to portland public schools for urban renewal activity is \$5 million dollars a year. The urban renewal expansion before you now will bring an additional fiscal impact which results in about 2.7, 2.8 million dollars a year the net present value between 2014 and 2027 of that aggregate is about \$35 million and almost 2 million of that impact comes from the david Douglas satellite district alone. I also want to communicate to you how much portland public schools appreciates the growing relationship that we have with the city and city agencies and the growing spirit of collaboration between those. In the 5 years I've been on the school board, I've come before the city council at least 3 times to acknowledge specific operating agreements and ways in which our two jurisdictions are working more closely together. And we also have, are in the process of finalizing an intergovernmental agreement with portland development commission to cement and establish a more close working relationship with them which will give us a seat at the table as the city expands and considers these urban renewal areas. Specifically pps will be joining advisory committees on the river district and lents town center expansions as well as joining the preliminary discussions about a potential new urban renewal in the Westside of downtown portland. These conversations of the last few months have forged a stronger relationship between pps and the portland development commission and we hope that this cooperative agreement will not only ensures that we have a seat at the table but also opens the door for all school districts effected by urban renewal to be part of the conversation for areas that impact them. We certainly appreciate the willingness of pdc to engage in those conversations. We also appreciate the support that this city council has continuously shown for public education in this city. Both in the portland school district and the other districts in the city. Commissioner Leonard was credited this morning as saying that true economic development means giving citizens the best education possible and certainly in my experience that has been the approach you all have taken consistently. We plan the, this cooperative relationship that I've just talked about works both ways. In addition to us getting a seat at the table, as pdc is looking at the work that they plan on doing we as a school district have committed in principal a substantial reinvestment in the capital facilities of the school district over the next several decades to build and remodel schools which have been seriously underinvested in over time. We see this as an economic development imperative for the city and as we engage in that work we will be sharing our plans and discussing our plans with pdc with the city agencies and others in order to see that we can coordinate those plans as effectively as possible. We saw the benefits at rosa parks school of having everybody at the table working together and we hope that we can follow the example established there as we look at the other schools were going to be investing in, in the years to come. The school districts across the state face a number of challenges and the City of Portland in particular. There are challenges that we face, their not necessarily all identical challenges. You've heard us talk before about the impact of student enrollment on the operating budget of school districts. In Portland because of the declining enrollment in the district, our operating budget has been particularly squeezed. I'm not for a moment going to imply that any of the other school districts in the city have any kind of luxurious operating budget but to the extent that their enrollment has been increasing that does mitigate some of the operating budget crunch that they faced. On the other hand their faced with serious capital challenges and the ability to raise capital

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and we recognize that. We appreciate the support of the city in confronting these real challenges both operating and capital budget challenges. We, the portland school board supports the major expansion of the river district and the lents town center urban renewal areas. Because of the fiscal impact on our schools and the unresolved legal questions, we do not support the movement forward of the satellite district at this time. We've shared our reservations about this proposal with the city council before and confirmed to pdc last month that we do not support that proposal. We recognize that there is a real problem there, our concern is that the solution being proposed is not the appropriate one to that problem. Thank you.

Potter: Thank you.

Durston: We also, doug obletz from sockeye development is doing a major catalytic project with the uwajimaya retail outlet in old town, Chinatown did submit a letter and we'll distribute it. Also there are two groups out of contact with the council in opposition to these amendments. One is the league of women votes and another is an informal group led by jeff tashman. We might suggest you take testimony from them as the next up.

Potter: Have they signed up to testify?

Durston: They had signed up, commissioner fish had suggested - -

Potter: And that's fine I just want to make sure they were signed up. Okay, commissioner fish has indicated that he has a few questions before we move to the testimony.

Fish: [inaudible]

Potter: Did you want the city legal counsel or pdc?

Fish: First is a comment about the piece of this that's obviously very near and dear to my heart as the new housing commissioner is the preservation piece. And just to frame that issue there are 11 so called expiring properties in the City of Portland. Which between now and 2014 are at risk and they tend to generally are places where older adults living on very little incomes are housed. And a key part of our preservation strategy consistent with our no net loss strategy is to preserve the ones in downtown. So to the extent were carving out the 18 or 19 million for that particular use, it's a critical part of our overall housing strategy and I just want to underscore the importance to overall agenda of that point. I took a moment to look at the letter that commissioner cogan and chair wheeler submitted and I'm one of the few lawyers to ever serve on this body and perhaps the general consensus would be thank god for that [laughter] but just so that I understand the issues that they've raised and make sure the records complete, I wanted to ask council to engage in a colloquy on something because I with respect to the two building that they would like included, I've gone back to the statute and it's o.r.s. chapter 4-5-7 that lays out the urban renewal guidelines. And 457.010.1 defines blighted area. And I take it that the two buildings and the projects that we're including would qualify under the blighted area definition.

David Elott, Portland Development Commission Legal Counsel: We believe there is sufficient basis to conclude that those are blighted. Ultimately that's a finding you'll make when you adopt an ordinance but we believe there is sufficient information in the report that's been supplied to you in other portion of the records to support that finding. Yes.

Fish: That would include the condition of the building and need for rehabilitation?

Elott: Yes

Fish: And just to help me as we go through this, the definition of blighted area under the statute would be applied the same way to a larger geographic area as it would to a single site. Is that correct?

Elott: Correct, although historically I don't think there has ever been a conclusion that every single property within the area has to be found to be blighted. So if there is a large geographic area we wouldn't think you would need to find every parcel blighted. To the extent that they are is somewhat smaller and in this case some are, I think we look quite specifically at individual properties to make the blight premise.

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Fish: Thank you. And the other legal issue has to do with the PDC authority under 457.170. And I was looking there just for guidance on this question subsection 2 talks about the carry out of any rehabilitation or conservation work in urban renewal area and is it your opinion that rehabilitation of these buildings in partnership with the county would qualify under that provision?

Elott: Correct. Assuming that the other requirements relating to public building findings are present and we have added those plans, so that is correct.

Fish: Again, just because we have the benefit of you as general counsel here, to advise us, is this a close question of law or are we operating within the mainstream in your opinion?

Elott: With respect to the county buildings?

Fish: Yes.

Elott: I think the legal basis is solid.

Fish: And then we'll be making some findings with respect to our resolution?

Elott: Yes.

Fish: Okay. Thank you.

Potter: Other questions from the council. How many folks do we have signed up to testify?

Moore: On 813 we have 9 people left.

Potter: Did you wish to call up the opponents at this time out of those nine people signed up to testify?

Fish: It's your call. If their also going to be hear on 816 we might want to do a one stop shopping. It makes more sense I think to defer to the witnesses but my preference would be to have the critics on 816 testify as a group under that and give them perhaps additional time.

Potter: And that's what we have done in the past. I just want to make sure that it wasn't on 813, 14 or 15 that you also wish to have that.

Fish: No.

Potter: so were going to call up the nine people who wish to testify to the issues pertinent to items 813, 14 and 15. The item 816 we will provide opportunity for testimony succeeding this, the discussion on these. So public testimony is restricted to those three items for this particular purpose. We will have public testimony on 816 following. So please call the first 3 people.

Moore: And ten more people. We had separate signup sheets for 815 and 814. So I'll start with 813. Terry parker, lindi senn, mary wiley.

Terry Parker: I rolled all my testimony into one and hopefully it's one and hopefully it's three minutes.

Potter: On 13, 14 and 15?

Parker: I don't know what the numbers are but as far as the urban renewal extensions. I think its about three minutes if you'll bear with me. I apologize but I didn't know there was a whole bunch of different things. My names terry parker a portland resident and taxpayer. By extending the life of an urban renewal district you are breaking a contract that was made with portland taxpayers when it was created. That contract in basic terms was for a specific number of years taxpayers would subsidize city services for truly blighted area then in return taxpayers would reap the benefits, higher property taxes contributing to the general fund from improving that area as a payback for those subsidizes. By extending the life of a contract, many taxpayers who have paid into this scheme with their tax dollars will be dead by the time it expires and payback occurs. It should not take an entire lifetime for the now paying taxpayers to receive financial benefits as promised. Portland taxpayers are not an infinite bottomless pit of funding that can be continually tapped for personal special agendas and pet projects. Much of the existing infrastructure in portland is crumbling, the streets and roads the sewer, water systems and the schools. The increased tax dollars from retired urban renewal districts need to be going to the city's general fund and to Multnomah county to be used to fix and repair this infrastructure. Not for more special interest projects such as street cars, bicycle bridges and fancy couplets. Furthermore, in these times where

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the cost of living is raising faster than the working class income and many taxpayers are just getting by, the city does not need to be financing high roller developers and their big high end affluent projects. Given the fast pace in which energy costs are rising, even relocating the main post office should not be a given and should be reconsidered. It is currently centrally located, easy for employees to get there and next to a main rail line. Relocating the facility next to the airport may be a big mistake, given the distance from the central city, the cost of fuel and the future costs associated with air transportation. A real possibility exists that to control expenses intercity mail may again be transported by the railroads. Additionally there is a footprint energy use and some negative environmental impacts to constructing any new facility. And finally if an urban renewal district extension is granted and a circle is drawn on a map to fund a new David Douglas school district. Then too must a circle be drawn around every Portland public school needing renovation on the east side between I-205 and the Willamette river along with another circle drawn on the map around the ailing Sellwood bridge. Not only do these additional circles provide some tax equity for central eastside and inner eastside property tax payers but fixing and replacing the Sellwood bridge is far more important to the needs of the region than constructing a new light rail street car bridge across the river. Eastside property tax payers should not twice be manipulated to fund both urban renewal subsidies and infrastructure upgrades. The bottom line is that no extension renewal district should be granted and the original contract sold to taxpayers should be honored. One other quick note, I remember sitting here approximately 20 years ago relocating the Greyhound station down near Union Station 20 years is not a very long time for a facility to exist. It seems like we were not planning ahead very far if we want to take it down now. Thank you.

Lindi Senn: Hello my name is Lindi Senn. Hello Mayor Potter, actually I'm a resident downtown and Portland is beautiful. I think that the architecture is all unique and I've lived here and appreciated it for all of these years now. I think that drastic changes, I think that immediate drastic changes is a detriment and I've lived here so I also like to appreciate my city. Its accessible, its substantial, its stability. I think those things are important in just a lifestyle. You make some decisions on where you want to live according to what is capable or what is capable means in your community. What is going to be a standard that you can live by and keep that up and maintain it individually. You have to make decisions that are going to comply with what you think is a reasonable way to live. Presently we have that downtown and I really appreciate it. I think that the history of our Park Blocks the buildings are unique but the history of our Park Blocks is the oldest trees that we have right here in our state they can't be disturbed. I think that that would be a terrible thing to happen. I actually like living here I intend to live here for a long time. I appreciate it just like it is. I would be fine if there were no changes. And the buildings are real sound. The buildings are really sound structures here. They have a lot of stability in them. Changing them doesn't improve them. No demolishments, no desecrations, keep our existing buildings here I think that their important.

Mary Wiley: Hi my name is Mary Wiley and I moved to Portland in 1975. I'm a speech pathologist. I drove through downtown Portland and said this is where I want to live. And I bought my first home in the Southeast Hawthorne area in 1991. And I go into downtown quite often and I love the downtown area. I think I need to express my concerns about keeping a balance and making new decisions about urban renewal versus infrastructure versus needs for education versus maintaining a diversity of population and what they need here in the city. I practically yesterday looked at Portland and was surprised to look at myself as an educated speech pathologist that I probably could not afford to buy a home in Portland now. And that was kind of a stunning feeling I thought. If I can't buy a home in Portland who can and what I'm seeing I was very encouraged when I heard about renewal plans for what you are calling affordable housing I heard multiple references to it in this discussion in downtown Portland. It sounds good but I wonder what it really means. And what is it when you're talking about blight when you're talking about renewal and

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mayor potter I want to make a reference to your support of developing the vision. Because if we don't have vision and make practical plans tied to a vision we end up with knee jerk actions in order to have enough jobs for people and places to live and things start getting out of balance. I think that means we need to have a plan where we think in terms of an interconnected system to keep a balance. And what I'm concerned about is are we keeping a balance of our decisions in all these areas including urban renewal or are we mostly upscaling portland to provide jobs for present and projected incoming upper income people. And the majority of people talk to feel like that is what's happening to portland. And when I looked at the reality that I could not afford a home in portland I really am wondering if this is what your saying your going to do in downtown portland sounds good in some ways but I'm really wondering what we are creating. And I am very concerned because I love this city. Thank you.

Potter: Thank you.

Edmundo Cardenas: Mayor potter, commissioners, my name is edmundo cardenas. Ed cardenas I've been here about five years lived in L.A. for 59 years. I was a librarian 20 years some of the tougher areas I always stipulated that when I went to work. Came up here emergency my nice neighborhood was taken over by a gang, an old gang the grand children of the original gang. Came up here 9 day ride on the bus and settled in Gresham pretty soon I'll just make this quick because this is not what I want to talk about. I had to call every single police jurisdiction, everyone, to come down and I told them come down this is going on. We've got kids coming into our property, not my property, but the department of housing, selling drugs 13 year olds three o'clock in the morning. So pretty soon in a couple of weeks we had a beautiful parade of all sorts of marked cars all the different jurisdictions and even more unmarked cars. The next morning some of the guys were out there drinking their coors their morning breakfast and I said if you keep dealing to these kids you're going to end up booted down to Tijuana across the border, you'll never come back. Prologue, anyway I worked on the streets of portland for 3 years pro bono to thank Portland for home, my new adopted city, Oregon my new adopted state. I'm not an urban gypsy. I did a lot of volunteer work in l.a. but I'm not an urban gypsy that was my home this is my home now. For three years I got to work on the streets and I saw, and pardon this expression, the underbelly of portland. A lot of it is caused by people, not just the criminals or not just the occasional quote unquote doppers but people that are on the street and for whatever reason this very morning that I come to talk to you, I didn't know I was going to do this, a friend invited me to come on down to say my piece. I was over at Julia west where I volunteer. Julia west house sponsored by the first Presbyterian church, that church with a tall, tall spire covered in copper. I was there having my coffee too full of people basically for fire rules but you know that's the only place. People have been swept off the street mostly men, few women, you've got to be 21 and over. Anyway that's wrong these people should have a home. I'm gratified that things are happening here I'm not sure exactly what it's hard to follow everything. I do try to keep abreast of - -

Potter: Sir your time is up. Mr butler I thought you already testified to the items were addressing today? Mr butler, you said that in both your written and oral testimony you were going to discuss all items 812 through 618 and I assumed that was the testimony you gave earlier because it did relate to all these issues as well.

Robert Butler: There are new issues based on the former testimony sir that I would like three minutes and since this is a different agenda item I'm requesting it.

Potter: Let me give you two minutes because you did say that you were speaking to all of the items on the agenda so please take your two minutes.

Butler: Portland is blessed by the national historic trust convention here a few years ago and when they were here they brought back the head of the urban development staff for Harvard. He was in charge of urban development for Harvard. He came out and spoke he said one thing that happens all over the country is that cities typically take the best property in the city turn it into their own

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projects, take a private sector project buy it turn it into a public project and because it's in the most promising development part of the city they do it and they look like heroes because look what I did, look at the skyline. I did all this by myself. I think I'll give you an example of that. first of all at the same time I hear people complain, these are developers saying it's a shame that we would like to do these projects and the portland development commission comes along and overbids us. They pay more than market value, that increases the appraised value over time, inflates land values, makes private side development more difficult. Lets give an example of private sector side that works. Here's what the cities going to do. The U.S. post office what are we going to do there, we're going to give the federal government 50% more than it's worth. And that's determined by, first we value it by independent evaluation and then were going to give them 50% more. That's a windfall. Who gets that windfall? Who gets it federal government. Who should get it? Citizens of portland that windfall should be put into the project instead of giving it to the federal government. That inflates the value that takes the opportunities for development away from the private side. I just got back from national convention, 50,000 people. I told them about the post office developers, 50,000 people, ICSC, we would love to know about that project. Why ruin it by paying 50% more than its worth when we have private side people who'd love to have it. Thank you.

Potter: Do we have another list now?

Moore: We have one person on 814 who already spoke on 813. So 815 we have about 8 people signed up.

Becky Steward: Thank you members of the council, mayor potter my names becky steward. I am president of afsme local 88 and proud and honored to represent nearly 2,700 employees from Multnomah county, central city concerns, transitions projects and American friends service committee. Along with city workers we work in the community providing services to citizens, mental health, juvenile services, community health clinics, probation and parole, aging services, libraries and much, much more. I'm speaking today in support of the river district plan amendments. Specifically as it applies to the mccooy building, the mead building and the Lincoln building. Local 88 staff work in all three, however the conditions in the mead and the mccooy are very poor. Both buildings are old and have numerous problems both external and internal. In one specific situation staff ended up by being relocated because the air quality and other problems in their work space. They couldn't be improved despite the efforts of county facilities unit which worked to resolve the problems. Over half of the program staff were having health issues which did get resolved once they moved to another space. We've received numerous complaints and in some situations filed grievances due to the building conditions. Both buildings need to be gutted and rebuilt from the inside out. I'd ask your support for this amendment which will support the staff and the member of local 88 help us get out of these old buildings so that we can continue to focus on providing quality services to the citizens of portland. Thank you very much.

Bob Ames: I'm bob ames. Despite what you may have read, I'm not here simply as a pearl district property owner but as someone that's been long involved in the public process for urban renewal has been used as a tool. Subsequent to my 10 years as pdc commissioner and chair, I served as president of the port of Portland for nine years. During which time it declared terminal 1 redundant and funded a study which gave rise to the idea of combining terminal one with the Burlington northern properties and pdc owned union depot as well as other properties in the area for what became, I think we'd all agree, a classic urban renewal project and one that's been successful. I was later appointed by the then mayor to chair the river district steering committee. Most recently I've been referred to as a geographic elitist by a member of the council. I don't know what that means so hopefully commissioner Leonard will explain it sometime. But I'm here today before you because there's an issue I happen to feel very strongly I think you're all aware of that. And this is what I and many feel is a pending misuse of urban renewal funds. Apart from what some of us recognize as a serious legal question surrounding your pending action, my objection is also based

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on it being way outside what I've always believed were the spirit and intent of urban renewal as a tool. Its safe to say that those of us in and around an involved during the genesis of this mechanism leave the successful renewal sunsetted in an appropriate time that was used for needed project in a defined area and then the increased tax collections were averted to the support of basic services all of which I think today need that kind of support. And last to the extend that anyone cares and I testified in front of the portland development commission in this regard, this is not an action that would have been taken during my time and certainly not one that our council would have advised us to take. Let me just finally read the first paragraph of a letter that we'll submit today my assistant has multi copies with a great many attachments. That paragraph is as follows. The undersigned friends of urban renewal and concerned citizens of the City of Portland and leaders in the area of urban renewal law and policy in Oregon as a group and individually oppose the cities proposed amendments of the river district urban renewal plan. Attached to this letter are copies of our prior letters, portland development commission, a memorandum from city attorney Linda meng, a letter from the central eastside industrial council, a letter from portland business alliance, an article from the portland tribune, two editorials from the Oregonian and one from the portland tribune. Please place this letter with this attachments in the record of materials for this proceeding. Thank you.

Neilson Abeel: My name is neilson abeel. I reside at 1325 nw flanders street in the pearl district. And I want to introduce myself as a geographic elitist who moved to Portland from park avenue, new york and bought a blatted warehouse on a dirt street that is now become part of a federal historic district. My wife and I renovated that building with our own personal funds as it was unfinanceable and just to admit my takings from urban renewal funds we actually later on in the preservation of our building went to the urban renewal funds and we reinstalled a historic steel canopy, which the city, which the urban renewal funds helped us pay for. I am a founder of the pearl district neighborhood association I was the chair of it for six years. I have been very active in watching this river district urban renewal area develop. And I am appalled and astounded that city council is considering the idea that within the laws of the state of Oregon urban renewal areas and districts that you are going to treat urban renewal areas as a bucket of money that can be picked up and taken and placed anywhere. I think you are on a slippery slope legally. City attorney has registered those slippery pieces of this proposed idea of creating unrelated and uneconomically developable sites seven or eight mile away from an urban renewal district which is defined by law. And I just want to point out to you that you've heard testimony today about the additional projects within the river district that I wanted to be sure that you understood that their even a couple more that are going to take the attention of possible urban renewal money that should stay in our district. One is the customs house on the north park blocks and the other is the extension of the north park blocks in the parking lot of the 5-11 northwest broadway building which has been committed to by portland to be an extension of the north park blocks. The river district has been a success both because of private development and because it is an urban renewal district. It has created residential density both in market and in housing authority of portland it is more importantly created office and employment and cultural institutions and that's what urban renewal areas are about. When you try to steal from them you are trying not to complete what has been a success. I have great sympathy with the rest of Portland but in the river district we have created an economic model.

Fish: Is it your intent mr ames and your estimable assistant mr ames to come back when we take up the next item? Because you've alluded to the satellite district and some legal issues. Were technically now addressing the prior resolutions. Do you intend to come back and flush out your concerns with respect to the satellite district issue?

Ames: In diffrence to time I think commissioner the material that were submitting will cover both.

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Fish: Are you going to remain for that discussion? I haven't had a chance to see what your submitting. If we have additional questions we may call you back up.

Potter: Please call the next three.

Oliver Norville: I've distributed a statement which you've all received now I'll read from the statement in the interest of time. My name is oliver norville. I'm a retired attorney. I served as legal counsel to the portland development commission from the time of its organization in 1958 until 1986 and assisted in drafting the charter amendment which created the portland development commission. I was actively involved in the passing of the constitutional amendment which authorized the use of tax increment financing in the state of Oregon. I drafted and presented to the legislature legislation implementing tax increment financing. I appeared before the legislature over a period of more than 20 years defending urban renewal and tax increment financing against claims of abuse many cities throughout Oregon and drafted much of the legislation which is presently contained in the statute which responds to the suggested abuses. Over the last 50 years I've represented many agencies throughout the state of Oregon carrying out urban renewal programs utilizing tax increment financing. For some time I've been concerned about the use of tax increment financing by the Portland development commission and the City of Portland. I expressed by concern on a number of occasions to legal counsel for the portland development commission and on at least one occasion to the city attorney. These concerns involved the use of tax increment finances for programs and activities which went beyond the urban renewal programs and were a benefit to communities as a whole rather than to the urban renewal area contained in the plan. When I learned that the Portland development commission and the City of Portland were proposing to establish a satellite district and extend funds for the construction of a new school it was my opinion that such an action was illegal and the worst abuse of tax increment financing which has come to my attention. If this proposed action is permitted to proceed I believe it could result in the complete abolishment of tax increment financing in Oregon. Tax increment tool has been very beneficial to many communities throughout Oregon as well as to the City of Portland. I think the laws of tax increment financing is a tool to remove blight and rundown areas throughout Oregon would be extremely harmful to many communities in the state. For the above reasons I strongly oppose an amendment to the river plan which would permit financing for school purposes in a noncontiguous area and unrelated for the purpose for which the plan was prepared. I also oppose amendments which would expand the boundaries of the plan. The proposed amendments are not well defined and do not meet the legal requirements of the discussed statute. I trust that the council will consider all of the objections made by me and others who are opposing the proposed amendments to the river plan and will not adopt the amendments providing for school financing and satellite areas do not specifically meet the requirements of the law. When the purpose of the urban renewal plan have been met and the conditions of blighted removed from the area financed with tax increment funds a project and plan should be terminated and the assessed value returned to the tax roll for the benefits of various taxing bodies affected. To continuously amend the plan to incorporate new activities which do not meet the primary test of removing blight are improper and result in the use of funds which property belong to the various taxing bodies. Taxing solely for the people of the state of Oregon to the legislature on the basis of it being a self liquidating program which financed itself and which upon completion would result in a benefit to the entire community. To utilize these funds in a manner inconsistent with this purpose is to violate the trust given to the urban renewal agency by the people in the legislature.

Potter: Thank you.

Jeff Tashman: My name is jeff tashman. I am a consultant in urban renewal and a citizen of portland. I know that the issues that your dealing with today you've devoted a lot of energy over a

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long period of time. And there is momentum to keep these things moving forward. I would like to ask that you consider the seriousness, the weight of the issues that are being raised to you and consider the possibility of revisiting these plans, the proposed amendments to the river district in order to resolve some of the issues being brought up. My background has been in the field of urban renewal for 29 years. The last 17 as a consultant up until very recently the Portland development commission was a regular client of mine. I helped the portland development commission write the river district urban renewal plan in 1998. I've helped them on many projects before and since. From a policy standpoint as well as a legal standpoint when a city council considers a substantial amendment to an urban renewal plan considering too the river district. From policy perspective, your suppose to take stock of the urban renewal district and see how things have gone compared to the original expectations. And the usual rationale for extending or expanding the financial scope of an urban renewal area is that it still blighted at the program or projects that were in the original plan haven't produced the desired effects and that more investment and more time is needed to accomplish the original objectives. That is not the case with the urban district. In your proposed amendments, that issue is completely glossed over and the report that is suppose to document conditions of blight there's one sentence that says the conditions of blight in the existing area were reported 10 years ago, well there has been some changes in that district. So the key here is river district is no longer blighted to the extent that the remaining 106 million dollars that you have to spend there couldn't address that. Now I've done a lot of work on the state level and the argument that has worked for urban renewal against attacks from a wide variety of opponents has been that urban renewal identifies problems in an area, it fixes those problems and then it goes away. I don't see us being able to make that argument if you take the actions approving these amendments. Thank you.

Barbara Fredericks: Good afternoon mayor potter, commissioner Saltzman, commissioner fish. I'm Barbara fredericks the first vice president of the league of women voters of portland. How portland uses its urban renewal authority has been a top priority concern for the league for years. Our member volunteers have devoted countless hours attending meetings studying reports and conferring with experts. We have urged the p.d.c. and the city council to use urban renewal financing judiciously because of the impact it has on the schools and on county and city services. We have also urged the p.d.c. and city council to return districts revitalized with urban renewal monies to the property tax rolls as soon as possible. So that the sacrificing taxing districts can reap the promised benefits of our urban renewal investments. The portland tribunes june 12th editorial made a compelling case for completing the river district urban renewal plan within the original indebtedness of the \$225 million. The tribune's editorial states and I'm going to quote "urban renewal as it is being practiced in portland, is an issue that touches the wallets of just about everyone who pays property taxes in Multnomah county and arguably within the entire state. The decision that the Portland city council is slated to make to extend the life of the river district urban renewal area until 2027 raises a number of questions about the appropriate use of such districts" end quote. The editorial articulates well, the rationale for diverting tax revenues from our schools, from our county and city funds and investing them in urban renewal projects. I'm going to read the quote again. "The rationale is that these jurisdictions will make small, short term sacrifices in their tax revenues so that blighted areas can be revitalized but they will recoup that money and more when the urban renewal area is terminated and all new development comes back on the tax rolls. This rationale only holds up though if property is returned to the tax rolls" end of that quotation. Like the tribune and other thoughtful voices many of which we've heard today the league calls for finishing the river district within its \$225 million dollars and returning the newly created 1 billion dollars plus in assessed value to the tax rolls. We appreciate that more projects could be accomplished with the proposed additional spending including low income housing which the league supports but residents in those buildings need county services. They need good schools and

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other support to succeed. Ending the river district on time and as promised will allow the public to reap the rewards of its long term investment in the area and stay true to the intent of Oregon's urban renewal statute. Thank you.

Fish: Mayor may I?

Potter: Yes, just a second.

Fish: I'm sorry, in the off chance that your not back for the next item that were taking up I want to if I could ask you a couple of questions. Because I thought your testimony was very thoughtful. Starting with you Mr. Tashman. As I listened to you talk about the challenge of determining when blight has been cured it reminded me of a larger societal debate we have about when has affirmative action achieved its goals and we have the same public discussion about what's the trigger what's the moment we say that some task has been completed and in this case there could be a statutory consequence of that. So my question is what in your judgment is the proper measurement of when blight has been sufficiently cured that it would be inappropriate to either extend or amend a district or proceed further?

Tashman: Well I wish there was a clear cut answer to that its very dependent on the facts. I think that the judgment that the river district is not blighted is based - - you know I don't see it like a fine distinction where there's some clear criteria and this situation just manages to meet those criteria for when its finished. This is a district that is the most visibly successful of urban renewal district in the history of the state, certainly in the last 25 years. And it's an issue that the City of Portland, city council has gone on record in resolutions adopted by this commission stating that the river district has been an unparalleled success. So when I'm saying that I don't believe the river district is blighted, first of all I'm saying there aren't conditions of blight that couldn't be addressed within the remaining resources. There are substantial remaining resources. I'm not arguing it should be stopped. But if I think by any standard that anybody would likely come up with in terms of assessed value, jobs, economic vitality, adequacy of public facilities, the river district does not meet - - you could not go to the river district today and find it blighted for the purposes of urban renewal plan and what's in front of you has gotten around that problem by just saying we found it blighted 10 years ago and its still blighted.

Fish: Thank you and Mr. Norville your not related to Darcy Norville are you?

Norville: Who? Yeah I am I'm related to all the Norville's.

Fish: Oh you are. I'm a big fan of your niece, cousin, daughter whatever. Question I had for you is, you've been identified in the media as being a kind of a purest on these questions and I'm curious if the proposal before council was to use tax increment financing money to construct an elementary school within the river district would your position change?

Norville: I think it would be a much closer question into the extent that it was determined that it was a very needed facility it could support a possibility of at least a portion of that cost. In the federal program which initially defined all things you could or couldn't do, schools were not really considered a proper beneficiary of urban renewal. However I think were not operating strictly under federal rules now and that's a possibility you could. What they did was where there is a benefit which is of general concern to the community as a whole or generally benefits the community as a whole; the federal government permitted something like 20 or 25% of that to be paid for with urban renewal funds and I think that's true of a lot of things. For instance you mentioned the county buildings here. generally I don't think when your benefiting the county it's a general benefit to the community as a whole and I think you can kind of go on a percentage basis. Its not in the statute we talked about it before the legislature from time to time people have raised the question, can you build a city hall? I don't think it's appropriate. Can you build a ball park? I don't think it's really appropriate. Its that kind of issue you have here and I think it's a closer question I think in this case its clearly not permitted.

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Fish: Thank you. We also recognize that our charter doesn't speak about education. So were not addressing whether it would be permissible under the charter but were looking at the state and federal law question.

Norville: No, no you have to understand that an urban renewal agency when acting as an urban renewal agency acts solely pursuant to state law, not the charter. Charter simply created the development commission and designated it as the urban renewal agency under chapter 457. There aft it has separate powers, the development commission has separate powers. But those are not urban renewal powers they are derived strictly from o.r.s. 457 you have to find it there.

Fish: One other question sir. There's been some commentary in the press and here about a slippery slope and about a precedent being set and the absence of any coherent boundaries in terms of where we go from here. In reviewing the materials though I went back and looked at the underlined ordinance or resolution which does set forth some specific limitations on the ability of future councils to consider a satellite district and it has to do with specifically the timing has to be a mature district after 10 years then there has some limitations on the amount of money and other things. Is it your view that those limitations have no effect and are meaningless or would you acknowledge that they do in fact limit what the council can do with respect with satellite districts going forward?

Norville: I don't think they can permit satellite districts at all period. I think it has to be contiguous. I don't know of any - - there's two projects that exist in the state of Oregon that I know were noncontiguous. One was divided up later on, that was in Oregon city. One here was separated by a river I think that was highly questionable. I don't know one in the united states which has been noncontiguous.

Fish: Finally mayor if I may. I haven't had a chance to review the materials you've just submitted to us but since you're here I think it's worth asking. I think the original vote on this matter was 5 - zero by the council. Were now coming back to review the next step. Assuming this council by a majority vote moves forward on this, is it your intention as petitioners here today to take further legal action on this point? Is it your intention to go to l.u.b.a. or exercise other rights?

Norville: Well that's not my decision there's a group that's organized and I think that the intention is in that direction if they intend to proceed but that's not my decision.

Tashman: The group, and I'm not the leader of this group I got promoted there but, the decision is we have consensus on the material and the testimony that we submitted today, specifically on the letter the written material and the decision about whether or whether not to legally challenge the plan is one that we had not made yet.

Fish: Thank you mayor.

Potter: Thank you folks.

Shelley Lorenzen: Good afternoon mayor potter, commissioners my name is shelley lorenzen. I'm with the league of women voters. We, I just would like to say as a matter of process it's amazing to me that we are talking about more than, were talking about doubling the amount of urban renewal debt in or city from 600 million to 1200 million, I mean to 12 million. 600 million to 12 million.

Saltzman: 1.2 billion.

Lorenzen: Sorry. And we have we have our mayor elect is missing and another council member and I just think its unfortunate that we have scheduled this hearing on a day when we don't have full council present the numbers that we are talking about indebting the city to are so enormous I think it should be heard by all five commissioners. Four years ago when the urban renewal district for downtown waterfront was set to expire the league proposed we thought the district should end but recognized that oldtown Chinatown needed more urban renewal investment. We proposed that that time the downtown would expire and oldtown Chinatown would be folded into the river district as much as many acres as would be permitted by law which would have been 61 and that the

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significant amount of the remaining revenues to be spent in the river district be redirected to oldtown Chinatown. Well the council at that time was very enthusiastic unanimously endorsed that idea, sent it to the p.d.c. and said can we do this? Is the league right? The p.d.c. commission appointed a committee they studied the issue and conclude that yes indeed that could happen. The matter then languished for four years and here we are today. We sometimes say we feel like we've opened Pandora's Box. You know the idea was to not more than double the amount of indebtedness of the river district. More than triple the negative effect of taxing jurisdictions. We're going from 70 million dollars lost revenues to the city to the county to the schools under the original 225 million dollars indebtedness. Now with more than doubling the debt we are adding we are coming to a 200 million dollar hit to each of those jurisdictions and I find that absolutely extraordinary. You've heard a lot of talk about blight today, this is not about blight. This is about the whole basis for this proposal has been that the river district is a success and lets do that money to do more. That is not how urban renewal is supposed to work. You're supposed to work yourself out of the job. We've gone from 300 million dollars in assessed value to almost a billion and a half. If we end the district on time four years from now they say the debt could be paid off over a billion dollars in new assessed value could go back on the rolls and the taxes flow to the appropriate taxing jurisdictions. Instead were talking about extending it out 20 years and - -

Potter: You're time is up. [gavel pounding] Mame - mame - -

Lorenzen: forgoing an amazing amount of revenues. Mayor potter may I just say I just as a matter of process. You know you have invited guest who have unlimited time to speak and those who have a different perspective on the issue are limited to 3 minutes on a very complex question. It's really very frustrating.

Potter: I'm sure it is. It's probably frustrating to everybody. We do have to have things done in an orderly and timely manner so thank you.

Veronica Bernier: - - this has been an overlong meeting and I'm going to make mine short but sweet. Its 12:30 and I understand the issues. I just have to say this. From a historical point of view portland has roots that go way back and throughout the lifespan and have important relevance for the future. Historical preservation of these buildings in our district has merit and when they are remolded is what we would like to advocate is the entire opposite point of view that this board has been going - - -we want to encourage vintage restoration and Victorian consultation and architectural planning. And mainly restoring the older architects views of those districts. The reference is to hoffman and schiller and also bill windburgen. An older friend of mine from the haight ashbury. Who has worked an amazing extents in restoring Victorians in 1920's, 30's and 40's era buildings. He has an expert hand with it and I think people like that can really support our built environment. New isn't always better. I always say retro to the old to pick up new solutions for the present. And I think this is true. We all love the older buildings according to portland state university urban planning professor, doctor seymour adler and also mrs ruth skinner, psychology department and tim hardy, one of our best counsel general deFrance instructors. Older buldings are fine just the way they are with just a little bit of touching up. And also my former professor Antonio yoyano, who is Italian, you can tell norther Italian, but anyway, Antonio yoyano always said that buildings breath. And the older buildings seem to breath better when the people are around. And of course the health of the building is important when you first walk into these old Victorians you can tell the timeless, ageless quality of them. So were for restoring the old and keeping it that way and I just want to support that idea. Thanks a lot opposing point of view equal time.

Paul Verhoeven: Good morning mayor and commissioner Saltzman. Paul verhoeven, executive director of Portland Saturday market and I serve as the cochair of the oldtown Chinatown land use committee. I want to touch on a couple of things and I to just kind of leave out the satellite district out of this. I think a lot of the testimony we've heard I haven't heard anybody argue against the

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legality or the wisdom of adding acreage in oldtown to the river district. It's contiguous to the river district existing boundaries and I think it's well within the laws to do that. It's important I think as the league of women voters has brought up to finish the work in oldtown and I think this is the way to do it. I would argue with anybody who doesn't think that there's blight to be dealt with in oldtown to come down and spend a day with me and I'd be glad to take them around and show them the properties we're talking about. There's some key catalytic opportunities that are before us still in oldtown to finish. We have the fish blocks across from the Chinese garden, we have block 25 where the blanchet house is, it's a full block that blanchet is on an eighth of the block and the rest of it's p.d.c. property now that's been sitting underused as a parking lot for years that now has a chance. We have block r across from the greyhound station that's been sitting vacant every since they tore the hotel down there, probably 20 years or more. We've block 8 and 13 the import plaza, old import plaza building and the lot across the street from it that are surface parking lots and an old underused building. Then we've got the goldsmith blocks a full block parking lot that has a chance of getting an oriental grocery store on it. This work wouldn't be possible without tax increment funding. Oldtown neighborhood is unique and it's important because it has two historic districts in it and also it has a lot of the social services that serve the downtown and the city as a whole. If the city treasures these things and historic districts in providing social services, the city as a whole has an obligation to help us in the neighborhood to make this work. And the proposals before you today to annex this into the river district I think will help meet these goals. The oldtown neighborhood supports these goals the land use committee supports these amendments and I urge you to approve them thank you.

Potter: Thank you.

Marion Haynes: Good afternoon mayor and commissioners. My name is Marion Haynes and I represent the Portland Business Alliance. My testimony will speak to the next agenda item as well. The alliance supports the use of urban renewal as a critical economic and community development tool for the city. Urban renewal though focused on specific geographic areas within the city ultimately benefits the entire community. Through the use of tax increment the city can leverage private investment which increases property values and revenues that flow to the city, county and schools to support critical services. We participated in this process from the beginning and while we originally had called for early deficient of downtown and south waterfront. What became quickly evident was that the needs far outstripped the resources that were available. We do support the expansionary amendment as it is critical to moving forward to with significant redevelopment opportunities in oldtown Chinatown along Burnside Couch in the retail core along with other projects that are within the current boundary. Urban renewal resources will help insure the financial feasibility of these critical projects and allow them to move forward in a timely manner. We encourage you to ensure that the plan findings are adequately described for urban renewal statutes to be in full compliance. With the respect to the satellite amendment, the alliance has previously expressed and continues to have concerns. We applaud the city for acknowledging and looking for solutions for David Douglas. The business community in partnership with the city has financially supported all of Portland schools numerous times over the past several years. We fully support a strong educational system as critical to the community's quality of life and economic vitality. However, we remain concerned that the satellite district may be beyond what is authorized in urban renewal statutes. This is a significant departure from traditional use of urban renewal throughout the city and the state and raises issues regarding its legality. We believe the legal question of whether a satellite district is authorized by statute should be settled before moving forward. To not do so could jeopardize David Douglas' plan which would not benefit anyone in the long run. Urban renewal has been authorized by the state of Oregon for over 15 years. During that time it has helped accomplish numerous economic and community development goals. The expansion will allow this to continue. But a proposed use of noncontiguous districts is a radical

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departure from historic use and intent of urban renewal law. We are concerned about the impacts of such a departure on the integrity of urban renewal and the City of Portland and the entire state of Oregon. We recognize there are needs throughout the city. Urban renewal is not the only tool at the cities disposal and is not the appropriate tool in this circumstance. Thank you.

Fish: Mayor, may I ask one question?

Potter: Yes.

Fish: I apologize, I don't intent to extend this hearing forever but there are some things I'm trying to get up to speed on. And I was struck by what you just said about the legal issues should be settled first. And I just wanted to invite more thought on that. There are several ways that I can imagine we could settle the legal issues. We have opinions from noted attorneys and those opinions don't carry the weight of law. They are advisory. The legislature could take some action, to either clarify certain terms that are in the existing statute, or frankly either explicitly authorize or explicitly close the door on this mechanism.

Haynes: Correct.

Fish: And the other would be that another body would review whatever the council does and issue an opinion. And so what is the preferred mechanism that you would like to see to settle the issue?

Haynes: Well I think there are ways in which the city could see clarity on whether this would be allowed under statutes by the courts prior to making a decision on that and that would be one option. As you said you have outlined the others. Those would take a little bit longer, but there are avenues through which you could ask that question.

Fish: Just so we're clear if the Council does proceed on this there is the opportunity for someone to take it to another body to get a legal review and in this case luba. And luba would have the right to either affirm or reject what the council has done and set forth a legal basis for that.

Haynes: Correct and I guess our concern is what that does to the timing and to david douglas' plans who rightly have some problems that they need to address. Is there a way that we can get to a decision earlier rather than a protracted process.

Fish: I appreciate that comment particularly since some pdc materials we've been provided with have this budgeted at 2011-2014 in terms of the money for this project. So I think that point is very germane and I hope to get some clarification on that with the next panel.

Potter: Thank you. That's it?

Moore-Love: That's all for 815.

Potter: OK, items 813, 814 and 815 are non-emergency ordinances and as such they will move to a second reading next Wednesday. Please read item 816.

Item 816.

Bob Durston, Portland Development Commission: I'm Bob Durston from the Portland development commission and with me today is Barbara Rommel from the david Douglas school district. She's the superintendent and volunteer frieda Christopher, david Douglas board chair. I want to thank them for spending time with us today. We had a power point. I seem to have figured out how to turn it off. I'll give you a little overview. We've already touched on this topic. The urban renewal advisory group did look at the question of capacity in river district and recognized that it was a very healthy district with significant financial capacity. And it did look at options of releasing that capacity in different ways. None of which were simple. They looked at releasing some of the property actually, taking some of the assessed value out of the district. That would involve an entirely new and fairly complex mapping scheme. The other idea was—and this is one that is still there—is that in the older districts, the option 3 districts, downtown, waterfront and south park blocks, are older option 3 districts. It's a statutory option that we were granted for those older districts when we went through a number of property tax reform process at the constitutional level. And in order to preserve those existing urban renewal areas that actually fixed the increment growth within the district and any growth above that would be released back to the taxing

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jurisdictions. For a decade now downtown waterfront and south park blocks, the growth in those districts is actually been returned to the taxing jurisdictions. Unfortunately when the legislature created the ongoing urban renewal system, new districts don't have that option. And once you create a district, the increment is captured forever as long as the district exists. So having looked at those various options, then commissioner Erik Sten, member of the advisory group, made this proposal as a way to release some of that financial capacity so the benefits of the river district could be shared in other areas of town—other less fortunate areas of town. At the same time he'd been talking to schools throughout the community with the schools, family, housing initiative, I believe and entered in conversation with David Douglas School District which identified very serious problems of being able to meet the growing number of school children who are coming to their district. To the point where they needed new facilities. In Commissioner Sten's perspective a lot of the growth that was generated by the success of downtown, now just river district, but downtown, was actually promoting some of the real estate inflation of the local housing market. And as families looked farther east to find housing, it was typically families with children. We saw more and more of our lower income families moving east and impacting the schools there. So the advisory group considered that and were a little concerned about this mechanism. It hadn't been done before, it certainly hadn't been done here in Portland. So they were a little concerned with it but they said, if the city council gave us criteria for which a satellite district could be formed, and if they designated David Douglas as the first target for a satellite district, we will make sure that our advisory group recommendations would allow that to happen. So the advisory group set aside some acreage, recognized some resources would be necessary for this to move forward and on March 12th the city council passed two resolutions. The first resolution did in fact outline the criteria under which a satellite district could be implemented. It has to do with a district more than 10 years old that has been very successful. And it was designed around river district, to be honest. The second resolution was specific to David Douglas and I think it did a very good job of outlining why David Douglas should be a satellite district to river district. Consequently the resolution directed PDC to take actions to create an amendment to create this satellite. What's being proposed in this agenda item reflects the first amendment to the new river district urban renewal area. And with that let me show you the specific geographic area we're dealing with and then I'm going to turn it over to Barbara to walk you through what she has envisioned for the site. This is a site, just outside Lents urban renewal area. It's about 8 ½ acres. It is undeveloped in the sense that the water, sewer, transportation infrastructure isn't there. There is—I believe it's contiguous to the Johnson Creek watershed, so there's some environmental issues there. But it also creates a very good opportunity because it is surrounded by a fairly dense and growing residential area. And with that, I will pass it over to Barbara to explain what she has in mind for the site.

Barbara Rommel, Superintendent, David Douglas School District: First of all I want to thank the urban renewal advisory committee, the PDC, Portland Planning Commission and especially city council for your vision and leadership in developing this amendment and moving it toward actuality. I've been a Portlander all my life and I've lived in every quadrant of the city. Your consideration of this amendment is the most tangible action to demonstrate that we are one city, than any effort I can remember. The school and community center that is proposed as part of this project, after it's constructed, it will employ about 60 people on a full time basis. Those are new family wage jobs. And another 25 people on a part time basis. These are new jobs that meet one of the core functions of urban renewal areas. The school community center will serve an area of the city that is lacking in—certainly in school facilities—because the number of students we have moving in to David Douglas is increased substantially over the last 10 years. But it's also an area of the city that needs more community centers. Places for people to gather. And this facility will have areas in the facility that will be open to the broader community to take classes, to stretch their job skills, to learn about the diversity in the community; and it will also serve preschool children and

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help them get a good start to their own educational and successful life. I urge you to approve agenda item 816. It represents a vision that resources from a more affluent area of the city can be directed to serve a less affluent area. It emphasizes a vision that we are one city. Thank you for your consideration.

Frieda Christopher, Chair-elect of David Douglas School Board: I also am a member of the gateway area and have been since prior to its inception and I recently joined the east Portland action group as well. So I'm very familiar with not just the educational needs in the district, but just the whole area in outer east Portland. I'd like to say that gateway is very envious of the success of the urban renewals downtown. They have done a wonderful job. They have taken areas of blight and made them vital areas. Because of that the values have raised of property in their area. What I call a halo effect, the values have raised also in areas far exceeding those urban renewal, to the point where it does have an adverse impact in some ways. The unintended effect is the movement and shift of population to the outer east side and especially to David Douglas. I've gotten really interested in tax exempt property and affordable housing etcetera working through gateway. And so I took some time myself and did some studies to look at what has happened to that tax exempt property. What we were noticing was an increase. So with the numbers in 4 years it had increased 23% in the David Douglas area and of that 23%, 63% was in affordable housing. We saw section 8 housing increasing east of the city over 960 units. And that doesn't sound like very much, but when you took the breakdown—and this was right out of a hap map—is 1,083 were in five in the 6 zip codes that encompass David Douglas. And there was a decline of 121 west of 82nd. So you can see how that has moved. What we saw in our school district—and I've been doing volunteer work in David Douglas for 32 years—is we've seen increase in our free and reduced lunch. When my kids were in school, their local school, Lincoln Park, had one of the highest free and reduced lunch rates. We were up there, close to the 70%. Now that's a district average. We have schools with over 80% free and reduced lunch. We have increase in our ELL population that has just grown astronomically. And we deal with over 40 languages in our district. But we have a marvelous staff that has embraced this change and diversity. In fact, many of our community members like the diversity. But it does create needs. Our population is over 10,000. We tried to pass a bond in '06. It failed. I don't think it failed because our residents do not support education, in fact just the opposite is shown throughout our district. Just they couldn't afford a third bond to add more classrooms. Our school board has taken upon themselves to find general fund money. We've added 21 classrooms to our high school, we currently are adding 6 classrooms to one of our middle schools. Another middle school, Ron Russell, that just opened a couple of years ago—we're adding another 8 classrooms to deal with some of this population growth. But we do not have the funds to add a whole new elementary school up on our Deardorf property that we own. We are pleased the city council, pdc has brought this resolution. I know that we would like you really to consider. I'm pleased they are thinking outside the box. Because I know in gateway we're always talking about that with that urban renewal. How can we make that happen? We have to think outside the box sometimes to get things to happen. And we really appreciate that you are considering this and looking at the shifting population and trying to help David Douglas. This will be an advantage to the community. It will help the children and community and we are all one city of Portland. Thank you.

Potter: Thank you very much.

Durston: The last point, is this a \$19 million...

Potter: Hang on a second.

Fish: I have a question for the superintendent. Cause pdc has put out a document that shows a seven year forecast for spending in the river district. The \$19 million starts kicking in the fiscal year 2011-2012 under their projections. And I just want to clarify, what is your expectation of when you would break ground and when you would need the money to proceed.

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Rommel: We needed that school to open last September. And so any delay in the construction of that school is going to have a serious impact on our class sizes which are already the highest in Multnomah county. So my- you can't do it until you have the money. But the sooner we could do it the better it would be. And we've tried to do all the things we need to do in preparation for breaking ground. Getting conditional use permit and that kind of thing.

Fish: Well bob, can I address the question to you then? If the pdc forecast doesn't have this budgeted until fy 2011-12, and it was the desire of the council to act on this immediately, is there an alternative financing mechanism that has been proposed?

Durston: Once this amendment is passed, that would give us an opportunity to sit down with the school district with our own finance people and the city's finance people and look at interim financing options. Right now the-we would have to look at the budget. We would have to look at alternative financing mechanisms or shift funding priorities.

Fish: And is there a precedent in the city, because once again I'm new to the job—is there some precedent for interim bonding of some kind to cover these costs with the collateral being whatever you get in the out years?

Durston: You know I can't answer that. I think there are creative ways to do interim financing, but it would have to depend on whether we work with the school district to have them find the interim financing or if we do something with the office of finance and management here.

Fish: There's nothing though in the matters before council today which addresses that question, correct?

Durston: No, it does not. Once the amendment passes then we would go full speed in that discussion.

Fish: I just want to be clear with Barbara, here, that some of my questions are designed just to anticipate plan b, c and d here. And I don't think there's anybody that is part of these conversations that doesn't believe passionately in educational equity. But there are interesting issues about the means to the end that part of my interest is understanding what those issues are.

Durston: To conclude, there is a financial impact on the taxing jurisdictions due to the increase in maximum indebtedness to \$19 million. I also will take this opportunity to enter into the record the resolutions passed by the Council that directed us to create this item before you. And that concludes our presentation.

Potter: How many people do we have signed up to speak?

Moore: We have 8 people, kyle riggs, Deborah baker and dan Yates.

Deborah Baker: Good afternoon. My name is Deborah baker and I am a homeowner, I am a parent of three children who attend david Douglas school district as well and this past year I have been employed with the david Douglas school district as an overflow instructional assistant. When I went to get my information together to present to the commission and to the community as large I had statistics but my colleges and friends have covered that. what were really here today to talk about is not to convince the commission it to convince the opposition. And what were really talking about here is not legalese its not about who's money belongs to who and boundaries. Its about educating our children. And we've been given a perfect opportunity to teach them the most important thing and that is how to be a citizen in a community. Because that's what were doing, were a community gathered together to do what's best for one another. In this case its educating our children. David Douglas is a district that has oft been ignored. Sometimes invisible to the city, its citizens and its constituents but it's a district that has done a lot of good for our students. We have programs intact that are nonexistent in schools district across the nation. But we do this at the cost of class size. Our average class size is 28 to 30 students per classroom. With many teachers without aides but we do this to keep those programs intact. If we were to build a building on Deardorff property with these funds, its going to alleviate some of that crowding. Crowding that exists because of the influx of people like myself raising three children that need to buy a home. I

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moved from north portland before it became a renewal area into southeast where I could afford it. Many families are doing the same thing. The rising house costs are forcing people out into our area which is putting a strain on our facilities. We are in desperate need of schools. It's a small sacrifice which is going to be repaid in myriad ways down the road. It's going to be paid back by students that are getting a quality education. Their going to take that positive affirmation that they get from school and put it back into our community. Their going to grow up to be positive adults with a good education that get good jobs that bring business into southeast portland and that's going to bring life into our community and those tax dollars that were all so concerned about are going to go right back on the books for the next good works that were going to do for our city. This is a time to teach these children how to be members of a community in a time of such economic and political division what better chance do we have to teach them the most important lesson. This isn't about Portland this isn't about the nation its about how to be a citizen globally. So let's take this opportunity and put all the legalese and boundaries aside and work together as a community as a whole and for those of you that want to take legal action here's my suggestion to you. Why don't you pull that money that your going to spend on those legal expenses and donate them to david Douglas? There's another solution to your problem. Thank you for your time.

Kyle Riggs: Mayor, commissioners, my name is kyle riggs. I'm a member of the citizens advisory committee for the david Douglas school district. My kids go to public school in portland but I get a little frustrated when I hear about the problems in portland schools and all the issues that their having. They usually don't resonate with me very well because while my kids go to schools in portland their in the david Douglas school district. With respect to people that have spoken here today, we aren't making our high schools into smaller individual academies and were not closing or consolidating our schools. To try to find ways to better educate our kids. We already know what we want to do and we know how to do it and we do it very well. My issue is that our schools are really starting to have a problem doing what they do. The problem were having is maybe an unplanned side effect of some actually some very effective city planning. The city successfully raised the value of property close in and rezoned the property where we live to support a higher density. In doing this we have caused a very measurable and visible trend. Our neighborhood through zoning just in the last year is at an enormous amount of residences. Some our single family homes, some are row houses through the city planning we added apartments like leander court. Some of the members of the council are familiar with that it's a rose city, excuse me it's a rose community development corporation with a nice write up on the p.d.c. website. All this growth in our neighborhood and all this growth in our school district was a result of city planning. All this city planning has had a side effect and its brought an element into our neighborhoods and into our schools schools. Its not a bad element it's a great element. It's brought families with kids and what neighborhood wouldn't want that. Its just that its brought a lot of kids. So as I said earlier my issue is that our schools are really starting to have a problem doing what they do so well. There are just too many kids for these schools. If you look at the enrollments in portland and look at the trends you can truly see that these kids do come from somewhere. Are elementary schools, especially those on the south end of the district, where I happen to live are well past capacity. There so full now we actually no longer have room to keep all the kindergartens at them anymore. But the families keep coming. There's just too many kids like I said but they are are kids and as was mentioned their portland's kids. I did mention earlier that I'm on a citizen's advisory committee for david Douglas. This year we studied the need and potential uses for this new school and we had tremendous community feedback. We had response to a survey we sent out from over 1400 families. People in our community are excited about this school and even planning for it. And their even looking forward to the community aspect of it as well. I've heard today a lot of people and their views on the money from the p.d.c. and I'm no different than they are. I have an angle, I want the money. I want it for these schools, I want it for these kids and I don't know how you do what

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you do I'm not in government but you guys are the ones who take care of this stuff so I would just ask that you do what you need to do to get us this money for this school because we would really appreciate it. Thank you.

Dan Yates: Good afternoon commissioners, mayor, congratulations commissioner fish on your first meeting. My name is dan Yates, I'm the president of the central eastside industrial council. I'm going to read a letter from our board. Central eastside industrial council board recently addressed a topic of satellite urban renewal districts. The CIC has long participated in CES urban renewal district and many of our members have extensive experience in the purpose, execution and limitation of urban renewal law. It appears the Portland city council is determined to use urban renewal funds to address issues that are beyond the scope, intent and the construction of the law and are therefore illegal. The central eastside believes the general theme that government should follow the spirit and the letter of the law. The city council should set the tone at the top of the city government as one of abiding all laws not just once which it agrees with. If it disagrees with laws, it should work to change them not ignore them. If the city council disregards the law it sends a signal to other components of government that it is acceptable behavior and soon bureaucrats at lower levels follow suit and pick and choose laws they follow. This results in a breakdown in trust and respect between government and the public. In the central eastside board's opinion, the p.d.c., which operates under state law has a fiduciary to all taxing entities who's revenue are diverted for urban renewal activities. This responsibility is to eliminate blight, increase a tax base and return their properties to the tax rolls. The City of Portland share of diverted taxes is about 40% depending on the district. The balance comes from other districts such as Multnomah county, public schools, police and fire disability and other tax basis. By taking an active roll in the p.d.c.'s budget decisions the portland city council assumes the commissioners obligation to use the funds within the limits of its fiduciary responsibility and urban renewal laws. The central eastside is concerned that satellite districts are beyond the spirit and intent of the law. We believe satellite districts will not withstand a legal challenge. Is it the role of government to shop for legal opinions and promote questionable legal positions? We think not. Respect for law, and rules as waning and if government chooses to not follow its own rules, how can we prevent citizens from picking and choosing the laws convenient for them to follow? We urge you to ensure the recent amendments to the river district, u.r.a. conformed to the law. Thank you.

Parsons: Next oliver norville, jeff tashman, mary ann schwab -- they will be followed by shelley lorenzen and nielson abeel.

Potter: Are there additional names?

Parsons: That's it.

Potter: State your name when you speak. You're limited to three minutes.

Shelley Lorenzen: Speaking in the order we are called or any order?

Shelley Lorenzen: Shelley Lorenzen again from the League of Women Voters of Portland. You know, we hear the concerns of david douglas and we think -- this process has brought those to the floor, which is a good thing. I guess a question I have for the council is why don't we draw david douglas into the Lents urban renewal area -- it can be done and not have this issue of the satellite question and not be subject to challenge. There is \$170 million on the table in lents. It seems if one could carve out a \$19 million piece for david douglas. So, I would like to make that proposal. Another proposal would be to end the urban district in the river district, take back your \$100 million that you would have flowing back to you to the general fund and spend the money in david douglas if you are legally permitted to do so. They have a need. Urban renewal money is just not -- is just not the way to do it under the proposal before you today. Commissioner fish, you had asked about the way the -- a resolution was drafted that council adopted earlier, and did the constraints on the satellite somehow make it okay. I think the constraints on the satellite proposal of exactly what makes it not okay. And as mr. durston said, the resolution designed to

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only allow districts that are successful to have satellites at the ten year point. When districts are successful, they are to end and the money to go back to the -- foregoing taxing jurisdictions. That is a big problem with the limitations and the resolution. The characterization here has been take from the rich and give to the poor. And I just want everybody in this room and in this community and including david douglas, to understand that we're not taking from the rich and giving to the poor. We're taking from schools, county services and city services. The david douglas stands to get \$19 million, under this proposal of adding or over \$300 million in debt will mean a \$200 million loss to schools statewide. It will mean loss to schools from the option. It is -- \$19 million is the tail wagging the dog here. I have more time. Thank you -- I will end. Thank you very much.

Mary Ann Schwab: Mary ann schwab. For the record, I have been 30 years trying to get a Washington monroe -- recreation center within the inner city. We have been working with the central industrial east side, Portland public schools, southeast uplift public transportation and land use. My concern is the process. Taking a -- it has taken us so long to get a boundary shifted 6.1 acres, we had to wait for the proper time lines. I have a solution for david douglas, and not just david douglas but all schools in the district. We have gold, expensive gold within Oregon agriculture and hops. We have the best hops grower in the world, so much so that anheuser busch sold his company for \$46.8 billion to a company in germany. Their lobbyists have tied our hands in Salem. Some of the champions for time for a dime, dime a drink, malt recovery fees for people who abuse those products have been constantly centered in committees. We have to rally around and raise that beer tax from $\frac{3}{4}$ penny per 12 oz container to 10.1, which would put \$60 million annually into the general fund, freeing up money for things like david douglas. Measure five injured us. Measure 49, we constantly tweaked the system. Those with money can tweak it. Those of us that are just advocates for every day citizens, and it is frustrating to come in here and go for three minutes and try to make a sensible point. What I had prepared to say after listening to the other testimony, I am not going by my plan here. There is money out there. We can work together. I am familiar with david douglas. I walked the first safe routes to school. We had eight of them. I am concerned about the children's safety walking to and from their schools. We want kids in school. This council has constantly rescued Portland public schools in Multnomah county, five school districts to get more money to keep the kids in school. We need to keep our kids in school, we need to educate them. Another possibility, why not bus the kids to one of the underused schools in Portland public schools as what happened as they had the floods in the river down on the willamette. We can band aid this until 2011. We can fix it by lobbying the capitol -- we voted good people in there and collectively we can make things happen. Thank you.

Neilson Abeel: Mayor Potter, I want to reiterate under this item, 816, and make it clear as a river district, pearl district resident, that this -- our opposition to this is not trying to affront the david douglas school area. What we are looking at is a city, a council that is trying to solve a problem with a policy that is not legal. Urban renewal districts run under Oregon state law and the satellite district, as you have heard from experts, has neither precedence nor legal standing. This entire situation was created by a councilman that is no longer on it. I quote from the "oregonian" this morning who quoted former councilman Sten, who put this procedure through, and I want to emphasize the word that he used in the quote. It is not just poaching money from the river district, I think it is a new way of seeing a relationship between the successful downtown and outer areas of Portland. What I want to bring your attention to is his use of the word poach. Poach in english refers to an illegal act of taking something that you're not legally entitled to. And as far as procedure here, I want to echo what shelley has talked about that this is an incredibly important item, all items have been incredibly important and have great financial consequence to the city of Portland and to the state of Oregon. And to have two of your council not here today and to have other -- and to have some of the absent councilmen also quoted by the "oregonian" talking about they've got the muscle in salem to change the law, I also point out to you that I believe the city

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lobbied the special session of the Oregon legislature this past february on changing the urban renewal law and was turned down cold. Thank you very much.

Moore-Love: That is all who signed up

Potter: Okay.

Potter: This, too, is a nonemergency ordinance, and we will move to a second reading. Are there other questions, business that we need to proceed before conclude?

*******:** To enter into the record, the planning commission's approval of these three amendments.

Potter: Okay.

Potter: This is moved to a second reading. It will be a week from today. We will begin the regular agenda. We will have a recess for a half hour, we will be back at 1:45 p.m. to conclude the remainder of the council.

[Council recessed at 1:13 p.m.]

[Council reconvened at 1:50 p.m.]

Potter: Portland city council will reconvene. Karla, please do a roll call. [roll call taken] [gavel pounded]

Potter: The regular agenda, please read item 817.

Item 817.

Saltzman: It's a pleasure for me to recommend the reappointment of these three excellent members of the urban forestry commission. The commission is an integral part of the council's commitment to our urban canopy, and we have a great group of citizens making sure that that commitment stands firm. I know some of them were here earlier today. They all three were here this morning, but I think we wore them out with our urban renewal. I urge reappointment of them.

Potter: Is there anyone signed up to testify on this matter?

Moore: I did not have a sign-up sheet for that matter.

Potter: Is there anyone who wishes to testify to the reappointment? It's a report. I need a motion and second.

Saltzman: So moved.

Fish: Second.

Potter: Call the vote.

Fish: Aye. **Saltzman:** Aye.

Potter: Aye. [gavel pounded] please read item 818.

Item 818.

Potter: Second reading. Call the vote.

Fish: Aye. **Saltzman:** Aye.

Potter: Aye. [gavel pounded] please read item 819.

Item 819.

Potter: Anybody here to testify to this matter? Is anybody from omf or the auditor's office? Let's hold this over until we have someone. Could someone please contact omf and ask where they're at? Please read item 820.

Item 820.

Potter: Now we've got some action.

David Thurman: Good morning, mayor, members of council. Welcome, commissioner fish. David thurman, city treasurer. Item 820 is a fairly routine item that treasury prepares for council on a monthly basis, essentially summarizes cash activity as well as investment holdings as of the end of the reporting period. It's normally straightforward and appears on consent, but if you have questions i'd be happy to take them at this time.

Potter: Questions from the commissioners?

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Saltzman: Appreciate your good work.

Potter: The fact that we don't hear much from you is a good sign.

Thurman: Okay. Thank you, sir.

Potter: Unless we can't locate you.

Thurman: Yeah.

Potter: Thank you very much.

Thurman: Thank you.

Potter: This is a report. I need a motion and a second.

Saltzman: So moved.

Fish: Second.

Potter: Please call the vote.

Fish: Aye. **Saltzman:** Aye.

Potter: Aye. [gavel pounded] please read item 821.

Item 821.

Potter: Second reading. Call the vote.

Fish: Aye. **Saltzman:** Aye.

Potter: Aye. [gavel pounded] please read item 822.

Item 822.

Potter: Second reading. Call the vote.

Fish: Aye. **Saltzman:** Aye.

Potter: Aye. [gavel pounded] please read item 823.

Item 823.

Potter: Second reading. Call the vote.

Fish: Aye. **Saltzman:** Aye.

Potter: Aye. [gavel pounded] please read item 824.

Item 824.

Potter: Second reading. Call the vote.

Fish: Aye. **Saltzman:** Aye.

Potter: Aye. [gavel pounded] please read item 825.

Item 825.

Potter: Second reading. Call the vote.

Fish: Aye. **Saltzman:** Aye.

Potter: Aye. [gavel pounded] please read 826.

Item 826.

Potter: Second reading. Call the vote.

Fish: Aye. **Saltzman:** Aye.

Potter: Aye. [gavel pounded] please read item 827.

Item 827.

Potter: Second reading. Call the vote.

Fish: Aye. **Saltzman:** Aye.

Potter: Aye. [gavel pounded]

Potter: Please read item 828.

Moore: We have someone here for 819.

Potter: Let's return to 819. Please read 819 again.

Item 819.

Jim Coker: Mayor Potter, city council members. My name is jim cokier. This ordinance is approve amendment number one to the city's intergovernmental agreement with Portland state university for development of the city's archive spaces within psu's new academic and student recreation center, currently under construction. Amendment number one adds \$26,000 to the

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project for additional excavation, drain, rock, and a fully sealed vapor barrier under the basement concrete slab. This additional work reduces moisture infiltration into the basement storage areas and was requested and approved by the city auditor's office. That concludes my summary. I'm happy to answer any questions you may have.

Potter: Questions from the commissioners? Is there anyone signed up to testify on this matter?

Moore: I did not have a sign-up sheet for this matter.

Potter: Anyone here who wishes to testify to this specific issue? It is a nonemergency. Moves to a second reading. Thank you. Now please read item 828.

Item 828.

Potter: Commissioner Saltzman.

Saltzman: Thank you, mayor. I'm pleased today to recommend that council approve the name simon and helen director park as the name for the new development, the new downtown park, currently referred to as south park block five. The name was proposed to council on april 30th of this year by jordan spitzer in honor of his maternal grandparents. Mr. Spitzer made two gifts through the Portland parks foundation totaling just under \$2 million to make the completion of this new park possible. This is the first new park to be named under the Portland parks and recreation naming policy adopted by this council in may of 2007. The policy and process seem to be so are far working well. This newest downtown park is an example of what can be accomplished through public and private partnerships and will serve as a community gathering for generations to come. So I want to thank everybody who's made this possible. We have bob schultz here from parks to answer any questions council may have.

Potter: Questions from the commissioners? Is there anyone signed up to testify?

Moore: No one signed up.

Potter: Is there anyone who wishes to testify to this specific matter? This is a nonemergency and moves to a second reading. Thank you, bob. Please read item 829.

Item 829.

Potter: Second reading. Call the vote.

Fish: Aye. **Saltzman:** Aye.

Potter: Aye. [gavel pounded] please read item 830.

Item 830.

Potter: Auditor blackmer here, or someone from his office?

Moore: They just left. Was there a question? Did he talk to you, harry? He didn't, okay. There was a scrivener's error, but is your question regarding the vote on this for commissioner fish or --

Fish: Mayor, I had a chance to confer with the auditor and with the city attorney on this matter, and their opinion is that I am legally permitted to participate in this vote.

Potter: And so is this a scrivener's error that we're correcting or is this the actually --

Moore: It's a scrivener's error on page 2 where they incorrectly listed commissioner Leonard's position, which is commissioner number 4 as 2, but they were just calling that a scrivener's error.

Potter: Okay. This is a report. I need a motion and a second.

Saltzman: I'm pleased to move this adoption.

Fish: Second.

Potter: Please call the vote.

Fish: Mayor, i'd just like to use, if I may, this opportunity to once again thank the people of Portland for the great honor they've given me, and giving me a chance to serve on this council. And it has been a great pleasure since may 20th to be part of this, and certainly since I was sworn in to be a legal member of this body. Again, I want to express my deep gratitude for the vote of confidence that I received in the primary and the chance to serve. I'm pleased to vote aye.

Saltzman: I'm pleased to make commissioner fish legal here by also voting aye.

Potter: Aye. [gavel pounded] please read item 831.

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Item 831.

Potter: Once again, is anybody from --

Moore: They're here.

Potter: Oh, okay.

Sharon Simrin: Mayor Potter, commissioners, my name is Sharon Simrin, and I represent the auditor's office. It is our responsibility in the auditor's office to assess property. Do the actual assessment for sidewalk repair.

Dan Broom: My name is Dan Broom with the bureau of maintenance and the city charter assigns responsibility for maintenance of sidewalks to the owner of the abutting property and establishes basic guidelines for maintaining sidewalks and curbs under title 17 public improvements.

Potter: Are there questions from the commissioners regarding this? Did anyone sign up to testify on this matter?

Moore: We do. Some of them may have left. Ty Wells and Nancy Parker. They probably left. Diana Gwynn.

Don Roach: Mayor Potter, members of the council, my name is Don Roach, I'm an attorney for DSI Inc., and with me is William Holdner, the president. This involves sidewalk and curb repairs on Southeast Ash between Southeast 8th and 9th Avenue, very close to Sandy Boulevard. We have some photographs. There was some sidewalk and curb repairs, and also removal of a driveway. I guess the three main issues that we have with the city's work on this is that DSI and Mr. Holdner have this vacant property, which is a city block long, and -- city block long, and was intending to develop it. They went to get a building permit, do the notice for the sidewalk work, and when they went to the building permit, they were contacted by the Portland Development Commission, saying hold off on developing till you get the corner lot and develop the entire lot. So he's been waiting to get his building permit, and he intends to develop the whole property. Of course in the process he's going to be removing sidewalks, putting in new driveways and so forth. And the city has said, well, we want these sidewalks and curbs repaired now. And he's been held up in effect because Portland Development Commission would like him to develop the entire lot and get -- acquire this other property, which he's not been able to up to this point because it's held in a trust and he's working on that. So we question the need under the circumstances since he was trying to develop the entire property and he was held up, or advised not to get his building permit till he had the entire block. The second point is, on one property, there's two assessments. I think this was assessment six 0361, which is the northeast corner of Southeast 8th and Ash. And on the Southeast 8th there was a driveway that he had there, and the city came in and they put a curb in there, and took out some of the gravel underneath that when they did the repairs. That was noticed, but there was never really any notification they were going to remove an existing driveway. They've done the work, put in curbs where a driveway was, and so now there's really no driveway on to this gravel area that he has, which he's hoping to develop an office building on. And Mr. Holdner, you might see one of the photographs, he owns an office building on the lot immediately to the east between Southeast 9th and -- it's on Southeast Ash between 9th and Sandy. You can see it's well landscaped. That's what he intends to do with this other lot, which the city has required him to go and fix the sidewalk and curbs. So essentially what it's going to do is cost a doubling of the cost. On Ash they've required him to do sidewalk repairs, there's very minimal damage there. We didn't believe it was necessary to require him to do that. And also, they filled in some tree wells there. So those are my comments on the on our objections. Mr. Holdner has some comments as well.

William Holdner: I'm the president of Data Systems. Data Systems was one of the first data processing companies in Portland. Started in the mid '60s. We now have two office buildings. One on 9th, 975 Southeast Sandy Boulevard. And we've tried over the years to improve the area buying up lots of old houses that are adjacent that could create a problem for us down the line. Over the years we've bought several lots. This lot is between Ash and Ankeny, and 8th and 9th that we have a

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particular problem with. And so what happened, when I had the architect -- we drew up a plan. We went down to the city permit, and explained the situation, we wanted to develop -- continue our complex. And we have pictures of our existing complex. It's a very nice facility we have there, the office. And we were hoping to extend that in the second block so we'd have a two-block complex. Therefore we'd landscape it and put in new sidewalks and everything after the building was completed. But what happened was when the architect come back and talked -- talked from the city, the city permit said it doesn't make a lot of sense that we should build it right now until you get that corner garage there. That's been an eyesore for the area. We said they'd like to get it out of there. So -- so anyway, I said, well, we could build around it. Well, anyway, in the meantime about three days later, somebody from the Portland development commission showed up to my office, and they said that, we hear from the city permit office that you want to build this complex, and we prefer you not do it right now. We'll help you get this garage so you can complete it properly. I said I preferred to do it that way, because it saves money. And we like to -- if you look at our existing facility that's been there for 30-some years, we have one of the nicest office buildings on the east side of the river. It's nicely landscaped and everything. I hope to extend that. But what -- what you what happened was -- and over the years we've had some minor repairs done on our existing main office building has been. And so -- and what we've always tried to do is work with various contractors. And primarily we tend to favor -- I tend to favor minority contractors a little bit more because I think they have a lesser chance than the average contractor. And so when the -- and I know that this is rubbing some of the people wrong in the inspection department, because they'd come back, and they did some -- after they -- the minority would do the work, they'd come back and mark things and do just a lot of little things that were taking place, which we were -- I was able to accomplish, but when this 8th property, which is on the next block, came along, and I explained to them we wanted to develop it, we were holding it, they were very hard-nosed with us. They said, well, you've got to go down right now and get a permit or we're going to have the work done. And I said, well, let's us try to get an independent engineer or something to determine -- because a lot of this work, as the pictures will show, weren't really necessary. It was an overkill. And I know I just felt very strongly that they were trying to screw us over a little bit. And it's partly because of this minority situation a little bit. And so in the process they came in and started development on 8th and ash. I saw them digging up the driveway. So I immediately called the supervisor on the phone, and said, listen, you can't take the driveway out of there, because we've been trying to accommodate the construction in the particular area -- the reason we do that is a lot of people have big equipment, heavy equipment, and thinks a parking lot. They come to us, can we park our rigs there? Well, we complete adjacent development for other tenants, other construction projects. And so i've allowed them. This allowed us them access to the property. But to make a long story short, I saw the contractor that they had there, he was digging these big boulders out, right where the driveway was. And I know from experience, because I was involved in the construction of our office building, you have to put heavy rock under the driveway. They dug it all out. So that immediately told me they were going to change the driveway. So as it turned out, they put a curb in there. So now the big trucks -- the vehicles have to drive over the center of the block over the curb to get into the -- to use the access, which I think is -- you know, so basically what i'm -- I just felt it was an overkill on the part of the inspection department. Now, what's my advice as to how -- when I look -- when I got a problem like this, there's something wrong with the procedure there. There should be a procedure in the sidewalk repair that you should be able to take it to mediation, call in an independent person and see if it was absolutely necessary. That's the first thing I believe. The second thing I believe any time major construction should require competitive bidding. And what I have -- what I see is the appearance here. I see the appearance of -- of some improper conduct. How I see that on one day, i'll give you a great example, and i've got numerous examples I could tell you about, but one example was we had a minority contractor fixing a small

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area of our lot, and I saw a city truck there parked all day with somebody in it watching that guy. And they're just -- just a culmination of little things. The word is intimidate. I think it's just wrong. So I think there should be a procedure. My recommendation is somebody should be looking in that there should be a procedure established so you don't have to go before the city council to resolve any issue like this. It should be able -- be able to call in an engineer, determine whether it's necessary. They've spent \$16,000, \$17,000. And the bulk of it, I know \$6,000 alone is just in the driveway, which they shouldn't have done. And --

Potter: Sir, i've given you a lot of extra time.

Holdner: Okay.

Potter: You've stated your case. You'll have to wind it down. But I do have a couple of questions for you.

Holdner: Sure.

Potter: Your statement was earlier that you thought that the city was trying to screw you over, is your phrase, and that you thought it was because of something to do with the minority employees. Could you explain that just so I understand what you're saying?

Holdner: I think their demands were owe oat appearances from -- and my understanding. I happen to be an accountant for 50 years. I'm dealing in a lot of situations. I can just tell you appearances here, that that -- that's what came -- that it was improper, that they are putting a greater demand on us, and it was related to -- to the fact that we had been used in the past minority contractors. As a matter of fact, when we developed the lot on 9th and ankeny, we used a minority contractor on that. And there's just the appearance of discrimination there. I think it's improper conduct, even when there's appearance there.

Potter: I'm trying to understand, because the city requires on all of our contracts that any contract work has to show they've made an indication to use minority women or emerging small businesses. That's part of the construction or the contract. But what you're saying is that because you do use minority contractors that the city did not like that and thus was discriminating against you?

Holdner: Yes. That's an obvious appearance to me, your honor, and I see it -- I can give you numerous illustrations of that. As a matter of fact, i'll tell you another reason why I say that. On the very day that we received the notice to repair this block, I received -- the person came to my office, was the contractor they use, rose city. Came to my office, said, if you let us do it, we'll do it for less money for you. They came to my office. That tells me they had to be tipped off that we were getting a notice to repair that. There had to be some connection between that contractor, and that was not a minority contractor, and the city inspection bureau.

Fish: Mayor, can I ask a question?

Potter: Yes.

Fish: What is the assessment relating to this property?

Roach: One is \$6,000, and there's another one around \$5,000. There's two lots, actually two different assessments. I think it comes to around \$10,000 or \$11,000.

Holdner: I think it's more than that. I think it's \$16,000.

Fish: Somewhere around \$16,000?

Roach: Somewhere between 10-16.

Fish: What's the specific relief you're asking for?

Roach: He's been assessed this against his property, he'll have a lien against it. I guess one of them is to abate this, this assessment. And I don't know if there's any procedure, where if he does this develop in the future, he can somehow get this assessment somehow satisfied or reduced or come back into city council to reconsider this. But right now he's got these assessments. And in a year or two if he develops the property and he has to tear out these sidewalks and replace them because of the construction, I mean that's the relief. They're asking for an assessment.

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Fish: The other question I had, I take the repairs were done because there was a determination made that the sidewalks were unsafe.

Roach: The city made that determination. I'm not sure unsafe, but made a determination they didn't meet their standards.

Fish: Part of that would be a question of safety to the public?

Roach: Yes.

Fish: It your argument that if there are -- if a landowner is somehow involved in a development process with uncertain time lines or it's extended because of unforeseen events, that somehow that would trump the requirements to maintain the sidewalks in a safe manner?

Roach: Well, I guess I'd argue with the first question, whether or not they're unsafe. I mean, this is what they found, the city engineer. The engineer said you need to repair these. We dispute whether or not there was a need for that in the first instance. The second instance, there was a driveway that was completely removed and a sidewalk put in with curbs. That's another issue.

Fish: One last question. Forgive me, again, I'm just trying to he learn about the process --

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

Fish: If there's a determination made that there need to be repairs, isn't there some process short of coming to us where a property owner can challenge that without bringing it to council for this?

Roach: It's my understanding -- I'm not familiar with this process either, but he did write a letter, objecting to this some time ago, before they actually did the work. And I don't know if they have a paper review or whatnot. There was some sort of administrative review at some point. But he never had an opportunity -- there's no -- I'm not aware of any body to go to.

Fish: We'll ask the bureau.

Potter: I think we have folks that can answer that question.

Holden: Yeah, okay.

Potter: I want to state very clearly that once the determination is made by the city that the sidewalk is unsafe, you are given the opportunity to fix it yourself before the city comes in and fixes it.

Holden: That's correct.

Potter: And that you chose not to do that?

Holden: Your honor, what I tried to do was to clarify the parts of the sidewalk needing repair. There's only a small areas of the part that need repairs. I wanted to clarify -- come to an agreement with them, and then we would repair those, but they wouldn't agree to that. They just were very dogmatic and said, you know, you're going to do everything, and then they exceeded in even taking the -- succeed in even taking the driveway out.

Potter: What was the amount of time between the time you were notified that the sidewalk needed repair and the city stepped in to repair it? Do you remember the length of time between those two events?

Holden: There was a considerable amount of time, but we were trying to work with them. I tried a number of times to get to an agreement, to bring in maybe a third-party that could help evaluate. If you look at the sidewalks, there's only very minor areas that needed repair. And these -- we were willing to do that.

Potter: Okay.

Holden: But I could just tell you the reason they were -- it's just because they knew that we'd probably go to this contractor that we had been using.

Potter: I think that's supposition on your part. What I'd like to do is hear from maintenance and anybody else that has information regarding the history of this particular incident so that we can get a resolution here today. Please come forward.

Simrin: I'm Sharon Simrin from the auditor's office. I'd like to address the question about how long, who they can go to. When I send out a notice of proposed assessment, I also -- there is also a period of remonstrance, a 20-day period of remonstrance, where they can remonstrate, and these

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people did. I send the remonstrances out to dan, and dan makes a decision. And he -- and we -- he writes to the people and tells them what his decision is. So these -- this gentleman went through that process.

Potter: And you're dan, right?

Broom: Yes.

Potter: The decision was made by you to confirm that it was -- the sidewalk had certain areas that were unsafe, and they needed repair?

Broom: Correct.

Potter: What's the length of time, then, between the time you notified the property owner and the time you folks did the work?

Broom: The first notification was sent to mr. Holdner on august 12th 2005. The property -- the first property was repaired november 26th, 2007. So you're talking about over two years. And the second property was repaired may 5th, 2008.

Potter: And were there subsequent notices sent that there was a failure to --

Broom: Yes, there was. There were second notices sent, notifying mr. Holdner that he still had time to either hire a contractor and do the repairs himself or that we would move in and do the repairs.

Potter: Were you or anybody else from maintenance aware of who their contractor was, whether he hired minority contractors or not?

Broom: He had a contractor working on one property. I don't know if it was a minority contractor. He owns several lots in this area. And there is one contractor he had that did repairs to two lots in there. One is still incomplete. I think there were a total of about five properties in there.

Potter: Did you take the action behind on the fact that they were minority contractors? Solely based on the fact that they were minority contractors involved?

Broom: No.

Potter: Further questions?

Saltzman: Yeah. I guess curious, mr. Holdner mentioned where he approached I guess you about doing limited repairs, and also i'm curious about the driveway being replaced with a curb.

Broom: Sidewalk personnel -- and this is rod gramlich, the actual posting inspector. And rod actually spoke with mr. Holdner and also met with mr. Holdner. And mr. Holdner, according to -- rod has about three pages of notes -- he didn't want to listen to anything rod had to say. He tried to show him how to make small repairs, and mr. Holdner stated that he would rather hire an attorney and fight city hall than do the repairs to the sidewalks.

Saltzman: What about the driveway issue?

Broom: There are no driveways on -- I have actually pictures. They're all before-and-after pictures that we took before we did the work. And then after we did the the work. And there isn't any driveway on either one of these postings. There is an area where -- actually I have some pictures here also. This shows where there are a couple vehicles that are parked on the vacant lot. And it looks like they're driving over a curb and sidewalk to park, but there's no driveway involved in either one of these postings.

Potter: Looks like it's a very low curb.

Broom: Yeah. It's about 3 inches, 4 inches.

Fish: Mayor, one other question I would address to the city attorney. Where a citizen believes that in the enforcement of some code provision there is some improper enforcement of the law and an underlying claim of discrimination of some kind, what are the -- what's the available remedy? I mean, we're not a particularly effective body to do an evidentiary hearing and weigh these things. What resource does a citizen have if they believe there -- i'm not saying there is in this case, but just generally what is the recourse for a citizen?

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Harry Auerbach: Commissioner, the property owner has a recourse to challenge -- to appeal the initial notice of the defect of the sidewalk. That is before the auditor -- before any repairs are ever made by the city, before the auditor assesses the cost of those repairs as a lien, the very first thing that happens in the process is the sidewalk inspector posts a notice and notifies the property owner of the defect. The property owner has an opportunity -- I think it's 15 days. I don't remember off the top of my head, but there's a time period in which the property owner can appeal that determination and say there is no defect. He had an opportunity in the first instance to challenge whether there was a sidewalk defect that required attention. Only after that time passes and there's neither been an appeal nor a cure, then the sidewalk folks notify him that they're going to do the work, and they go and do the work. So the first recourse is to appeal the determination, which is reviewable by a writ of review if administratively it got upheld. If he believes the city has done something illegal, he has his own recourse. He's got a lawyer for that. They've already sent us a tort claim notice.

Fish: They have an independent --

Auerbach: They've got whatever rights they've got.

Fish: -- right on that.

*******:** Yeah.

Fish: Really the question before us is simply a matter of whether the bureau of maintenance had the statutory obligation, right in this case, to provide the notice, and then whether the work was done in a reasonable manner, and whether the charge is reasonable. The objection that i'm hearing raised by the property owner is he disagreed with the original notice, and with like a -- would have preferred to have a deferral until the property was developed or he worked out some issues with the city. And those kinds of things on the surface of it seem very sympathetic to me, but was this a statutory permitted repair, and i'm persuaded on that narrow question that our hands are tied and that the property owner has other recourse if he believes that the law has been violated in some way. Does that sound right?

Auerbach: Pretty much, commissioner. Technically what you've got is a remonstrance against an z., and the technical decision is whether you want to grant the remonstrance and not assess the property or overrule the remonstrance and assess the property. If you believe the charges were fairly incurred the typical thing is to overrule the remonstrance and assess the property.

Fish: The remonstrance is timely before us?

Auerbach: That's what they were here testifying about.

Potter: The total amount we're approving today includes not only his property, but other properties. So by voting for this we're overriding the remonstrance.

Auerbach: What the auditor does, I believe you've done it here, is periodically assess all of the repair work that they've done. So you've got a whole list of property that you're assessing. From the fact that there may have been other people listed to testify, there may have been other remonstrances that people didn't stick around for, I don't know, but you have to deal with those. And the typical way is to make some kind of motion dealing with the remonstrances, either granting them and overruling and passing the whole ordinance to a second reading for adoption, either for the assessment with or without the remonstrated properties.

Fish: One more additional claim. The applicant or property owner mentioned that he would have preferred some kind of mediated solution of this. In a case like this if the property owner and the city were to mediate a dispute is a possible outlook a resolution of the remonstrance and a resolution of any claims in the pipeline?

Auerbach: Well, there's -- it all depends on when the timing is. I mean, if you go ahead and assess the property and he makes some sort of claim or otherwise challenges, does whatever he does, and as a result there's mediation and we agree to a remedy, then we can always come back to council with an ordinance to reduce his assessment or release part of it or do something to give him brief if

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that's what people agree to later on. If there was an agreement before today, then whatever the folks agreed to would be on the table as part of the assessment. Going forward, how you -- how you deal with it depends on when it happens and what precisely happens, but there are ways that you can do something later on. You could either give him his money back or do something else, depending on what resolution people come do later on. Am I making any sense to you?

Fish: It sounds to me that we could -- we could deny the remonstrance and still encourage the parties to have a further dialog and the matter could come back to us if it was in a global settlement of the matters in the tort claim and the remonstrance.

Auerbach: That's one possibly.

Saltzman: I'd be prepared to move to overrule the remonstrances and assess the properties for sidewalk repairs.

Potter: Do I have a second?

Fish: Second.

Potter: Call the vote.

Fish: Aye. **Saltzman:** Aye.

Potter: Aye. [gavel pounded]

Auerbach: This is a nonemergency, has to come back --

Potter: Yes, the regular comes back a week from today.

Moore: That's the last item.

Potter: Okay. Nonemergency, moves to a second reading, and it will come back to council next week. We're adjourned until next week.

At 2:33 p.m., Council adjourned.