



CITY OF  
**PORTLAND, OREGON**

OFFICIAL  
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **29TH DAY OF OCTOBER, 2008** AT 9:30 A.M.

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

Commissioner Leonard arrived at 9:56 a.m. and left at 11:05 a.m.

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

Items No. 1453 and 1461 were pulled for discussion and on a Y-4 roll call, the balance of the Consent Agenda was adopted.

<b>COMMUNICATIONS</b>	<b>Disposition:</b>
<p><b>1447</b> Request of Garet Martin to address Council regarding bureaucracy and lack of accountability (Communication)</p>	<p><b>PLACED ON FILE</b></p>
<b>TIME CERTAINS</b>	
<p><b>1448 TIME CERTAIN: 9:30 AM</b> – Portland Police Bureau Gang Resistance Education And Training program (Presentation introduced by Mayor Potter)</p>	<p><b>PLACED ON FILE</b></p>
<b>CONSENT AGENDA – NO DISCUSSION</b>	
<p><b>Mayor Tom Potter</b></p>	
<p><b>Office of Management and Finance – Business Operations</b></p>	
<p><b>1449</b> Authorize a \$225,000 grant agreement with Portland Metropolitan Exposition and Recreation Committee for the design, program and budget development for the renovation of the Arlene Schnitzer Concert Hall (Second Reading Agenda 1431)</p> <p>(Y-4)</p>	<p><b>182288</b></p>
<p><b>Office of Management and Finance – Financial Services</b></p>	

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<p><b>*1450</b> Authorize contract with Sargent Designworks, LLC and provide for payment for architectural and engineering services for surface repair at four SmartPark Garages (Ordinance)  (Y-4)</p>	<p><b>182289</b></p>
<p><b>Office of Management and Finance – Human Resources</b></p>	
<p><b>*1451</b> Create a new Nonrepresented classification, Police Training Instructor (Ordinance)  (Y-4)</p>	<p><b>182290</b></p>
<p><b>1452</b> Create two new Nonrepresented classifications, Therapeutic Recreation and Inclusion Supervisor and SUN Community Schools Recreation Supervisor (Ordinance)</p>	<p><b>PASSED TO SECOND READING NOVEMBER 5, 2008 AT 9:30 AM</b></p>
<p><b>1453</b> Create and establish an interim compensation rate for the new classification of Automotive Equipment Operator II—Hydro Excavation Vactor Operator (Ordinance)</p>	<p><b>REFERRED TO COMMISSIONER OF FINANCE AND ADMINISTRATON</b></p>
<p><b>Office of Management and Finance – Purchases</b></p>	
<p><b>1454</b> Amend Intergovernmental Agreement with School District No. 1J for Portland Public Schools participation in the Integrated Regional Network Enterprise (Ordinance; amend Contract No. 51864)</p>	<p><b>PASSED TO SECOND READING NOVEMBER 5, 2008 AT 9:30 AM</b></p>
<p><b>Commissioner Sam Adams</b></p>	
<p><b>Bureau of Environmental Services</b></p>	
<p><b>*1455</b> Authorize the Bureau of Environmental Services to accept a grant for \$24,351 for the Columbia Slough Confluence Habitat Enhancement Project from the Lower Columbia River Estuary Partnership (Ordinance)  (Y-4)</p>	<p><b>182291</b></p>
<p><b>1456</b> Authorize an Intergovernmental Agreement with Multnomah County to accept payment for joint National Pollutant Discharge Elimination System Municipal Stormwater permit compliance activities (Ordinance)</p>	<p><b>PASSED TO SECOND READING NOVEMBER 5, 2008 AT 9:30 AM</b></p>
<p><b>1457</b> Authorize Intergovernmental Agreement with Multnomah County Drainage District No. 1 for support services for flow management in the Columbia Slough (Ordinance)</p>	<p><b>PASSED TO SECOND READING NOVEMBER 5, 2008 AT 9:30 AM</b></p>
<p><b>Office of Transportation</b></p>	
<p><b>1458</b> Amend Intergovernmental Agreement with the Tri-County Metropolitan Transportation District of Oregon to disburse additional federal grant funds to the City for the production of a domestically manufactured streetcar (Second Reading Agenda 1436; amend Contract No. 52626)  (Y-4)</p>	<p><b>182292</b></p>

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<b>Commissioner Nick Fish</b>		
<b>Bureau of Housing and Community Development</b>		
<b>*1459</b>	Amend subrecipient contract with Portland Development Commission to revise the total contract amount not to exceed \$12,569,947 for rental housing development and provide for payment (Ordinance; amend Contract No. 38299)  (Y-4)	<b>182293</b>
<b>*1460</b>	Authorize three subrecipient contracts for \$681,757 for services to support affordable homeownership for low-income households and provide for payment (Ordinance)  (Y-4)	<b>182294</b>
<b>*1461</b>	Authorize Intergovernmental Agreement with the Oregon Bureau of Labor and Industry for \$20,565 for the Civil Rights Enforcement Services Program and provide for payment (Ordinance)	<b>REFERRED TO COMMISSIONER OF PUBLIC WORKS</b>
<b>Commissioner Dan Saltzman</b>		
<b>Office of Cable Communications and Franchise Management</b>		
<b>1462</b>	Extend term of a franchise granted to MCI Metro Access Transmission Services, Inc. to build and operate telecommunications facilities within City streets (Ordinance; amend Ordinance No. 169230)	<b>PASSED TO SECOND READING NOVEMBER 5, 2008 AT 9:30 AM</b>
<b>1463</b>	Extend term of a franchise granted to FTV Communications, LLC to construct and operate telecommunication facilities within City streets (Ordinance; amend Ordinance No. 172863)	<b>PASSED TO SECOND READING NOVEMBER 5, 2008 AT 9:30 AM</b>
<b>Office of Sustainable Development</b>		
<b>1464</b>	Authorize a \$35,000 Intergovernmental Agreement from Metro for the administration of the Master Recycler Program (Ordinance)	<b>PASSED TO SECOND READING NOVEMBER 5, 2008 AT 9:30 AM</b>
<b>Parks and Recreation</b>		
<b>*1465</b>	Authorize Management Agreement with Pioneer Courthouse Square, Inc., an Oregon non-profit corporation, to operate and manage the Pioneer Courthouse Square (Ordinance)  (Y-4)	<b>182295</b>
<b>1466</b>	Amend contract with Trout Mountain Forestry, LLC for consulting services for the Portland Wildfire Fuel Reduction Project (Ordinance; amend Contract No. 36971)	<b>PASSED TO SECOND READING NOVEMBER 5, 2008 AT 9:30 AM</b>

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<p><b>1467</b> Apply for a \$656,600 Economic Development Initiative Special Project Grant from the U.S. Department of Housing and Urban Development to plan the development of the Washington Monroe Community Center, a new full-service community center in southeast Portland (Second Reading Agenda 1440)</p> <p>(Y-4)</p>	<p><b>182296</b></p>	
<p><b>1468</b> Accept a \$656,600 Economic Development Initiative Special Project Grant from the U.S. Department of Housing and Urban Development to plan the development of the Washington Monroe Community Center, a new full-service community center in southeast Portland (Second Reading Agenda 1441)</p> <p>(Y-4)</p>	<p><b>182297</b></p>	
<p style="text-align: center;"><b>REGULAR AGENDA</b></p> <p><b>1469</b> Accept the Response to 2008 City Audit on Limited Tax Abatements and the 2007-2008 Annual Report on Residential Tax Exemption Programs (Report introduced by Mayor Potter and Commissioner Fish)</p> <p><b>Motion to accept the reports:</b> Moved by Commissioner Saltzman and seconded by Commissioner Leonard.</p> <p>(Y-4)</p>		<p style="text-align: center;"><b>ACCEPTED</b></p>
<p style="text-align: center;"><b>Mayor Tom Potter</b></p> <p style="text-align: center;"><b>Office of Management and Finance – Human Resources</b></p> <p><b>*1470</b> Authorize a Letter of Agreement with Portland Fire Fighters Association authorizing application of the payroll smoothing process currently authorized for 52.08-hour per week unit members to 42-hour per week unit members assigned to the Fire Inspector series (Ordinance)</p> <p><b>Continued to October 30, 2008 at 2:00 p.m.</b></p> <p><b>Motion to accept amendment to amend directive a from Portland Police Association to Portland Fire Fighters Association:</b> Moved by Commissioner Leonard and seconded by Commissioner Saltzman. (Y-4)</p> <p>(Y-4)</p>		<p style="text-align: center;"><b>182299</b> AS AMENDED</p>
<p><b>*1471</b> Authorize a Letter of Agreement with the City of Portland Professional Employees Association authorizing the City to determine Part Time employees' vacation accrual rate based on length of employment in calendar years (Ordinance)</p> <p><b>Continued to October 30, 2008 at 2:00 p.m.</b></p> <p><b>Motion to accept amendment to amend directive a from Portland Police Association to Portland Professional Employees Association:</b> Moved by Commissioner Leonard and seconded by Commissioner Fish. (Y-4)</p> <p>(Y-4)</p>	<p style="text-align: center;"><b>182300</b> AS AMENDED</p>	

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<p><b>*1472</b> Authorize a Letter of Agreement with AFSCME, Local 189-District Council of Trade Unions to pay Parking Enforcement Officers a five percent premium for actual hours worked on special projects that are duties outside of the job description (Ordinance)</p> <p>(Y-4)</p> <p><b>Continued to October 30, 2008 at 2:00 p.m.</b></p>	<p><b>182301</b></p>
<p><b>Office of Management and Finance – Revenue</b></p> <p><b>1473</b> Revise Pay and Park and Non-Pay Private Parking Facilities regulations (Second Reading Agenda 1443; replace Code Section 7.24.020)</p> <p>(Y-3; Commissioner Leonard absent)</p>	<p><b>182298</b></p>
<p><b>Commissioner Nick Fish</b></p> <p><b>Bureau of Housing and Community Development</b></p> <p><b>*1474</b> Assign City Section 108 Revolving Loan Pool Application to the Department of Housing and Urban Development to create the Portland Housing Preservation Fund (Ordinance)</p> <p>(Y-4)</p> <p><b>Continued to October 30, 2008 at 2:00 p.m.</b></p>	<p><b>182302</b></p>

At 11:30 a.m., Council recessed.

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**WEDNESDAY, 2:00 PM, OCTOBER 29, 2008**

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

**October 30, 2008**

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,  
OREGON WAS HELD THIS **30TH DAY OF OCTOBER, 2008** AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Potter, Presiding; Commissioners Fish, Leonard  
and Saltzman, 4.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Jim Van  
Dyke, Senior Deputy City Attorney; and Ron Willis, Sergeant at Arms.

<p><b>1475 TIME CERTAIN: 2:00 PM</b> – Adopt and implement the North Pearl District Plan (Ordinance introduced by Mayor Potter; Previous Agenda 1332)</p> <p><b>Motion to accept staff recommendations in regard to the proposed amendments:</b> Moved by Commissioner Leonard and seconded by Commissioner Fish. (Y-4)</p>	<p><b>Disposition:</b></p> <p><b>PASSED TO SECOND READING AS AMENDED NOVEMBER 5, 2008 AT 9:30 AM</b></p>
<p><b>1476</b> Adopt the Action Charts and additional implementing measures of the North Pearl District Plan (Resolution introduced by Mayor Potter; Previous Agenda 1333)</p>	<p><b>CONTINUED TO NOVEMBER 5, 2008 AT 9:30 AM</b></p>

At 3:37 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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## 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.

**OCTOBER 29, 2008            9:30 AM**

**Potter:** Before we begin the official proceedings of the city, each week we invite young people in to talk to us about issues that are important to them. And we have some very special guests today from outside in. It's a local organization that works to build success and opportunities for homeless youth. And I'm very honored to introduce the group this morning, and so if you folks would come up, please, to the seating up here, our speakers. Thank you for being here. I really appreciate you coming in. As each of you speak, if you would just state your name for the record. Anybody can begin.

**Brittany Stewart:** My name is brittany steward, I attend p.c.c. Sylvania. I aspire to be a journalist.

**Potter:** Good. Did you want to make any statement?

**Stewart:** Oh, ok. As a homeless youth my biggest challenge is maintaining my academic status, but I can only do so much in terms of grades. Paying for college is a huge burden, and an issue you'd like to -- I'd like to touch base with you on is the rising cost of tuition. I'd like to see some support from our city and county representatives.

**Potter:** What are they doing specifically?

**Stewart:** Aspcc, student government, they're petitioning and there are measures they want us to vote on and we're just trying to get as much backing as possible to hopefully, you know, lower the price for credit hour. The way it's been rising is really insane, and there's a lot of, like, facts to back up that it doesn't need to be that high, so --

**Potter:** Can I -- .

**Fish:** Next tuesday when we vote, we have a chance to vote on a bond measure for community colleges. Do you have a position on that bond measure?

**Stewart:** I do, but I'd like to have the support of my students there also. We kind of -- we're together on everything. I'm not as informed as members of the aspcc.

**Fish:** You're urging a yes vote on the bond measure?

**Stewart:** Yes.

**Potter:** It's nice to be able to do that, isn't it? I support that bond measure as well.

**Ishta Zoman:** I'm working on getting into schools, going to p.c.c. For business and business management degree and attending beaumont for a agree in aesthetics or cosmetology. The biggest issue that I find that we need support with is the fact of unbiased equal job opportunities for people who are transsexual and especially those who are transitioning from male to female. I'm currently looking for employment, but for the month and a half that I've been in Portland, I've been trying to find work at different retail stores and different places I would actually like to pursue a career in, and because of my issues, they turn me -- turn me away, even though I have eight months experience, I have my g.e.d., I'm former military, and I have a year of college underneath my belt, my studies including business and business management, and preveterinary science. It's really frustrating, because I should be able to work anywhere with those skills, and it affects me majorly because, one, I have no money to support myself. I have no way of providing money for some of the prescriptions I need or -- I want to provide myself with, and also it adds to the homeless



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problem, the homeless situation that a lot of people are trying to help with. And to my observation, out of the 40% of sexual minority homeless youth, 10 to 15% of those are people who are transsexual, whether male-to-female or female-to-male. Honestly the best way to -- I feel to get this situation resolved is make policies to where people cannot use underlying discrimination or biased opinions to turn away somebody. Because some people like myself have the experience to do a job, but were fought given the chance because people have either biased opinions or are uneducated about transsexualism. And also put more information out on the web, in the libraries, in schools, especially, because education starts at a young age, and if we can teach people from a young age, you know, on the issues and ways to accept people like that, then a lot of the ignorant problem dsht ignorance on transsexualism will die down. That's kind of what I have proposed.

**Potter:** Have you ever been to the q center?

**Zoman:** I have. I'm involved with -- i've been to the q center once. I'm involved with places like queer zone and i'm trying to get involved with row, and it's our time Oregon. I'm trying to get involved with those as well and i've done some stuff around that as well.

**Potter:** Good. All those organizations I think are devoted to helping folks employment opportunities. They should be of assistance to you.

**Emilie Terry:** I'm emily terry, I am -- I have just finished my g.e.d. And i'm going towards college. I'd like to pursue a medical career somewhere. Two months ago I wasn't motivated to do anything. I accepted my homelessness. I came to outside in and started going to the employment resource center. I went through g.e.d. Prep and job readiness training. Now I have my g.e.d. And some job skills. These programs are really very effective. A lot of people are able to come through here and get their g.e.d. For job skills. Unfortunately these programs are suffering from cuts in funding. I always hear people saying we can't do something because we don't have the money. If we could do more activities like maybe omsi or go to the ymca, it would get people interested in learning. Also, we have lost some of our favorite staff from staffing cuts. If these programs had more funding or support, it would help so many homeless youth. It would help us get the skills we need to get off the streets. We need to keep these programs properly funded and i've seen a lot of people come through the e.r.c. They've gotten their g.e.d. And graduated. The biggest reason these programs work so well is the amazing teachers, tutors and staff. They make learning fun and interesting. They could really use more money so they can continue to help us succeed.

**Potter:** I appreciate what outside in and new avenues for youth and the youth programs do for our homeless folks. I think you're good examples of folks beginning that transition out into the world and getting jobs and getting your education. I really respect you for that.

**Fish:** I also want to thank you for taking time to come and share your thoughts with us. I want you to know how proud I am as your housing commissioner that we contract with outside in. They do a wonderful job, and I want to urge the community to support you again on november 14th. It's going to be a very exciting day in Portland when gus van sant hosts the global premier of the film "milk" at the arlene schnitzer. I reserved three tickets yesterday but I understand tickets are going fast, so I would urge people to get their tickets to go see this film and to support outside in. And the good work they do.

**Potter:** Thank you for being here. Let's give these folks a hand. [applause] [gavel pounded] city council will come to order.

[roll call] [gavel pounded]

**Potter:** I'd like to remind folks prior to offering public testimony to city council a lobbyist must declare which lobbying entity they are authorized to represent. Please read first communication.

**Item 1447.**

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

**Garet Martin:** I know that. Thank you. I'm disappointed that commissioner Adams isn't here today because my concerns relate to the department of the bureau of environmental services. My

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name is garet martin. My concerns do back to the early -- well, they go back to 2000 -- 2004, when I wrote to commissioner Saltzman about the fact that my neighborhood, my immediate neighborhood, which is on northwest Saltzman in the wilbridge has had -- we've been on septic tanks -- we were on septic tanks until 2000. I was the first one -- when the sewer was brought, I was the first person to go on to the sewer. It was only brought up part way up the road due to the expense that the city said that it would cost to bring it any farther. I started advocating because of the smell in my neighborhood because of the septic tanks. Which I understood were from years before that were marginal, to say the least. Because -- probably because of dan Saltzman's jurisdiction over the b.e.s. My neighbors were required to go on sewer. They got notification that they were to connect by 12-07. Now there are only two of us who are connected, even though it's almost 2008. I have a lot of -- I have a letter that went to commissioner sam Adams -- I didn't expect to be nervous.

**Potter:** You're doing just fine.

**Martin:** I have a letter that went to him, 3-26 of this year. And again, very detailed letter about -- first of all, we're right on Saltzman creek and one of the properties which i've been particularly concerned with is right on that creek. And i'm worried about contaminated soil, but also contaminated water, which has been -- there is fecal matter found in Saltzman creek, and it feeds the willamette river, just a short distance. At any rate, I have -- I have -- I have had to initiate -- I never received a response from sam Adams' office, or anybody else. And i've advocated with --

**Potter:** Your --

**Martin:** The sewer connection program --

**Potter:** Your time is just about up. Your three minutes are gone. Could you wrap it up now?

**Martin:** Ok. Even though i've advocated with b.e.s. staff, i've talked to matt grumm, i've talked to vicky, chris, numerous underlings it's all documented in writing, they still I think are really dragging things out with getting this one neighbor hooked up. I think its way beyond time, and i'm sure you'll agree, commissioner Saltzman.

**Potter:** Thank you. Is that all the communications?

**Moore-Love:** It is.

**Potter:** Ok. Since we don't have a quorum for the consent agenda, and emergency items, we'll hear the testimony today. The items will be voted on at the thursday 2:00 p.m. City council meeting.

**Moore:** We just had a notice that commissioner Leonard may be in by 10:00.

**Potter:** Ok. Then we'll hold off. I am -- do commissioners wish to pull any items from the consent agenda?

**Fish:** [inaudible] pyrotechnic likewise i'm asking to pull item 1453, i'm referring this back to my office for further review. So we're going to move to the -- do any people in the audience wish to pull any particular item from the consent agenda? We'll move to the 9:30 time certain.

**Item 1448.**

**Potter:** If folks could come up, the gang resistance education and training is a national curriculum designed to help middle school students become responsible members of their community. Since 1994, the Portland police bureau drugs and vice has delivered great to school districts in Portland. A few months ago council received a report in which they shared inspiring work that officer has done with g.r.e.a.t. In the cully neighborhood. When I recently learned about the work accomplished by g.r.e.a.t. In the 2007-'8 school year, I ask -- improve the livability of our community and the success of our youth. In 2007-'8 in school they touched the lives of over 2800 individuals, they have 55 certified g.r.e.a.t. In instructor and 29 certified in the families curriculum.

They've served three school ceacts, two private schools at 21 different locations. Over the years they've made a difference in the lives of over 36,000 -- 36,900 citizens of Portland. I'd like to invite you folks up. Commander and sergeant, please go ahead.

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\*\*\*\*\*: Good morning, mayor, commissioner Saltzman and fish. We appreciate the opportunity to come before you this morning. My remarks will be very brief. I along with my boss, assistant chief bret smith and the commander, who is on the g.r.e.a.t. National policy board, really just wanted to take the opportunity to recognize and commend the efforts of our local staff. Without these folks and our instructors, the successes you're going to hear about today would not be possible, and they're truly remarkable. And exceptional individuals and well deserving of our praise. With that i'm going to turn it over to the sergeant, he's going to move forward with the presentation.

**Sgt. Gorgone:** You did my whole presentation for me, mr. Mayor, when you gave out all the stats.

Thank you for inviting us in and giving us the opportunity to talk about the great program. This is something i've been involved with since 1995. I got trained for the last thirteen years i've been teaching it in the middle schools. The first six or seven years that I taught it it was while working the graveyard shift, and the way we do it here in Portland, we have multiple officers that trained and they teach in the precincts and a lot of times in the districts they actually police. That's one of the things about the program. It's kind of unique across the country. We're the only city to be doing it that way and it was more by necessity than by design. That's how I got involved with the program since 2003 -- since 2005, the last three years, i'm also what they call the western regional administrator. Portland has two roles in the great program. We have our local program, plus one of the five regional seats of training on the country, and we're also involved with making policy for the g.r.e.a.t. Program. And we've been involved with the program since 1994. We're one of the first major cities that got involved when it went national. With that i'd like to give you an overview of what g.r.e.a.t. Is about and some of the good stuff we do in Portland. This is a federally funded program, it's done, one of a kind, it's done all over the country, it's done all over the world right now. I just had the opportunity to go to guam and we trained 24 of guam's law enforcement professionals in the g.r.e.a.t. Program. This is done on military bases in europe. London, england, the metropolitan london police department was in a training that we held here on the west coast last june and they're actually going to start implementing the same program in the schools there. The thing about g.r.e.a.t., we call it a program, but to me it's not about the program, it's about the relationships, it's just a tool that we've been using and other law enforcement have been using to build strong relationships with the kids. The goals, you can see on your screen, prevent youth crime violence and gang involvement. Actually have somebody that can talk about that in a minute. And the big one, at least for me as a police officer in my career, is the positive relationships. So often a lot of us spend most of our career seeing the negative all the time, and you just get a snapshot of the kids in the area you police, but by giving us the opportunity to go into the schools, it don't make any difference what part of the city you're in, you realize the vast majority of the kids are good kids. And they also get to see us in a different light. Which instead of just seeing us as something on t.v., or in the newspaper, or pulling a parent over or whatever, they get to see us as people in the classroom. The opportunity to build relationships sun limited. There's hundreds of stories of all our officers of how it's carried outside the classroom. It does nothing but support our enforcement efforts because once the kids get to know us they trust us. There will be story after story of them coming forward and talking to us where they wouldn't necessarily because we were their teacher in the school. One of the things g.r.e.a.t. has done very well here, it's worked as a catalyst for collaboration with g.r.e.a.t., it's given us an opportunity to partner with all these other community projects that are going on that we wouldn't normally probably have done, boys and girls club, p.a.l. Camp rosenbaum is a huge one. P.a.l., it's helped us get certain of our enforcement efforts married up with the prevention, and you mentioned officer casio, he worked that area, he saw a need and the tool ended up being the g.r.e.a.t. program.

**Fish:** Want to acknowledge the g.r.e.a.t. partnership the police bureau and the fire bureau and camp rosenbaum. Fred was a very persuasive person. The men and women who wear the uniform, but what I also love, they don't wait uniform initially, so the young people don't know much about the

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backgrounds of their counselors and you folks put the uniform on at the end of the the camp, and I think it's a very powerful thing, I thank you for your involvement.

**Gorgone:** Thanks. G.r.e.a.t. Has been partnered with the camp for the last 14 years. I've been going 15 years, and through funding and the g.r.e.a.t. Program, we give class instruction, and actually mr. Mayor, you gave an award to one of our rosenbaum grade students who saved his mother's life a week after camp. I don't know if you remember that, a couple years ago. You got the -- he got life saving award. He went through g.r.e.a.t. Class, and when he called 9-1-1, we had just talked about it the week before. And I happened to be the one who pulled up to the call. His head -- his mother had been hit in the head nine times with a hammer he knew what to do. Without that, I don't know if the outcome would have been the same. Is a many -- so of these stories, they keep popping out of these kids that have crossed out from us knowing them in prevention to helping out with issues in law enforcement. What g.r.e.a.t. uses is a school-based law enforcement facilitative life schools curriculum. We don't talk thatch about gangs, what we try to do is reinforce the stuff they're getting at home, at church w. Their families, other programs in school, but we give the perspective of law enforcement when we're in there, and we use scenarios and role playing to teach them and get them ready to make important decisions when it comes to being at unsupervised parties, whether it's contacting the police, coming across graffiti, whether they're going to steal from a store. So the curriculum has grown and changed over the years and the facilitation model we used now, they say is the most successful, I think it's the most fun. It makes it real enjoyable with the kids. One of the things about g.r.e.a.t. Is it's integrated all the national educational learning standards. When we market this -- when I talk to other agencies, that's one of my jobs, to talk about g.r.e.a.t., when the educators hear the national learning standards are involved, they get very excited, and one of the good things is here in Portland, in Oregon question hit 20 of the benchmarks of our educational standards in the state. So the curriculum not only is it a great relationship builder, but a very strong curriculum. The areas that we train the kids in, the different skill areas, are all stuff, life skills they can use later. Personal skills. Goal setting, anger management, and all of these interwoven through the curriculum for the entire 13 weeks of the middle school curriculum that we do. Any time have you questions, stop me. Resiliency skills, one of the best things -- big things we do with the message analysis, we talk about media and the influence of media on the kids. And how they have to make good decisions about what they're seeing on whether or not it's realistic. The show cops is the perfect example we use. It's real, but it's not realistic because it takes two or three weeks to get a 20-minute show. When the kids realize after meeting us that that's not -- police isn't all just driving fast and arresting people, it changes the relationship. We talk to them about problem-solving and how to do it in a positive way. Resistance skills runs through all our curriculums, how to refuse, say no. We talk about peer pressure and let them know it can be a good thing too. If your friends are pressuring you to join the basketball team and get better grades, that's a good thing, but we differentiate between the two. Social skills, communication is big, every lesson has communication components, conflict resolution, social responsibility, and probably the biggest thing especially for middle school students is the empathy and perspective. They're so self-involved, to get them to see 40 somebody else's shoes can be a challenge at that age. And that's something that goes through every lesson, is trying to get their feelings how would the victim feel? If you were the victim, how would you feel? That goes through all our curriculums. With these we use examples from our training and experience to officers going to the class to teach it. This brings me to, does the Portland community benefit from g.r.e.a.t.? And this actually worked real well. I got people that have been involved witness, and i'd like to give them a minute to say something about their experience. First i'd like to introduce joe, the principal of chief joseph school. The first year I taught was in tubman middle school in 1995. That's when I met joe. Joe was one of the coordinators for the sixth grade, now he's up to principal. He's been involved with the program almost from the beginning.

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**Joe Ballotti:** I have one than minute. As you can tell, sergeant is very passionate about this, as I am too. It is an honor and a privilege to speak before you today. You are all cordially invited to my building any time you'd like to visit.

**Fish:** I gave everybody on detention got a pass.

**Ballotti:** I see some of those pass these have come back. The one thing do want to say, commissioner Saltzman, your daughter had gone through the program at robert gray as well, and i've been with the program now going into 14 years. And I have seen some incredible things happen as a result. Number one, as the sergeant has said, the relationship piece. Not only for the students, not only for the staff, the teaching, and the administration, but also the relationship for the police as well. We support our police, we appreciate all that they do, but this creates a new opportunity, 14 years now, for kids and police to create a bond. And that bond is over a longer period of time. Yes, you have life skills that they're learning, yes, you're learn ball game all the peer pressure that exists. But for me to be able to call an officer when I have a question, and I refer to him as pie san, we go back quite a ways, but to know I have that voice and he listens to us, and that all the officers do this as well, I remember when I came over to gray I was so accustomed to having the suggest at tubman, but when I went to gray he introduced me to a new officer that was being trained. And I watched the relationship develop and emerge and that happens to be our s.r.o. Over at robert gray, and I have seen how kids hug this gierks shake his hands, and in the community outside of the building, they're saying hello. The first year I was at tubman we took a trip to canada. The sixth graders. Our chaperones were our grade officers. So it developed that even more. You no loner heard the derogatory statements that sometimes come out. They're the law, they are the enforcers. They're also the friends, too. And they're approachable. I've watched over 14 years the curriculum change. So that it becomes that much more real for the students. And for the g.r.e.a.t. Prince william also, to make accommodation and changes to fulfill what is necessary for our young people to have. When we have our g.r.e.a.t. ceremony, which is very, very powerful, officers come in. Commanders come in. Chiefs come in. We're very, very lucky to have these people in our building. It's no longer a separation. They're part of our community. They're a part of our schools. And for that we appreciate that. The last thing I do want to say is that for our students, the relationship is key. Secondly, steering kids away there making negative choices, and setting goals. One of my former students at robert gray is now going to become a police officer. And he is down at the university of Oregon. And I can tell you right now because of that relationship that was built early on, he's going that way. And so for that, thank you g.r.e.a.t., and thank you for this opportunity. And remember, chief joseph isn't far away.

**Saltzman:** I just wanted to say, I wanted to congratulated joe on becoming the principal. He was vice principal for many years at robert gray middle school, including the time my daughter was there, and i've enjoyed knowing you, and I will take you up on that. I will -- we'll figure out some time i'll come out to chief joseph real soon.

**Ballotti:** And I make great coffee.

**Fish:** When you were at tubman, was paul copely there?

**Ballotti:** You bet I did. Mr. Chairman of the board, the man who is so gregarious.

**Fish:** I made the mistake of going to a blazer game with paul. And damon stoudamire came over and hugged him and talked about -- in the cheap seats where we were sitting. I think he was an alum of tubman.

**Ballotti:** Yes. Stoudamire was, you're exactly correct. Thank you, you guys. And thank you for the work that you do, and I know it's a difficult time right now with the economy, but you continue to hear the voice of Portland, and for that I appreciate it. Thank you.

**Gorgone:** I'd like to bring up one of joe's prior students. She graduated from the g.r.e.a.t. classes two years ago. The way the timing worked out, we got a hold of her and she's also part of the national evaluation that's going on, n.i.j. commissioned another study, Portland was picked again

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for one of the cities to be part of this study, and one of the students in the study right now is will paige park.

**Page Park:** Hi. G.r.e.a.t. project really helped with our -- saying no to bad choice and it really helped with peer pressure, and how when if something comes up and you want to say no to it, that you can, and you don't to, like, just agree with what your friends want you to do. You can say no, and have you that choice, and I think that really helped me. And a lot of my friends as well. It was fun. I liked it.

**Fish:** Where are you at school now?

**Park:** Robert graham, eighth grade year.

**Fish:** You're an eighth grader?

**Park:** Yeah.

**Fish:** Wow.

**Potter:** Thank you, paige.

**Gorgone:** One of the things that i've always wanted to do, and we haven't really had the opportunity, is try to -- is -- i've seen some of my students i've taught and just find people later on in life, one example, I guess I should have called him, a kid that grew up at the tam racks, I eh went to camp rosenbaum and I lost track of him, and he called me three years ago just to check n he called north precinct and they ended up passing it along to me. And -- but he's now going to be a firefighter for tualatin valley fire department. But it's just -- that's the type of thing that normally you wouldn't get a kid call you in my role, the teacher gets that. So we're getting some of what a teacher gets. But we tried to find somebody that's been through the program here that's actually moved on and is an adult, and i'd like to introduce briefly charles mcgee, who was a 1997 graduate at whitaker school of the g.r.e.a.t. program.

**Charles McGee:** Thank you very much. I will be quicker than a minute. First thank you, mayor and city council, members, for your support, your leadership. You know --

**Fish:** I know charles mcgee, I work with him every day. You sir are not charles mcgee.

**McGee:** I'm the younger more handsome and energetic one.

**Fish:** Your father is in the audience.

**McGee:** So one of the things I get made fun of a lot. My friends -- I like to use proverbs. My favorite says a man or a woman does not begin preparation for the journey the day of the journey. You begin it years and years before. Programs like g.r.e.a.t. really speak to that. They speak to the preparation, they speak to sort of the little things that we sometimes forget about, but they have such a huge impact. For me g.r.e.a.t. was two things. G.r.e.a.t. was both prevention as well as probably the first forms of community policing that I ever experienced. Not only did I have g.r.e.a.t. at whitaker, but at fabian. Those experience were enriching to see police officers in a very different way. And to be able to build strong relationships. I remember folks like george and paul creating those relationships. Those are the relationships that mean a lot and do a lot for young people. So I want to thank you all for your leadership and continuing to support g.r.e.a.t., because it's a great program. Thank you.

**Gorgone:** The timing worked out very well for this presentation. I think -- on the last page of this is the evaluation. When I do these presentations and i've done hundreds of them now, one of the things people always ask is, does it work? And since this is federally funded, a one-of-a-kind federally funded program, they're required to be evaluated, and it's required to show results. And there was a national evaluation 95 to 2000, there's another one right now we're in the middle of, another five-year study. And just happened to be coincidence that professor espinson from university of missouri at st. Louis who was in charge of the evaluation is here. And I twisted his arm to get him to come n i'm hoping he can come up. He'll give a national perspective, kind of where we fit in, Portland, into the whole g.r.e.a.t. world.

**Potter:** Welcome to Portland so I this is the evaluation?

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**Gorgone:** No, that's our staff's on the back page of this folder, a brief of the evaluation.

**Professor Espensen:** Thanks for having me here. I guess when bob talked to me about this on monday, I was reluctant because i'm supposed to be at one of the schools collecting data right now. Pass that off on to a research assistant and hope it's going smoothly. Up like bob and sergeant and the others, i'm not a cheerleader or whatever, my role is an evaluator so you I can give you more of a -- I guess an unbiased impression of the program. And Portland was one of the cities that was selected in part because it was one of the few west coast cities back in the '90s to be part of the national evaluation. So I became familiar with the Portland model as it's called there, imher the officers teecht program on an overtime basis. That is unique, and it's one of the reasons why we select the Portland to be included in the new evaluation. And wove just finished some analyses looking at interviews and questionnaires completed by officers across the country. And here in Portland the officers have -- they all have positive views of the program, but here in Portland the officers see more of an opportunity of promotion, overtime associated with the program, and that seems to strengthen the performance of the officers. We observed over 500 classroom deliveries of the program across the country two years ago. And here in Portland the officers were all rated as above average or excellent. And none of the other cities was that the case. Bob doesn't even know this tidbit, so he's probably feeling good right now. A couple of other things that I thought i'd mention in terms of reinforcing, you've talked about the officers and the effect of the program on students. You've missed an important group in the middle. And that's the teachers. And in terms of relationship building, it's one thing we've seen where programs such as g.r.e.a.t. Are taught. There's also a relationship building between teachers and officers. Often times the teachers are reluctant to give up some of their teaching time to have an officer in the classroom. By the time they've had one or two of these sessions they've seemed to have turned around a little bit. And are much more receptive to having the officers return for subsequent g.r.e.a.t. Lessons. But there's -- usually when I talk about g.r.e.a.t. And the evaluation of the program, I can go on for hours as the officers here in the room know. So I guess if you have any questions, I would be happy to try to answer them.

**Saltzman:** G.r.e.a.t. Has been around since '94 in Portland?

**Gorgone:** It went national in '94, yes. It started in phoenix in 1991 and then in 1994 they took it national and picked up federal funding.

**Saltzman:** I was wondering whether we in Portland or any other cities that have had g.r.e.a.t. Have done any kind of longitudinal study of students that had g.r.e.a.t. When they were sixth grade and -- how they're doing, you know, '94, they would be 14 years later.

**Espensen:** Not in terms of actually it's interesting, whittaker was one of the schools included in the original study, but it was the class of '95, sixth graders that was in that study. We follow them -- the students for four years. From '95 through '99 through their -- here in Portland through 10th grade. We're not process of doing the same thing right now of -- we selected classes in schools in 2006, and we surveyed the kids for pretests before the program was delivered. It was randomly -- there was random assignment of classrooms, two received g.r.e.a.t. and controlled conditions so we could measure program effect. The kids were surveyed after program could please when they were in -- completion. We surveyed them again last year, we'll follow them again into 10th grade. That's as long as we -- we're funded to follow them. I don't know if there would be any interest. And this is an important lesson in terms of research and evaluation. In the old evaluation at this point in time two years post-program delivery, we just saw random noise, and it was hard to continue going out to collect data for the sake of collecting data. We were very surprised when we completed the analyses with year five follow-up data because at that point in time we started to see a divergence between the g.r.e.a.t. Kids and non-g.r.e.a.t. Kids. We just completed preliminary analyses and we're again seeing -- now we're seeing divergence earlier. We're seeing differences in the kids who have gone through the g.r.e.a.t. Program and not in terms of their refusal skills, in terms of their

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attitudes about gangs, less positive for the g.r.e.a.t. Kids, we've also seen this wouldn't one surprises me, lower rates of gang affiliation with the g.r.e.a.t. Kids and non-g.r.e.a.t. Kids. Whether those hold out across the next few years, it's hard to say, but at this point as evaluators, we're kind of surprised because normally we don't expect to see programs work. So --

**Saltzman:** It's good to have one that seems to be working.

**Espensen:** This one seems to be breaking the trend.

**Saltzman:** Thanks.

**Potter:** Thank you for being here in Portland, too.

**Espensen:** Thank you.

**Gorgone:** I had the fortune of being involved in both the evaluations also, just the way it worked out. And when he talks about the Portland model, just something that to clarify for you, we received grant money, we write a grant every year and it's a very competitive process. And we've been lucky enough to receive grant money. We used the majority of that grant money for curriculum delivery. And because of the way our police agency is set up, from the very beginning, we had mostly street officers teaching. When we first start the it, we didn't have the program, we had the school police with the school board and they weren't interested in doing prevention, they just wanted to arrest. So when we got in fm, the only way to make it work was to have our regular officers volunteer. They're all volunteered. They need to go through a two-week certification training. It's the most stressful training, it's pass or fail. Nonskim, not shooting type of stuff, it's intense. They're expected to perform. That's one of my jobs, to run these trainings. If they don't perform, they don't get certified. I don't want 90 front of the classroom unless I would feel comfortable in front of my kids. That's kind of the way this is all set up. What we're doing right now, actually there's four separate components for g.r.e.a.t. They compliment each other, they stand alone. They go in detail and they -- for the sake of time, I won't go into the details of every component, but we do all four. We have an elementary component, which is life skills based, six one-hour classes and we do it in the fourth and fifth grade. And it's support all our curriculums are supported with the stand handbook the -- the student handbook the kids fill out and keep. Our middle school curriculum -- nancy didn't know she was going to be up on the screen. These are the pictures someof some of our officers and sergeants delivering the curriculum in different schools. One of the things we've done with the elementary is use it in after-school programs at different boys and girls clubs. Myself and assistant chief berg have both taught at the blazers boys and girls club. That's audrey that joe was talking about. He's done the elementary curriculum at waddles. We have a strong commitment -- partnership with boys and girls clubs in the area. The middle school component is 13 lessons. That's the one we concentrate the most on. We deliver to sixth graders. We want to get them in the beginning before they get exposed to the negative stuff. And that's also supported by a handbook. The middle school component this, past school year. This is one of our graduations. The two high performers get a gift at the graduation ceremony, and that's the picture you see, there and we acknowledge all the teachers. She's very shy, she's not in any of the pictures, but sitting back there is joanne, and she has been with the program from the very beginning working through t.o.d. And fit wasn't for her I wouldn't be involved. She's been the glue that held our program together since 1994. Joanne, just wave. Thank you. But she's actually the glue. Her and mike are the glue. There's one of our big graduations. I think this was at -- might have been one of the parkrose schools. One of the things we do at the graduations, I did this at humboldt, we try to have a true dog and pony show. I invite them out to the graduation many. The kids love it and invite the canines and the kids just glom right on to the horse and to the dog. We've tried to incorporate as conditions allow as many other people to come in. This is how we've recruited our officers to teach. A couple of them came to graduation and they've seen the way the kids flock to the officers. Our summer component is the big one that -- where we spend a lot of time with the kids, camp rosenbaum is our premier partner. We also partner with p.a.l., boys and girls club and



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nysp. We reach, depending on the somewhere, anywhere from 400-600 kids a summer. And this is chief berg doing a summer activity at the boys and girls club. That's the blazers. That's last 2007 camp rosenbaum. We send down every year from 10 to 16 officers to camp rosenbaum. This is the classroom. I'm the only one they know at camp rosenbaum that's a cop, but they forget it by the end. They get me for an hour every day. We talk about what do you represent, which is a big thing. Because camp rosenbaum represents good citizenship, and we tie in the g.r.e.a.t. Curriculum to that. And these pictures speak for themselves. This is what you see at the end of camp rosenbaum. If you want to see the effect the camp has, come last day. Half the cops are crying and most of the kids are crying. You can't do it without stuff like this. That was last summer's officers that attended camp. We have other agencies that attend also. But the majority is Portland police. We were the only cops to go to that camp in '94. That was through now general bruce prunk with -- he's an air guard and he's one of our retired command staff. He got us to the national guard. The people that go -- always go back. G.r.e.a.t. Is one of the big partners in the camp. Families, this is something, I wasn't sure how I felt about police being involved. But once I got trained in the curriculum, and i've done it a bunch of times, it's one of the strongest curriculums i've ever seen. Partnership we're doing this right now, we have more families than we can actually deal with than instructors. We have two officers that are teaching in spanish. They came in last year. The curriculum is six weeks, you eat with the families then deliver the curriculum. You're not tell them how to parent, you're giving them different option and letting them discuss it. And that's where the strength of the curriculum comes for the families. And that's a picture of -- in the ortiz center, we got a lot of good press out of that. Nationally we're the first agency to deliver this completely in spanish. The buzz, they were buzz ball game this in Washington, they loved it. Of course I sent "the Oregonian" articles to them. And as you can see, this is the whole thing was in spanish and this is because officers -- .

**Fish:** Is this at the --

**Gorgone:** Ortiz center.

**Fish:** We're going to be taking up a report from planning soon on the concordia plan, and as my colleagues know, the clara vista is a c.d.c. development, in the middle of cully. And it's one of the better success stories. What's interesting about the clara vista was named for clara, when you go there, what you find is a lot of somalia families moving into the clara vista. So it's an interesting microcosm of what's happening with new immigrants.

**Gorgone:** Wayne ellis done a couple things with the somalia families. The billing problem is the language barrier. We don't have any officers that can speak the language. The response amazed me. I've never seen anything like it in the years i've been doing this. The spanish-speaking families, we've got a waiting list. It's amazing the way it's worked out.

**Potter:** Pyrotechnic could you use as somalia interpreter that's not a police officer?

**Gorgone:** Not really. The lead facilitator needs to speak language of the parents because if you are doing it through a translator you're losing stuff and it would take twice as long to deliver the program. We tried it. And it wasn't very effective. What we could do, what i'm thinking about doing, is with the families we train cofacilitator and they can be anybody. We've had all kinds of people from the community help us. And we trained people from Multnomah county, social services to help with the ortiz center. If we can train the right people from the somalia community, we could have our initial speaking officers do it with them, and while they lead it and talk to the parents, the officers in english, I take the kids, because you split them up at times and put them back together. And the kids all speak english.

**Fish:** We've got fire safety issues in that community on the backside of clara vista there was a fire that took out some units. We've been trying to get some firefighters in to do some multifamily fire safety stuff. I'd love to have a tie-in where we took your lead and brought firefighters and did a joint presentation.

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**Gorgone:** That would be easy. There's a graduation actually this saturday at 1:00 and you're all invited. It's going to be -- i'll email out the details. It's not actually at the ortiz center, it's at a church in that neighborhood. We're graduating six or seven more families this saturday at 1:00.

**Potter:** We have a very large somalia community here in Portland. They're actually pretty well organized. We'd like to put you in touch with some of the leaders that can assist in finding folks to be trained to cofacilitate.

**Gorgone:** Absolutely. Sure. Just here locally we have 55 officers that are in all our different jobs through all the different precincts. That are teaching great. There's 26 officers that are certified to teach families. I think you have a copy of these statistics, 2007-2008 we graduated just under 3,000 kids from 90 different classes across the city. The billing number right there since 1994, we've graduated 36,996 kids. That's almost 40,000, almost 37,000 relationships that have been built between the police bureau and the city and our citizens. That's the one that jumps out at me. Our summer programs, I know i'm rung out of time, our families program is growing. That's the one that's starting to come on. Any questions?

**Potter:** I think we just have a lot of compliments. That's a wonderful program and I want to thank you both for your professionalism and how personal it is for you in terms of your efforts. Please convey to the rest of the instructors and the family certified instructors how much we appreciate what they do for our community our kids.

**Gorgone:** Thank you.

**Saltzman:** I just want to particularly thank you sergeant, because your enthusiasm and passion for this is obvious, and so many of your colleagues, what impresses me about them is they're really -- all the things they do outside of their jobs or even in their jobs that are helping to build strong communities. And you're a great example of that. Thanks for your leadership on this.

**Fish:** My wife's maternal grandparents are from the bronx.

**Gorgone:** I just want to give a plug to our officers. They've been doing this quietly forever. And it's not enthusiasm, it's passion. It balances out. I know it's balanced out my career. I'm 21 years in uniform and I don't know if I would be as successful if I hadn't done something like this. So for to us give this opportunity not only to build the relationships with the kids, but we're mentoring our own people. It's my guess the officers that do this go on to have successful long healthy careers. Because they're balancing out all the bad stuff we do with the positive. Pyrotechnic all the necessary bad stuff.

**Potter:** Yes. Pyrotechnic thank you very much. Do we have anybody signed up to testify?

**Moore-Love:** This was presentation. We didn't have a sign-up sheet.

**Potter:** I thought it was a report. We don't need to accept it?

**Moore-Love:** No.

**Potter:** Thank you folks very much. We're going to move to the regular agenda. Please read item 1469.

**Item 1469.**

**Moore-Love:** Did you want to dispose of the consent agenda?

**Potter:** Oh, yes. Commissioner Leonard, we pulled item 1453 back to my office and item 1461 to commissioner fish's office.

**Potter:** Moving to item 1469, please read the item.

**Item 1469.**

**Potter:** This report is being presented, the first annual report to council on limited term tax abatements. The report satisfies the commitment made by the council to the Multnomah county board of commissioners in response to more recent questions from the council. Tax abatements are critical tools for achieving important city housing goals such as the creation of more affordable low-income housing and transit oriented development. We need to closely monitor these programs tone sure their effectiveness. I'd like to express my personal thanks to commissioner fish for

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heading up this effort to establish increasingly efficient accountability and for a short time as a member of council, commissioner fishing has made it known he's willing to address this vital issue, and I want to commend you for that. Before turning things over to commissioner fish i'd also like to acknowledge the work of the Portland development commission's executive director, bruce warner, and also the Portland planning bureau director, gil kelley, for their contributions to -- and from their respective staff. With that i'll turn it over to commissioner fish.

**Fish:** Thank you, mayor, and thank you for your leadership on this issue and for inviting know work can you on this important project. Our objective today is to have the council accept two reports. The first is a response to an audit which was conducted with respect to residential tax abatement programs and the second is the first annual report on those programs. Both documents were prepared by the bureau of planning and the Portland development commission with assistance from the bureau of housing and community development. This continues my efforts mayor and your efforts to respond to the council's desire to better understand the scope, breath and cost of the city's housing programs and to exercise an appropriate level of oversight on how they are administered. Today we will be returning to the subject of limited term property tax abatements. Over the last two weeks, each of my colleagues should have received both documents. The first is the response to the city audit on residential abatement programs. The response deals with technical issues raised by the auditor. The auditor also noted that several of the abatement programs would benefit from a clarification of their goals. This briefing this morning should provide council with necessary background information that will be helpful when we take up goal clarification later this winter in the context of the Portland plan. The second report is the first annual report including information on performance in relation to program goals and objectives as well as the outcomes of compliance monitoring. Multnomah county has asked for an annual report with similar content as well as some additional analysis that relates the city's programs to the county's core mission of serving -- I will be sending the report to the county next week and plan to meet with chair wheeler to discuss it's or to brief the county commission if they so choose. Mayor, i've invited the auditor to lead off this morning and to comment on the audit response. And then I have asked barbara sack of the bureau of planning and keith of p.d.c. To provide a brief presentation on the highlights of the annual report. Mr. Auditor?

**Gary Blackmer, Auditor, City of Portland:** Good morning. Gary blackmer, Portland city auditor. With each of our audits we work hard to build a strong working relationship with the agency we're auditing and build a persuasive case for improvement. And we're very pleased to see these kinds of responses come from our recommendations. I think the staff, the bureau planning and the staff of the Portland development commission need to be commended for their efforts to improve the accountability over these programs and we recognize that all the challenges in those recommendations can't be addressed immediately, but we see that they're on the right path to address all those that take a little more time and I want to extend my appreciation to commissioner fish for his leadership in bringing this together as quickly as he has. And to that degree, we think that this is an important message to the community that the city holds itself accountable to make sure that it's doing its very best to accomplish what it can with the dollar. So I appreciate these efforts, and on behalf of my staff, we thank you for your attention to this.

**Fish:** Now we'll invite up barbara and keith to give us a briefing on the annual report.

**Barbara Sack, Bureau of Planning:** As you negotiation both planning and p.d.c -- i'm barbara sack from the bureau of planning.

**Keith Witcosky, Portland Development Commission:** Keith, Portland development commission.

**Sack:** Both p.d.c. and planning have responded to the audit's recommendation of which there are five. One of the city audit's recommendations is the production of an annual report so we're going to go over the highlights. Keith will address the results of monitoring and compliance, and I will

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get some policy context and program outcomes. If you have any suggestions for additional content, or any changes, this is our first annual report and we plan to do these every year, so give us some feedback on it. The first recommendation of the city audit calls for the city council to clarify goals and objectives of the tax exemption programs and the assignment of responsibility for oversight, evaluation, and reporting. We just want to let you know that there will be work sessions on city housing programs this fall and early next winter that will assist the council with the clarification of the goals and objectives of the programs. They're listed here, i'm not going to go into detail. And commissioner fish says the Portland plan should give us context for making larger changes to the programs. That would be a good place to discuss, that because we'll have more information on the city's housing market when we undertake that plan. Here is the summary of the goals of the tax exemption programs. In appendix one, we go into detail on specific goals and goals of area plans with the -- that the programs carry out. I'd like to point out while the city programs carry out important housing objectives, particularly related to house can production, and housing affordability and preserving the housing stock, the programs that have boundaries are mapped as part of our city planning. And our area and transportation plans. So they are also tied with -- to some transportation planning goals and growth management goals. I'm just going to briefly go over some of the major program outcomes. One of the major outcomes of the programs is housing production. There's three programs that provide an incentive for new housing production in areas of the city where we want to see new development. And these are the single family program and the two multifamily programs. The single family program supports neighborhood revitalization through new development and affordable home ownership opportunities, the home buyer opportunity areas are mapped for low and moderate income areas of north, northeast, and southeast Portland. The multifamily housing -- good transit service and the programs from a transit oriented development. And these are also areas where the city and metro wants to come date new population growth, we want to accommodate new population growth in these areas so people moving here aren't going to create unnecessary traffic congestion if we have housing on the light rail line or in the central city, which is a place a lot of people work, then that will help us with that goal. So as you can see, there's about 2,000 units that have a single family tax exemption and there's over 3,000 units that have an exemption to a multiple housing unit in the todd program, which are two multifamily programs. If our nonprofit program was the largest program, there's almost 8,000 units assisted by the program. The housing in this program is mostly existing housing although nonprofit does build new housing and apply for this exemption. This is also the program that results in the greatest forgone revenue. The other programs the multifamily programs also have rental units and oral all the cities, tax exempt shun programs consist of 82% rental housing. 79% of this 82% of the rental units are affordable to low-income households because there are projects under the new multiple housing unit and todd programs that have rent restricted units, usually tied to their financing. In the programs that allow homeownership, there's an income guideline for all the programs that a household be at or below the median family income. For family of four, which is currently 67,500. Dollars. So there's a cap on buyer incomes and the programs that allow homeownership. You also see the forgone revenue figures here. These are total forgone revenues figures for -- it's the forgone revenue to all taxing jurisdictions. The city of Portland forgone revenue is about a third of this or about 5.6 million.

**Saltzman:** Is that an annual amount?

**Sack:** That's for '07-08. And that's for all the jurisdictions. I have to say, there's a lot of projects that are in urban renewal areas, so if a new project is built after an urban renewal area is created, then the forgone revenue actually would have gone to pay off the urban renewal bonds, it wouldn't have gone to the taxing jurisdiction. So the effect on the taxing --

**Leonard:** That depends on the type of urban renewal area.

**Sack:** Right.

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**Leonard:** It doesn't imply all urban renewal areas.

**Witcosky:** Correct.

**\*\*\*\*\*:** Do you want me to speak to that? Basically --

**Leonard:** I think it would be beneficial for people to understand the nuances of the differences.

**Witcosky:** Let's look at the Oregon convention center urban renewal area, that stretches along m.l.k. versus the district such as lents outer southeast. The Oregon convention center urban renewal area based on decisions made in the mid 'any's, p.d.c. Receives a fixed amount of money that we use from investment, and all the growth and property taxes above that fixed amount go to other jurisdictions. So in those cases, the revenue that is forgone from these tax abatements directly affects the dispis county in education. And a place like lents, where it was created after state regulations, p.d.c. received all of the money. So in those cases there's a number of units in those areas, it affects p.d.c., and it's still dollar for dollar. It still affects our ability to do projects in lents if we're abating properties in that area, but --

**Leonard:** Great. Thanks.

**Sack:** I was done with my portion of the presentation. So --

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

**Leonard:** I was going to ask, I don't know if this is the right time to do it, were you going to continue on with a presentation, keith?

**Witcosky:** I was going to continue on with the compliance monitoring information.

**Leonard:** Why don't you go ahead and let me ask after that.

**Witcosky:** Ok. So as barbara talked about how while these programs have much broader more comprehensive intent behind them related to growth in the central city and transportation and all those factors, discussions with commissioner fish and others, one of the most important things for city council in order to have all good conversation on housing policy and how you want to use tax abatements in the future is you feeling comfortable that the compliance monitoring is occurring and it's being done well. So what i'm going to speak to is how we've been safeguarding the public resources and the results in this annual report of abatements that were active in '07-08. So again, we broke it down by looking at first of all the ownership units. So these are the single family homes as well as units that might be in transit oriented or multifamily that are ownership. There were 698 units that were audited in '07-08. We found of those 47 that needed to be terminated. And they were terminated for reasons such as maybe there was an owner occupancy, what we did is we looked at -- there's a number of things we looked at, and it's in the annual report so I won't walk through every step. Some of the highlights, trying to find out whether or not the unit is owner occupied or whether they're renting it out. If you have the abatement a couple years ago and you're renting it out, you're not eligible to continue to have it. We looked at tax returns, we looked at the property tax bill and said, is the property tax bill going to the address or not as some of the clues to help us determine whether or not an abatement was being used the right way or not. So from that work there were 47 terminations that occurred, and council acted on those just last month, I believe, or maybe earlier this month, to officially terminate them. That resulted in \$83,000 in property taxes being returned collectively across all the jurisdictions. If you want the breakdown it's on the slide. From the single family homes it was about \$68,000 that resulted in the abatements being terminated. The other piece we looked at were the rental units. A couple weeks ago commissioner Leonard asked about whether there was any language in the code that required developers, financial reporting, whether that was clearly specified in p.d.c. agreements or not. So we've been taking the proactive approach. I looked into it and i've been guaranteed that in both the regulatory agreements for new projects as well as for any tax abatement extensions, that code language is in those agreements. So the developer knows that. We can talk much more about this in january as well.

**Leonard:** You've been doing that right along since we adopted that in '04?

**Witcosky:** From my understanding, it's going into the templates -- going in this year.

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**Leonard:** Ok.

**Witcosky:** I think it's something new based on some of the things you had talked about. Not new from two weeks ago, but it's being put in there.

**Leonard:** Good.

**Witcosky:** So with the rental units, the -- there were about 1350 active units in '08-09, and what's -- this is different, because if there aren't necessarily terminations. If through working with the property manager, they have to get forms from the tenants to have them prove their income. So again, we'll look at things like a w-2, we'll look at things like are they on assistance, and if so can you prove it. We'll look at income tax returns or pay stubs or those kinds of things they have to prove up they're income eligible. If somebody not income eligible, it's not as if the terminating abatement occurs. What happens is basically they have to find somebody that is income eligible, so what you're seeing in this, the results of this is not so much taxes returned, but it's looking at whether or not any of these units expire, and that's typically what happens. In this case there are 249 expirations in 2008. Spread across multiple projects, i've got all the background if you want to see what those projects were. But what we've got here, what we identified then is there's 410 remaining abatements, and in transit oriented, and 940 remaining abatements in the multifamily. And on this slide what we tried to show is how those are broken out over income. So you have a good idea of that. And let's actually -- the next slide talks about next steps. So I don't want to go there until we answer some questions that --

**Saltzman:** The number of -- number expired in '07-08 means the abatement ended. Is that correct?

**Witcosky:** Correct.

**Fish:** In response to both the audit and to direction from this council, p.d.c. and planning, you're doing a much more robust job of monitoring compliance with the terms of these abatement programs. But is this in your judgment something that should continue to be done by p.d.c. and plan or should it be contracted out?

**Witcosky:** I think there's elements that probably could be contracted out. I think across the board, whatever the situation people tend to be more comfortable fits done by an outside accounting firm or whoever it might be. There's an opportunity as long as the resources are there to pay for it to farm some of this work out.

**Leonard:** That really ties to the question I was going to ask. It's my understanding currently those that seek abatements make application and then they provide you with data that speaks to the public benefits in the three categories you outlined, and they provide you with financial data showing why the abatement is necessary. The kind of nuanced difference I think might be better building on the success of now having the annual financial statements come in and possibly even joining up with commissioner fish's observation, that might be -- something else they might make sense, and i'm interest -- is having the applicant come to you and that we have a predesignated list of folks that are in the private sector that then do that analysis. And the only difference is they would have to use somebody that we designated to do that analysis, and they couldn't use their own hired guns, if you will, and the reason I think that it makes stones me, i'm curious what your reaction is, I think that allowing a developer to construct the argument as to how he or she meets the three categories of public benefits and then allowing them to construct the argument about the affordability allows them to construct those arguments versus having a predesignated group of contractors that work for us that know that their loyal city to us and not the developer that hired them. I think we might get a more objective analysis of the application. Any thoughts on that?

**Witcosky:** I'd need to -- I know -- I don't know if i'm speaking in parallel in terms of what you talked about, but I know with p.d.c. we have underwriters that -- determine whether or not there's a need, financial need.

**Leonard:** Don't they do that based on what's supplied by the developer?

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**Shelly Hack, Portland Development Commission:** Shelly hack, Portland development commission. Part of the analysis is a review of the information that is provided by the developer as well as an evaluation of the material that's provided to p.d.c. by other developers for similar projects over time. So, yes, we are evaluating information provided by the developer, but there's an industry evaluation that's done as well.

**Leonard:** Is there -- Help me understand this, do they hire somebody or employ somebody that packages that information for you before you get it to analyze it?

**Hack:** Sometimes the developer does. Sometimes the developer has the technical skill on staff to produce the financial performance for them. Sometimes they have a consultant they hire that helps them take -- takes them through the entire process and does that perform -- analysis for them.

**Leonard:** Is there some opportunity to have a list of the kinds of consultants they would be required to use to provide us that data?

**Hack:** There are a list of consultants that could perform that similar type of analysis, yes.

**Witcosky:** You're saying the developer comes to us, says I want to build project a, and we said, we have a list of preapproved consultants and we'll team you up with one of them and they'll work with you to determine what the financial need is if any and whether a tax abatement is needed. Ok.

**Fish:** I think it's an interesting idea. Exactly what this discussion is meant to provoke. Because the report is neutral information, what you're reacting to is ways in which we can make sure that the implementation of this -- the continuing implementation of council will -- is done at a higher level.

**Leonard:** It definitely is a more -- it's on the list of things that are to be done. It's at the top of the list to accomplish that, I think, with embracing the annual financial data. So I guess all i'm proposing would just tighten that up just a little bit more. The idea being that the -- as the auditor said, clarify the goals and objectives to housing tax abatement programs, and you list what those are, for me it has always been causing something to happen that otherwise would not happen. That's to me the trigger as to whether or not you use an abatement. And then of course for what purpose is it then if you make something happen otherwise wouldn't happen, for what purpose are you doing that? And I guess all i'm trying to do is get to this place, when we give abatements there's truly a targeted policy that we want to provide the abatement for and second, that we have determined independent of the developer that it's absolutely necessary to make it happen or it otherwise would not happen.

**Fish:** Can I suggest, what we're going to have in fourth coming council session assist a chance to take a look at whether in fact existing programs are meeting our goals and whether there are any changes that the council wants to make to existing programs, either by contracting or expanding. And as part of that, we also ask for presentations as a future action item on specifically what you've mentioned, on the sort of due diligence that we go through and whether an idea like you've suggested with a panel of neutrals that you'd use, the information is not package but it is consistent. It's a great idea and I'd ask that it would be part of a presentation to us.

**Witcosky:** The other thing that I wanted to mention before we get into the next steps which I neglected to -- commissioner adams talked during the shaver green presentation identifying property tax abatements as a line item expense and we've gone back and talked to our budget folks so that if there's abatements going on in lents, it will be a line item just like a line item for the lents town center project. So you can see the cost for the following year, for the current year, you can see it demonstrated in that way. Did you want to discuss next steps?

**Leonard:** Go ahead.

**Witcosky:** So the next steps on this, as commissioner fish talked about earlier, will be transmitting the annual to Multnomah county, and there will be conversations with either the chair or the entire board on the results of that. There will be a short-term discussion of tax abatements in early 2009 in terms of what kinds of things we might want to adjust along the lines of what was just discussed,

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and then there will be the longer term more contemplative exercise of how we want to use tax abatements in future as part of the Portland plan and what we want to see in the city in the long-term. There's the economic stimulus package consideration and what kinds of decisions need to be made with the release of that in mid november versus waiting for these other two events. And that is it.

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

**Moore-Love:** No one signed up.

**Potter:** Anyone here who wishes to testify to this specific issue? This is a motion both accepting the response to the 2008 city audit and accepting the 2007/2008 annual report.

**Saltzman:** So moved.

**Leonard:** Second.

**Potter:** Call the vote.

**Fish:** Well, first, I want to thank my colleagues for framing this discussion with very clear signals to various agencies that they want a more robust level of oversight over our tax abatement program and more accountability. As we all know, to enhance accountability, we establish greater trust with the public we are asking to support any or all of these programs. I also want to thank barbara and keith. Barbara, this is your second shift. You were here last week on shaver green. And I thank you for the clarity of your presentation and all your hard work. I want to thank shelly for her work and bev kay and other team members at dhdd. I believe we have something solid to build on. The hard work is ahead when this council looks at whether we want to continue or modify any of these tax abatement programs, and that I think no doubt will provoke a rich and lively discussion. But you've given us the tools to make a more informed judgment as we go forward, and I thank you for that, and i'm pleased to vote aye.

**Leonard:** As I said last week, I just really appreciate commissioner fish's work on this. It is the most transparent and I think open I have seen since this whole subject matter of abatements being since i've arrived on the council, and it feels like we're going in the right direction, so I appreciate it. Aye.

**Saltzman:** I want to thank mayor Potter, commissioner fish, p.d.c. For their good work on this. This really is, I think, the first time i've seen things in such succinct form to be able to actually know that it's 16.7 million for this year for our abatements. Now I have an answer to a question i've asked at business lunches before, and now we have the tools we need to make sure the abatements are going exactly for the purposes we intend them. The monitoring through the auditor's office as well is a great thing to have in place. This is good, and I look forward to looking further at these policies and considering them explicitly as line items in our future budget. Aye.

**Potter:** I want to thank commissioner fish. I echo commissioner Leonard's comments in terms of both the process and transparency as well. The p.d.c. And planning staff, I think this is an extent job. I appreciate the auditor. I'm not sure he's still here, but I do appreciate his initiation of what became a framework for the resolution. And I think what this really does, too, is it also helps if there are other political partners who also give up some of the taxes on these abatements and exemptions, so I think it will add credibility to this program as well. I think this is an excellent way to start. Thank you. Vote aye.

**Leonard:** Mayor Potter, I just have a point here. I had a prearranged event with the new ownership of the Portland winterhawks at 11:00, and I notice we have four emergency ordinances, and I realize that, if I leave, they'll have to be brought back next week. Does that create a particular problem if we put them over to second reading or can we hurry through them?

**Potter:** Are you going to be here tomorrow afternoon?

**Leonard:** Mm-hmm.

**Potter:** We were going to hear these today. Three of them are personnel measures. So we were going to hear these today and do all that preliminary work and then vote on them tomorrow at 2:00,



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so it really won't slow any of these things down. Because otherwise the e.b.s. system cannot be implemented.

**Leonard:** I understand the purpose.

**Fish:** What time do you need to be out of here?

**Leonard:** About seven minutes ago.

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

**Leonard:** Great. I appreciate it. Thanks.

**Potter:** So let's go ahead and hear then the next three items together, items 1471, 1470, and 1472.

**Items 1470, 1471, and 1472.**

**Fish:** Mayor, just to understand our schedule and because I have some teammates here, can I get clarification on how the mayor would like to handle 1474, which is a presentation an an emergency ordinance to get authority to seek a loan from h.u.d.? Would you prefer we do the presentation tomorrow and act on it tomorrow as an emergency ordinance?

**Potter:** Well, we're going to be hearing all of these today. They're all four emergency ordinances. But voting on them tomorrow. That saves time at the front end, so all we do is come in and vote tomorrow.

**Fish:** So, danielle, stick around. Thank you, mayor.

**Potter:** Would you handle these first three, please?

**Steve Heron, Bureau of Human Resources:** Thank you. My name is steve herron, labor relations manager for the city of Portland. And, mr. Mayor, as you noted, really all of these through e.p.s. blueprinting. There is a contractually approved process for payroll smoothing for firefighters that are on shift. They can have any where from eight to 10 shifts during the course of a month, which means that the number of shifts in a pay period varies, which means that their pay for any given pay period can vastly vary quite dramatically. So there's a contract provision that allows the pay amount to be annualized and then divided equally so there's an equalized pay. That doesn't include overtime and so forth but for base pay. That practice apparently was being applied to 42-hour unit members assigned to the fire inspection series. The bureau, b.h.r., and the union will have an interest in seeing that recognized contractually, and so we're proposing revision of the contract that extend also the payroll smoothing not just to the shift employees but also the 42-hour fire inspector series.

\*\*\*\*\*: Mayor, i'm sorry to interrupt. Right now, you don't have a quorum. You only have two of you. So I think Karla's going to run and get commissioner fish in here. We should probably hold off until we have a third.

**Potter:** I will be asking a question and you can respond to it. I assume all these have been negotiated. Is that correct?

**Heron:** Correct.

**Potter:** I just asked the question, commissioner, in terms of these three items we're hearing all have been negotiated with the union, so this is a final result of that negotiation.

**Fish:** Thank you, mayor.

**Heron:** The second of the three is that currently part-time employees' vacation accrual rate, the contracts provide that vacation accrual rate changes over a period of time. So as a person has longevity with the city, the rate at which they accrue vacation increases over time. For part-time employees, the amount of vacation accrued is already prorated. On top of that, the provision has been that the movement from step to step at the accrual rate would also be prorated. For example, somebody working halftime would have to work 10 years before they had the equivalent number of hours of employment to move from the five year to the next step on accrual rate. For a couple of reasons, one being uniformity of the s.a.p. blueprinting and configuration and also as a matter of equity frankly, our conclusion was the proration of the benefit amount was an adequate balancing of the benefit for those individuals that are part time and that frankly making somebody be here for 10

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or 20 years before they moved to the next accrual rate was an unnecessary penalization of part-time status. So the proposal here is that part-time employees would continue to accrue a prorated vacation amount but that they would move through the accrual rate steps based on calendar years of service. The third item is that there are various premiums that are memorialized. Pdot has been recognizing a premium for parking enforcement officers engaged in, quotes, special projects. That premium either was at one point adopted by some form of agreement that is no longer binding or wasn't fully adopted. In any event, after our review of the premium and assessment of its use, we concluded that it's a valid and reasonable use of the public resource, and so we are encouraging the council to adopt the letter of agreement that would authorize payment of a special project premium of 5% for assignment to special projects for individuals within the parking enforcement.

**Saltzman:** Can you give me an example of a special project?

**Heron:** You bet. Develop many of the handheld citation writer, training and transition for implementation to the handheld citation writer, translation of bar codes on signage, compilation of statistics from the service request program, compiling statistics for spreadsheets. There are certain things that don't fall directly within the job duties as described within the classification a parking enforcement officer. However, based on the specialized knowledge that the parking enforcement officer has, those folks are frankly most efficient people for us to utilize in accomplishing that particular work, and that's the context.

**Fish:** When you say 5% premium, you're saving 5 cents on the dollars?

**Heron:** Correct. That is correct.

**Potter:** 5 cents? It says 5%. That's different than 5 cents.

**Heron:** 5% being 5 cents on the dollars.

**Fish:** I was just triggers, mayor, off the fact we think of premium time as typically being double time, time and a half, 5 and a quarter. 5% is a new one for me, and that's essentially a nickel on each dollars of wages.

**Heron:** That is correct. Correct. It's not, for example, at an overtime rate or some other rate that we see from time to time in contracts or in wage and hour statutes. Do you have any questions?

**Potter:** Thank you. Is anyone signed up to testify on this?

**Moore-Love:** I did not have any sign-up sheet.

**Potter:** Is anybody interested in testifying to these particular issues. 1470, 71, and 72 will be taken up tomorrow afternoon at 2:00 p.m. to vote.

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

**Potter:** Please read item 1473. It's a second reading. Call the vote.

**Fish:** Aye. **Saltzman:** Aye. **Potter:** Aye. Please read item 1474.

**Item 1474.**

**Fish:** Mayor Potter and commissioner Saltzman, as you know, we have some ambitious affordable housing goals in the city of perform, and our strategies include developing new units and preserving the existing stock after forward able units. As your new housing commissioner, i'm focused on preservation in part because currently, in Portland, there are 11 affordable buildings with over 700 units of housing that house largely an older and frail population. Attached to federal rent subsidies at risk of losing thereafter affordability. Think of clay towers when these issues come up. There was a community rescue plan that preserved those units. When these subsidies expire and 11 properties are at risk between now and 2013, it could mean a significant loss of federal resources to our community. This is why the city and our partners at p.d.c. are committed to preserving all 11 of these buildings between now and 200013. Now, to preserve these buildings, we will need to invest some local public resources into the various projects, and of course this is a challenge today because of shrinking budgets at the federal level, increased need here in Portland, and the daunting financial forecast. To meet our goals, I have charged bhcd staff with exploring innovative and cost-effective financing strategy that will assist us in preserving all 11 buildings while meeting our city's

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preservation policy goals. The ordinance today responds to this challenge. Staff at the bureau of housing community development are proposing we implement a revolving loan fund using a department of housing and urban development program called the section 108 guaranteed loan program. A yes vote will authorize our application to h.u.d. to implement a revolving loan pool addressing preservation financing. It will authorize us to submit the application, but it does not authorize us to spend the money for any particular purpose at this point. Danielle Ledezma, who is one of our key staff people at the h.c.d., is here to present this program, how we intend to open presence investigationalize the fund and to give further details about our application.

**Daniel Ledezma, Bureau of Housing:** I'm with the bureau of housing and community development. Like commissioner fish said, we were charged with coming up with either new resources or trying to find creative ways to use our existing resources to address the challenge that he mentioned before. And we were charged to do this because an analysis of the potential development pipeline of new projects, as well as looking at the preservation needs, showed us that our needs far exceeded what we had available in terms of our traditional financing that we provide for projects. Luckily we didn't have to look very far with the national development council as our consultant that works with us regularly. We looked to h.u.d. Section 108, guaranteed loan programs. The city of Portland has used this program before. We've used it for demolition and infrastructure costs at new columbia, also used it for economic development projects in northeast Portland along alberta and other streets. I'd like to tell you more about how the program works, tell you how we'd like to open presence investigationalize it. The city of Portland is a participating jurisdiction with h.u.d., which means we receive the federal entitlement money, including community development block grants which we use for housing resources. The section 108 guaranteed loan program allows participating jurisdictions to leverage their annual entitlement and to borrow up to five times the entitlement amount to carry out eligible activities. The intent of this program is to bring wall street capital to main streets, and what h.u.d. would like to do is incentivize private market investment in local projects to increase their impact. H.u.d. provides a federal guarantee on each loan that's made by the jurisdiction, and it's a way that they can attract private market investment. That guarantees repayment, because it's guaranteed by the federal government, but also a return that's comfortable with treasury rates. So what we -- the financing details, what we found is that this is a really low-risk, low-cost source of funds that we can use pretty nimbly -- nimbly. We can use up to five times our entitlement amount, which allows us to really significantly leverage our financing. We also -- the guarantee right now is one of the safest deals around because there is a subtle guarantee. It isn't a city obligation. By implementing this program, what we're really putting on the line is the community development block grant, the program at a national level. It's not a city general obligation. Repayment is required. It's amortizing debt. It carries a 20-year term. And interest rates, there is an initial interest rate that's based on libor, the london interbank offering, and those rates right now is about 3.5%. At the time when we decide it's feasible and works with our financing and the underwriting of each project, we can then commit that a fixed rate, which is based on treasury rates, which right now for 20 years is about 4.5%. The other thing really exciting about this program is that we're able to flexibly underwrite project by project. We don't have to set a strict underwriting guideline for all of our projects but can look project by project and create financing that responding to those needs in a way that will promote sustainability in the long-term and also our repayment requirements. This is a noncompetitive application. So when we submit our application, what we're really doing is just asking for authorization from h.u.d. The way that we intend to structure it here in Portland is that we'd like to create a pool rather than to ask h.u.d. loan by loan for authorization. This streamlines our process in response to the needs of our nonprofit housing providers so they don't have to wait three to six months for each deal. It gives us local autonomy and ability to structure our funds the way we'd like to. So the way that we'd like to implement this is we want to create the Portland

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housing preservation fund. We want to apply for \$15 million of section 108 guaranteed loan funds. We will use this on eligible projects. It includes acquisition, rehabilitation, refinance, and reprogramming, which lends itself toward preservation, the activities we need to carry out in order to meet our preservation goals. We estimate we can assist anywhere between 10 and 20 projects right now. Our forecast of the projects that will most likely be prioritized and funded by this fund show that folks need anywhere between half a million dollars to over a million dollars, so we'll be able to really stretch our resources in the short-term to meet our preservation goals and also be able to respond to the needs of our community. There is a repayment. There are many different scenarios where we can provide repayment. One of the ways that we've modeled out repayment is that, for projects that cannot carry debt, which is most of the preservation, the federally expiring preservation units, we can use part of our c.b.d.g. entitlement to repay that. We've structured it that we won't carry debt larger than 30-50% our current line item allocated for rental development. So we're watching project by project to make sure we don't reach a point of indebtedness that would put our rental development program at risk. Essentially the budget impact is that, by allocating about 300 to \$500,000 per year to repay the loan payment for this program, we potentially loses ability to do one project, but we are gaining anywhere between 10 and 15 time-sensitive projects that we need to be able to finance in order to meet our preservation goals. I see the advantages as that this is a really low-cost source of financing. The rates are -- we've done some research and looked at different foundations that provide program-related investment. We found that the interest rates are lower than those also right now. Bond financing would be difficult given the financial market, so this is really low cost. We also like that it's flexible and easy to administer. We have an agreement with the national development council to provide underwriting tuned help us administer the fund, and it's done at a very good rate we've negotiated with them. I think that the fund is innovative and creative simply because it's really not sexy but it's stable. It is low-cost, and we can meet our immediate needs now in a time when affordable housing deals really are at jeopardy because of the inability to get credit, the devalue investigation of the tax credit markets. This is really one of the safest tools we can use, and it's timely. So we're really excited about this. We intend to approve our application. H.u.d. needs a city ordinance which gives your approval for the application. But it's not a general obligation by the city. You're just saying that this is something that you are aware of and that we will implement but the city is not on the hook to provide any financing. So i'll take any questions.

**Potter:** I had two, danielle. One is what is our odds of having of having h.u.d. approving this? Secondly f approved, will it in any way affect any of the other h.u.d. programs that we are recipients of?

**Ledezma:** The approval, what we've been told, is 100% sure. It's really more of a process than a sort of competitive application. It really is just sort of every jurisdiction has the authority to use the program and to borrow against it. They're just making sure that we've filled out all the proper paperwork. In terms of jeopardizing our other programs, what the program -- for example, let's say the city of Portland receives a million dollars of c.b. dg every year. That's our entitlement. This program is not borrowing that million dollars. It's in addition to, though. We have the authority to borrow up to five times that million dollars. So that million dollars remains untouched. Locally, we've decided to support projects that cannot carry that, that we will allocate some portion not to exceed 20-30% of our line items for rental developments to repayment, but that won't impact any of our other federal and pilot dollars.

**Potter:** Further questions?

**Fish:** Just a comment before we take this further. This I think also, to my colleagues, fits nicely within the discussions we've been having about economic stimulus. And the mayor elect has asked that we be very creative looking at new opportunities to leverage financing, to be able to move quickly, to jump-start projects as well as to meet our other goals, as I mentioned earlier, to preserve

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housing. To me, this is one of the most innovative ideas that we've been presented with in a long time. It gives us access to some capital that can back the projects that otherwise wouldn't happen, allows us to work with an array of partners on some high-priority items. As danielle noted, it doesn't put the general fund or the city on the hook for anything. This is simply a way of capitalizing on our normal stream of cbdg money. Through a unique financing deal with the federal reserve, it allows us to access incredibly low rates of interest on the loans.

**Potter:** That was a very good presentation, danielle. Very clear, very thoughtful. I think we all understood it.

**Fish:** I should say, mayor, that i'll embarrass danielle, but she is really one of the big stars at the bureau of housing and community development and in our broader community very active with just Portland and other organizations. We're very proud of the work that she does.

**Potter:** Thank you, danielle, and it's good to see you blushing.

\*\*\*\*\*: [laughter]

**Fish:** I will say, though, that I was admonished the other day at a community meeting. Someone noted that she had given a great presentation but said, after reading her name, that the commissioner kept mispronouncing her name. I noted that I was taking my cue from danielle. It may be spelled daniel, but it's pronounced danielle. She is working with the neighborhood association to create a kind of community oversight process I don't think we've seen on housing projects before, working closely with the neighborhood association chair and others and being a liaison between my office, bhcd, the department and the community.

**Potter:** Is anyone signed up to testify on this?

**Moore-Love:** No one signed up.

**Potter:** Anyone here who wishes to testify to this specific issue? This, along with the other three emergency votes, will be placed on the 2:00 p.m. calendar tomorrow as a vote only.

**Moore-Love:** All right.

**Potter:** Recessed until 2:00 p.m. tomorrow.

At 11:30 a.m., Council recessed.

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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.

**OCTOBER 30, 2008                      2:00 PM**

[gavel pounded]

**Potter:** I'd like to remind folks that prior to offering public testimony to city council, a lobbyist must declare which lobbying entity they're authorized to represent. We have four emergency ordinances to deal with before we go to the 2:00 p.m. Time certain. The first require a motion to amend but we will get to those, please read 1470.

**Item 1470.**

**Potter:** 1470 needs an amendment. Please describe the amendment.

**Steve Herron, Bureau of Human Resources:** My name is steve herron. For the city of Portland. In this one, there's a relatively minor oversight in the declaration in lower case a. Authorize execution as drafted of a letter between the city and Portland police association, that needs to read Portland firefighters association.

**Potter:** Do I have a motion.

**Leonard:** So moved.

**Saltzman:** Second.

**Potter:** Please call the vote.

**Fish:** Aye. **Leonard:** Aye. **Saltzman:** Aye. **Potter:** Aye this was heard last week, and we already heard testimony, so call the vote on the emergency ordinance.

**Fish:** Aye. **Leonard:** Aye. **Saltzman:** Aye. **Potter:** Aye. [gavel pounded]

**Potter:** Read 1471.

**Item 1471.**

**Herron:** Thank you, mr. Mayor. My name is steve herron, labor relations manager for the city of Portland. This is virtually the same error in sub-a where it authorizes a letter agreement between the city and the Portland police association it needs to read the city and the city of Portland professional association.

**Potter:** I need a motion to amend the ordinance.

**Leonard:** So moved.

**Fish:** Second.

**Potter:** Call the vote.

**Fish:** Aye. **Leonard:** Aye. **Saltzman:** Aye. **Potter:** Aye. [gavel pounded]

**Potter:** We've heard testimony. Please call the vote on the emergency.

**Fish:** Aye. **Leonard:** Aye. **Saltzman:** Aye. **Potter:** Aye. [gavel pounded] please read item 1472.

**Item 1472.**

**Potter:** Emergency vote. Please call the vote.

**Fish:** Aye. **Leonard:** Aye. **Saltzman:** Aye. **Potter:** Aye. [gavel pounded] please read 1474.

**Item 1474.**

**Potter:** Please call the vote.

**Fish:** I'd like to again thank danielle and the rest of the staff that at the community development for the good work on bringing this matter forward and it will give us new flexibility to tackle some

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projects we otherwise would not have the resources to fund at a time we're trying to jump-start local projects during a down economy. Aye.

**Leonard:** Aye. **Saltzman:** Aye. **Potter:** Aye. [gavel pounded] please read the 2:00 p.m. Time certain. Read 1476 with it.

**Items 1475 and 1476.**

**Potter:** Please proceed folks.

**Joe Zehnder, Bureau of Planning:** I'm joe with the bureau of planning. Today it's a second meeting on the north pearl district plan. We had a presentation of the seven amendments brought forward by public testimony at your last meeting. I'm here with troy, the project manager for the bureau of planning and the project manager from pdot on this plan. Today, any of the amendments that you want to make to the plan, we would need a motion. approving those amendments and then we would be prepared to come back for a second reading at a second date. With that, i'll turn it over to troy.

**Troy Doss, Bureau of Planning:** Thank you. I'll walk you through the amendments quickly just to remind you what they were. Outlined in a memoranda dated october 20th and for those in the audience who haven't seen it, it's available here on this credenza. The first is brought that they had asked we repeal some development standards we had applied to that site as part of the north pearl district plan process. They don't currently apply but to other parts of the pearl waterfront. We found there were conditions of approval associated with the land division that affected that site that virtually did the same thing as those development standards. We agree with the requested amendment. The second amendment is also a zoning based amendment and brought before us by steve able, representing summit properties. His deals with the waterfront properties south of the bridge, the request we allow for the same bonus height provisions, to those south of the fremont bridge and up to the centennial properties and allow an additional 75 feet through bonuses. We agree with that as well. And I want to let you know that we have put before you a revised version of the zoning amendment package that we brought both time and it reflects both of these amendments in there. The third amendment deals with language from the plan itself. There was an action item that talked about the recommendation of a couplet on northwest lovejoy and northrup between northwest 10th and 16th. Rick michaelson brought this before you to say while we were investigating the ability to put a couplet in there, we should consider a different alternative, that would result in an eastbound-only version of lovejoy with left turn movement to the north. We feel that's something that we can accommodate. We have that language in front of you and that would be an amendment to the action item in the plan as well. Staff supports that as well. The next four amendments are not recommended by staff. One I think we discussed in a little bit of detail last time. It deals with a proposal by jim winkler and one waterfront development to ask for a two to one increase in f.a.r. Entitlement. We recommended against that. That we identified and that were reviewed by us and the design and planning commission. The next amendment and the next three are from the northwest district association. One is a request that we not apply bonus height to the riverscape site. However, we just agreed to that amendment we feel it contradicts it. So we don't support that amendment. The next is asking if council -- amendment 6 -- if council does choose to apply a bonus height there, that only do so if a funding package is in place to provide a park that's been discussed at the -- sorry, at the riverscape site. We have noted that, though, in the plan itself, there's an action item that discusses that the city would pursue the development of a park there. There's been a letter that -- from commissioner Saltzman and the parks bureau that says they would like to further explore this. Basically, we would pursue the development of the park and propose a marina on the eastern portion of lot 8 at riverscape design site. The amendment 7, the final amendment, is a request by the northwest district to not do any of the f.a.r. Increases proposed by the plan until the modeling criteria were investigated by a third party. We actually have that already done. Odot looked at our findings three times and was concerned and they concurred with

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our findings and found that our assumptions were adequate. And we have additional information that came out of another investigation in the north pearl district plan and pearl district and shows there were higher modes than we were anticipated and so we feel confident in our modeling assumptions.

**Fish:** You may higher modes?

**Doss:** Means that there's more persons walking and bicycling than the modeling assumptions.

**Fish:** Thinking back the -- to the hearing, 5, 6 and 7 brought by the northwest district association --

**Doss:** Yes.

**Fish:** The north pearl district plan does not join in those objections, correct?

**Doss:** Correct.

**Fish:** And can you explain to me -- I was at a barge launching at lunch and i'm still so overwhelmed by what I saw. The barge business, seeing this huge thing launched without a glitch and the fire boat going on and --

**Leonard:** [inaudible]

**Fish:** -- my focus back to this, but can you walk me through again, amendment 1, there were twists and turns.

**Doss:** Yeah, there was actually two amendments before you last time from mr. Baccarat. And riverscape. One was asking for a repeal of the development centers we were proposing and the other was asking we would allow for bonus provisions that currently aren't allowed to the base zone affecting this property.

**Fish:** That's the one that generated a lot of attention.

**Doss:** And he has since pulled back that request.

**Fish:** But that's no longer on the table? This is a more modest adjustment?

**Doss:** Exactly.

**Fish:** And the rationale for recommending approval of this is what again?

**Doss:** The development standards we hope to apply to the site are emulated by conditions of approval that were put on the site by a land approval process. We were not aware of that at the time this was going through. They seek to create the same conditions in the end run here. So we feel that having additional zoning criteria on top doesn't make sense.

**Fish:** Is it safe to say that it does not disturb the overall integrity of the plan you brought to us for which there were concerns last time.

**Doss:** Exactly what we hoped the plan would do.

**Fish:** Thank you.

**Saltzman:** I have questions on amendment 4. The planning commission recommendations contained in your summary here, lr1 and 2 to pursue a master plan --

**Doss:** Yes.

**Saltzman:** -- f.a.r. And height increases.

**Doss:** Yes.

**Saltzman:** Were these recommendations since we had our last hearing?

**Doss:** No, prior to.

**Saltzman:** And are we taking testimony today.

**Doss:** On amendments, yes.

**Saltzman:** So I guess obviously there's some questions raised about one waterfront f.a.r. Issue. And I guess we'll probably hear testimony on that, but you mentioned odot's traffic investigation has been calibrated or --

**Doss:** They've reviewed our findings and concurred with our assumptions and modeling results. They were concerned we put more f.a.r. Into the system -- getting to the point where they start to



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be more trouble. But they felt that our -- concurred that our findings that our system could hold what this proposed.

**Saltzman:** Did they find the additional f.a.r. Being requested by one waterfront?

**Doss:** That was not what was before them. Our modeling had already determined that it would throw it over. They did look at the entire stretch the naito, not just the one waterfront front. We were equitable how we were going to apply them there. That was one issue before them. Planning commission would do that. And also looked at the urban form consent there. If you put another two to one f.a.r., it adds a significant amount of building height so that site so there was some concern about the impacts that would be, that's why when they were considering back in march, they wanted to make sure those requests were looked at more through the central Portland plan and through a master planning tool that would allow the design commission more direction on what those impacts would be.

**Saltzman:** Is the master plan going to -- the central Portland plan, we adopt something at some point?

**Doss:** Yes, it's a --

**Saltzman:** That's a basis for the beginning master planning regulations?

**Doss:** Those types of tools are fairly complex and we're working on that for both these sites as well as other large sites in the central city and imagine probably elsewhere in the city.

**Saltzman:** Ok. Thanks.

**Potter:** Anything to add to this?

**Mauricio Leclerc:** No.

**Fish:** Have we found out how we're going to pay for the Portland and milwaukie loyal yet.

**Leclerc:** Not yet. Working on it.

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

**Moore-Love:** Two people.

**Potter:** Please call them forward.

**Moore-Love:** Jim winkler and bob naito.

**Potter:** State your name when you speak.

**Jim Winkler:** Thank you. My name is jim winkler. One of the comanaging partners of one waterfront. I wanted to reiterate based on my interesting analysis we paid for, the study before you from a transportation point of view is both adequate and inadequate. As a major decision shouldn't be made on the basis of insufficient data. Data. From Portland to milwaukie is an inadequate basis for making a major zoning decision. The part I found particularly troubling is there's an inconsistency between what's required here and what's required via city bureau or parks that would have a zoning change. This is a much, much lower standard and because it's such a low standard, there's to clear transparency. If it isn't unversizeble, I would suggest a decision shouldn't be relied upon. The second aspect of the pearl district plan troubling to me is the notion of a point tower. A residential form that's being applied through the maximum facade length. The plan has a section entitled sustainable community concepts which i'm in 100% in accord. Talking about the city's vision for a national and international leadership in buildings and fuel reduction and standards in excess of 50% or more. This really is an important aspirational goal for the city. But if we start mandating point towers that are noted for having inherently worse energy performance without doing an analysis on that building form, we begin to erode our credibility in the environmental community. Much of our economic strategy is predicated on an appeal to sustainable jobs and sustainable industry. If we have such a clear disconnect between advanced energy modeling and design, and building form and what's being mandated for the north pearl district plan, I think we render our -- it negatively impacts our ability to recruit new jobs and industry to Portland. Finally, in a certain sense, and I hadn't thought of this before but I now feel strongly about it, we're an entitled project. We can go forward with our design which has a floor plate considerably larger

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than what is recommended in the proposed north pearl district plan, but should our plan, because of economic conditions not be built than we would have to redesign and that's something we're loath to do. The example in the north pearl district plan is the case study of the Oregon health sciences center for health and wellness. That's roughly twice the footprint that would be allowed under the north pearl district plan. It seems peculiar to use a template of an existing building that you couldn't build under this plan.

**Fish:** Can I follow up to make sure I understand one of your arguments? You said you're an entitled project. Moving forward, if for some reason, you didn't proceed with this, your argument is that you'd be forced to redesign a new building that you had intended to be for commercial use, an office space, in a point tower design which as you explained to us last time, doesn't work for --

**Winkler:** That's exactly right. We're entitled meaning we can go and get a building permit and build this any time in three years from the design review decision and that seemed like it was going to happen and I still hope it does happen and think it might. But every day I read the wall street journal, I become concerned about people postponing decisions to build office buildings and if this project doesn't get under construction, the project, as approved could not be built under the north pearl district plan and we would have to throw away the plans and start over.

**Fish:** What would be your recourse at that point if you had to redesign but you wanted some adjustment to the plan?

**Winkler:** I'm not certain, because the plan allows the design commission a certain latitude. But our floor plate is considerably bigger than what would be permitted --

**Fish:** I'm asking because i'm interested in knowing.

**Winkler:** I am not sure if we could appeal to you, a denial to city council which would make a decision to allow --

**Fish:** We're talking about a contingency?

**Winkler:** Yeah.

**Fish:** And your argument is if these is occur, you don't want to be prejudiced by having to adhere to design standards that would not work?

**Winkler:** Or for any advanced office building.

**Fish:** I'm interested what your resources are at that point. Your first choice, I take it is to continue with the current plan.

**Winkler:** Absolutely, when you read the newspapers and in new york, there's 25% of empty office space in the last few months, it gives you the sense that things may slow down a bit.

**Fish:** The other thing I wanted to ask you is when I listened to you last time and now, again, it seems like the heart of your argument is a principle that may never actually apply to you. Your current project, you're planning to build within a framework that doesn't use all of the available f.a.r.

**Winkler:** That's correct, but I think one point i'd like to make, when troy made that statement, our current plan is a phased plan. We only plan to build the first phase and we left the southern portion of our site undeveloped. It's going into grasses with the intention of doing an urban infill subsequently. Our plan is to use all of the f.a.r. Available to us. And certainly we can modify or plan to do that. The urban form argument is somewhat disingenuous in that we have the broadway bridge going over our site. So the majority of the site is a parking structure beneath a bridge. There's no possibility of building on top of the broadway bridge or particularly close to the broadway bridge. So that was really kind of a red herring. We have built about as big a building as we can, taking advantage of the various bonuses we qualify for, which is essentially all of them.

**Fish:** Again, so I understand the indications. You would have the right to transfer that to some other property owner?

**Winkler:** Commissioner fish, we would have been happy and proposed a friendly amendment that we hoped to sit with planning and talk about being exempted from the north pearl district plan. I

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wanted to be treated identically to the other parcels within the north pearl area. Which was the decision of the original committee that worked on it. There was an e-mail saying that preliminary traffic data indicated there wasn't enough traffic capacity and the properties along naito parkway were treated differently. They produced a series of arguments and they hired traffic officers but that was a fairness argument and an allocation argument and we simply disagree with that. The issue with the point tower, it's an urban form that planners like. It lets light penetrate deeply. Gets away from a canyon effect. But we have little blocks, not major blocks like in new york city. And by building small floor plate buildings, we compromise our ability to achieve true energy independency and lower our carbon footprint. I take exception as someone who embraces sustainability at a serious level, I think we should not constrain too much the ability of people to make economic decisions, floor plates that work for their business function and shouldn't be in too big a hurry to emulate the aesthetic of vancouver, canada, and I think it's a mistake to take a residential form and apply it universally.

**Fish:** My final question, mr. Winkler. One or more of my colleagues last time asked you whether you had had a chance during the committee process to raise concerns you had. I think you heard from the discussion that there was some reluctance to start doing some discrete modification to a plan that seemed comprehensive and the discussion concerning mr. Baccarat, there was a sense to make the kind of adjustment requested. So can you help me understand in light of what you've heard from this council, about its deference to the fully integrated plan, why your position should be the exception?

**Winkler:** We trusted completely in the fairness of that process and had an architect who represented us and some other people on the committee. Until the committee completed its process, we had no disagreement. When there was a modification based on traffic, we've attempted to meet - - and on two occasions met with planning to discuss our disparate views and I think that in this case, if there's any reason for an exception, it has to do with the fact that the city historically has required traffic studies. If the bureau of environmental services wanted to rezone, it would be required to have a traffic study. When gil last testified, he talked about mr. Bachrach. It's a micro-empirically tested field-verified study that deals with reality. To abstract from a document -- not a reliable tool upon which to do serious planning. It's a convenience. I don't know why it was selected. I don't know why there's a rush to judgment. But I would think we're the only people who feel strongly about that and perhaps the intensity of our passion for this issue and the fact that we genuinely believe it's bad policy to rely upon such a study is the reason for any sort of exception. But in the alternative, I would feel just agency happy if you would to redraw the borders of the pearl district and exclude our property. Then we would have no standing at all in the discussion, there'd be nobody saying our self-interest was at stake. I just think this was an inappropriate way in which to appropriate it from a planning punish, from a policy perspective. I think it's inadequate and insufficient traffic analysis. There's no way to ever question something that says we'll wait until we do something later. And it smacks of a decision to move the ball along. The point tower or small floor plate matter is one also that's the same thing. It's what the rush to judgment? Why are we going to mandate an urban form that's residential in nature for all construction? Why would we do something that would compromise our standing in the environmental community without any kind of energy analysis or study. I think there's a insufficient part on planning. I feel strongly about that.

**Saltzman:** What does your independent traffic analysis indicate?

**Winkler:** Well, it began by suggesting there was enormous capacity along naito and that the problems were elsewhere and that adjacent to our site, that were relied upon in the transportation model were completely wrong. A transportation study would show, as the study we had to do to try to get a signal, demonstrate capacity through 2030. It showed even if we were granted four to one f.a.r., there's enormous capacity within the corridor. The arguments offered by planning were

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efficiency first, there was a problem on naito parkway and when we pushed back, it is a problem at the intersection of 9th and naito and then at 9th and lovejoy. Our study shows 9th and lovejoy is either in failure today or will be in the near future. Our traffic study looked at whether or not we were contributing materially to the problems at 9th and naito. It was testified that -- 9th and lovejoy. For us to do that, we looked at that carefully in our traffic study. For us to get to 9th and lovejoy, you have to go through the signal, take a left. You proceed north and turn immediately into the refuge lane and wait for the signal to turn green and work your way to lovejoy. It takes two or three signals to make a left. And go over the Broadway bridge. Our traffic analysis was that most would choose to take a right out of our project, skipping the signal and going to the steel bridge and the time, going to the Lloyd Center, not surprisingly, we believe people will choose to take the steel bridge. So our traffic studies are very much at variance. The capacity along Naito Parkway, our study indicates there's vast capacity on Naito Parkway with the 85-foot right-of-way. Unless we plan to have 45-foot bike paths. But there's plenty of capacity on Naito. It's almost as if someone said there's some concern about capacity, let's eliminate any additional traffic and then we don't have the issue. It's a question of whether or not we know what the facts are when we make the significant planning decision.

**Saltzman:** You mentioned you have three years from the time of the design review. Where are you?

**Winkler:** We're very early in it.

**Saltzman:** A month or two?

**Winkler:** Three months ago we got the design review. We're engaged in substantive conversations but it's only the fact as I repeatedly read the financial newspapers that come out, I start to think, maybe we'll be in a very different situation. In 2001, we had about 70% of the building spoken for that we conceived for at that time on the site. We had 9/11 and put the project into hiatus. And there was a change from the uniform building code to the international building code. And I don't want to watch that same movie again.

**Saltzman:** Thank you.

**Potter:** Questions?

**Bob Naito:** Mr. Mayor, commissioners. Bob Naito. Suite 200, Portland. I think I'll skip what I was going to testify about and pick up on something that Commissioner Fish was talking about and see if we can get any traction here on a possible alternative amendment. The amendment 4 that planning has takes the f.a.r. And height issue on our site and sends it off to the central city plan. And simultaneously with that, there's a development of the master planning process that would effect kind of superblock sites like ours anyway. So one suggestion, which I think -- I'm not sure if Jim made it seriously or not, and we haven't talked about it, but one possibility would be to redraw the line and leave the one waterfront site under the old rules. We don't think we're gaining anything in the north district plan. Or we wouldn't be here if we thought we were actually losing something. You could take an action item that would simply take one waterfront site and all of these issues about f.a.r. and height and could be taken up with the central city plan. That's a simple solution that lets us move ahead and removes the issue. If that doesn't have any appeal, I guess -- I was going to testify on one limited issue that I think affects us, but it also affects the other -- the other blocks in the north district plan. And that's the issue of -- not the floor area limitation, which was what Jim was testifying about. If you go over 175 feet in height, everything above 100 has to be constrained to the floor plate which is a residential floor plate. But there's another provision in here that says if you go over 100 feet, the building can't be any longer in the facade than 150 feet. So now you get a strange building that looks surprisingly like the Portland building. 150 by 150 as the maximum floor plate. I think you could also take all of those facade limitation provisions and set them aside from this plan and have an action item from the council to planning that says take that item up in the

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central city plan. It's certainly an issue that would apply to all of the blocks in downtown, not just north pearl area.

**Saltzman:** Can you explain that one more time? The facade thing.

**Naito:** There's two sets of limitation on the development, on the building envelope or mass in the north pearl plan. One is the point tower restriction, which is if you go over 175 feet, all of a sudden, everything above 100 feet is constrained to the small footprint.

**Saltzman:** I get that.

**Naito:** There's another set of regulations that says if you go over 100 feet, you can't build a building longer in length than 150. There was some -- a meeting with I think mr. Doss and hoyt street and [inaudible] and opus and they've added to it so you go to 180 if -- to use the word arbitrarily, I think the criteria are like jello. I don't know how the design committee does anything with it. You've got the restriction on the floor plate and this whole issue is really over the -- remember the battleship condominium buildings that were limited to 75 feet? They went curb to curb, straight up, and people in the neighborhood said this is going to turn to a neighborhood of six-story block to block buildings. Now you've got buildings going to 150, 175 and 200 feet and I don't see anybody objecting at the design review saying these buildings are too massive. So just take that one restriction, which is the facade length issue, and send it to the central city plan and let's talk about it for all of the blocks and the entire floor. We have these 200-by-200 foot blocks and they're unusually small which gives the city the character. And you can't build massive buildings, because they can't be any longer than that. And this whole 120, I think it has the -- the 120 has unintended consequences. But it will make it difficult to build a class a office tower in anywhere in the north pearl district.

**Saltzman:** So your preference is to be removed from the north pearl district plan?

**Naito:** That's one.

**Saltzman:** And then [inaudible] one of your options. The other one is we grant you --

**Naito:** We're conceding the first option is not going to happen.

**Fish:** If we were to -- if we were to entertain that option of taking you out, wouldn't we be guilty of what many people raised in the last hearing about doing spot hearing? Just engaging in spot zoning when presented with a comprehensive plan?

**Winkler:** Can I respond? If the justification for disparate treatment of our property, the justification for treating us differently or removing us is the same justification, we're on the east side of the railroad tracks.

**Leonard:** I've been, in listening to the discussion, concerned that we're not looking at this from the thousand foot level. That is, this is a plan coming forward that's intended to bring a specific character and sense of place to the pearl district. And I become concerned when we start taking out of context individual pieces, that while your arguments may make sense in a particular, in the general, they may confound an otherwise thoughtful plan. And it isn't that I have any objections to the substance of what you're arguing. I don't. What I'm concerned about is not having been involved, the council not having been involved in this entire discussion for the entire time, us now going in and making some exception that end up causing some unintended consequences to the entire flavor of the plan that's been developed. Which is why at the last hearing I was asking about your involvement and why didn't you raise these issues in the context of the discussion that was happening. And I remain to have that concern. Not that your arguments aren't sound. But if they are sound, or were sound, I would have much more appreciated having the discussion happen within the context of this plan being developed rather than coming here and having us, without the benefit of that entire thought process from everybody making some judgment that replaces.

**Winkler:** I think that's a fair objection, commissioner Leonard, but I'd like to say that until 45 days after that process was completed, all properties were being treated alike, so we had no issues. And

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the matter of the maximum facade length and the floor plate restrictions came up at planning commission and it was presented at the final planning commission meeting and we took exception to it then. There was an subsequent meeting we were not invited to which other developers were invited and in which there was some modification to that proposal made. So I think in fairness, i'm totally sympathetic with your concern, but it's not clear to me that, yes, as I look back on it, I now think, yeah, I really shouldn't have relied on the fact that our architect was there. We shouldn't have been that lazy, but we became engaged as soon as there was a difference of view and we've been vociferously engaged, perhaps to the consternation to the people at planning.

**Leonard:** If what you're arguing makes sense, why is it that those folks don't recognize that according to you, you haven't been involved in the process appropriately and that your arguments have some reason?

**Winkler:** Well, we didn't see the transportation stuff. That didn't come up. There was an e-mail that went out that went to a member -- in this case, john meadows, who's an architect who shared with us. We got engaged 45 days after the advisory committee meeting. If you read the things -- the whole issue about facade length and issue about small floor plate, this emerged far later. This came up at planning commission. And --

**Leonard:** What i'd be interested in hearing from the staff, respond to that. As I said, I don't have a quarrel and I don't think anybody here necessarily has a quarrel with the substance of what you're arguing. I just want to make sure we're not doing something that creates unintended consequence and i'm less concerned, which would be in your benefit, if the staff comes forward and says, well, they're right, but they didn't get here when they should have been here. That actually adds some credence to me to your argument if they have some response about the substance of what you're arguing. I'd like to hear that. Particularly the traffic analysis. It sounds like a lot of this stands on conflicting traffic analysis.

**Winkler:** Or whether it was done, but, yes, I agree with you.

**Saltzman:** I'd like to hear the response to the idea that we remove from parcel from the north pearl as well.

**Potter:** Further questions for these folks. Thank you. Do we have another person signed up?

**Moore-Love:** We do. Ben gates.

**Potter:** Please come forward. Please state your name for the record and you have three minutes.

**Ben Gates:** My name is ben gates, with central city concern, an architect and developer of affordable housing. Thanks for the opportunity to testify today. I was a member of the north pearl planning advisory committee along with 20-odd members and I was looking at our notes and saw our first meeting was in october of 2006. What was originally going to be a one-year planning process ended up taking a couple of years and here we are today not 2006, not 2007, but 2008. The project advisors which represent a diverse group of individuals, neighborhood residents, developers, other stakeholders, architects. I followed along with staff as we traded this plan, looking both at the needs and aspiration of the community. The -- aspirations of the community. And the urban rule plan and -- renewal plan and worked on the plan over the course of a couple of years and I think, you know, as I look at the three different planning commission meetings and two -- the second city council session today, i'm wondering why there's not more project advisory groups here today. We're ready it see this plan adopted and passed. The staff recommendations I think you saw, went to the group of project advisors as well as other interested parties in this plan. I think the fact that there's nobody here testifying against the staff recommendations could be seen as broad support for the adoption as recommended by the staff. So I would like to ask that city council adopt this plan as it does address very acute needs in the neighborhood and i'll give one example. The 2001 pearl district plan called for the creation of family units in the river district and pearl district. As the neighborhood is developed over the years, we saw there hasn't been many afford and two and three-bedroom units created. We said we're going to remove the residential bonus and give the bonus for

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developers who would build officially sized two and three-bedroom units, not penthouses so if they're developed, there's extra bonus density allocated to that site. Every month we wait on adoption of this plan, more buildings are developed in the north pearl district. If we adopt it now, there's not only this bonus to create more affordable market rate housing but there's other goals of the neighborhood in this plan. So I would like to see this plan adopted so we can get busy with following and carrying out this plan which I think represents the needs the community.

**Fish:** If I can respond to the core point you made at the beginning. I thought they did excellent, making it clear. I have a hunch i'm speaking for all of my colleagues. There are seven amendments. My sense there's one amendment that contains a question of fact that we're trying to better understand. At least i'll say from my point of view. Because of the hearing and presentation and because of the work of staff subsequently, I think there's very little controversy. There's one, at least from my point of view, there's a factual and legal issue that i'm trying to better understand.

**Gates:** Uh-huh.

**Fish:** But I take your point. It's important, and I hope that none of us have our decision swayed one way or another based on who is here to testify. I think we're trying to engage the issue mr. Winkler raise the.

**Gates:** I appreciate your interest in understanding it. But i'm looking forward to this plan getting adopted. The sooner the better. There's many different objectives and goals and action items ready to be carried out. Thank you.

**Leonard:** I'm confused about one thing. And that's on amendment 4, we were just hearing discussion about from jim winkler. I thought I heard -- and anybody can come and respond to this.

**Fish:** Can we have staff come up?

**Potter:** I think we have one more.

**Leonard:** I'm sorry.

**Moore-Love:** Want to come on up?

**Tiffany Switzer:** Good afternoon. Tiffany schweitzer. 1022 northwest marshall with hoyt street properties. Good afternoon, mayor and commissioners. I've been at the last couple of -- well, the last meeting here and all of the meetings with the member of the north pearl committee. Attended the design review meeting and took tours through the building to get a better perspective of what we're talking about and have listened to everybody's testimony and I felt like I needed to spend my three minutes here today, first to help ben who came up -- thank you, ben -- to testify that we should have move forward with this plan. There's been a lot of work. We've talked about october of 2006.

For me this started before october of 2006. When I first met with the planning director to say we have a two to one f.a.r. and we're required to build more housing than anyone else in the city. At what point are we going to raise that f.a.r.? I then put a master plan together at the expense of our company. Made with all of the bureaus to welcome at that plan, to get comments, that was well before 2006. So this has been a plan that has -- people have spent a lot of time on. Have had great comments, input. Sometimes arguments. We've ended up agreeing to disagree on some points and I think it's beneficial for the north pearl neighborhood. I'm probably the biggest benefactor of this plan at this point. So I want to make that known. But I think it's important that we finally move on and start looking at other things in the city besides this north pearl plan which has really no resistance. I mean, in the end, after the effort that we all like to see in the city, it's -- we've come to a very good place. A place where you heard at the last meeting, I don't know, 15-plus people testifying very positively about the work that's been done. I know that troy, gil, joe have worked. We've had sidebar meetings and they've been at all of these meetings and tried to take all of the comments into consideration and done a very good job of putting this together. So I won't take any more time. But I urge your approval. Thank you.

**Potter:** Is that it.

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**Moore-Love:** That's it.

**Potter:** Staff. Questions from the commissioners?

**Leonard:** I heard mr. Winkler say he would be ok with taking their parcel out of this plan and having some of these issues fleshed out. As part of the central Portland plan. But i'm looking at the recommendation and the recommendation from the staff says staff recommends denying the request at this point and forwarding the request as action to be analyzed as part of the central Portland plan.

The basis for this recommendation is two fold. One transportation impacts and two urban form considerations. Is i'm not understanding how this recommendation doesn't do what you asked, jim? And so --

**Doss:** I actually could respond to that a little bit. What he's indicating is that our request to look at it in the central Portland plan would be to look at the f.a.r. Issues, solely, not the building massing issues. He raises a fair point that during subsequent review of this there was testimony about having a maximum facade length requirement put on all of the buildings we were looking at. Before we didn't have that restriction. It was vetted through three additional design commission hearings. I think two planning commission hearings. It resulted in a new facade length maximum. For buildings above 100 feet. If it's up to 175 feet, the commission's imposed 150 maximum facade length. However, you can get a modification through design view up to 180 feet. I heard that the description of the approval criteria was arbitrary. Ly, but it was reviewed by the planning commission and doesn't include things like economic development and office development. That's why it would allow the larger floor plates. There is a reference with a meeting with some of the developers. They were concerned about the restrictions. They didn't all agree. They felt the floor plates maybe restrictive. In the end, they chose not to testify against it. Even with the -- [inaudible] he was not but it wasn't something that we specifically excluded him from. But one of the things I want to note is that the floor plate maximums that are still allowed, so say, you did get an adjustment to 180,000 square feet considered to be really the smallest floor plate you'd want to do for office development. In terms of point towers, you have to be above 1750 before you get into what would be considered a point tower type of floor plate and even that, isn't what vancouver does. Theirs are 6,000 to 7,000, 8,000 maximum. Our maximum for the perfectly would be 12,500 square feet. That's comparable to the maximum tower you see in south waterfront. They're building leed gold and platinum with that floor plate.

**Leonard:** Have you met with jim or bob since our last council meeting?

**Doss:** No, we've not.

**Zehnder:** We've met a couple of times before the last council meeting and then during the planning commission process, individually. The staff's recommendation does folks on the f.a.r., troy just addressed the floor plate size and I wanted to reiterate the findings of facts. The floor size limitation would be new compared to the existing zoning.

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

**Zehnder:** What this proposal would require is for 32,500 square feet up to -- what height?

**Doss:** 1750 feet. My understanding, I do -- 175 feet. I do know that it's lower than 175 feet and doesn't use a full 40,000 square feet. At least I was pretty sure. However, the facades would probably be a little bit longer than 120 or maybe even 180. I'm not familiar enough with the project to say that for certain.

**Zehnder:** The 32 five, that's far from a point tower. Up to that 175.

**Leonard:** Give me a flavor in terms of us creating development that's out of context. Is that accurate or is there some better way you can sum up what he wants and what this requires?

**Doss:** Let me start explaining the current regulations. We -- the way you get height above 100 feet in the pearl, you do through a process you earn so much f.a.r. And get additional 15 feet and a little bit more f.a.r., you get additional 15 feet many it's incremental. And if you do -- what we chose to do is say, let's not make it so incremental. Let's say, look, if you're using f.a.r. Bonuses to create



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the additional square footage above 100 feet, you can go taller. The only limitation is the facade lengths and as you may recall, once you're west of naito parkway, there's no maximum height. You can get considerably taller. But it's a different floor plate. We tried to put a lot more flexibility.

**Leonard:** Some of this sounds like it's contingent upon some traffic analysis. Is this driven by your analysis of potential failure of --

**Doss:** There's no additional transportation analysis required. I think mr. Winkler was identifying if you went through a zone change on your own, you have to pay for a transportation analysis that would be reviewed by the city. The analysis we conducted, yes, he's right in that that modeling data is most recent by metro. They updated their recent forecasts based on models for including the l.i.t.

Process to go down through milwaukie. However this is the same modeling that the city uses.

**Leonard:** Is the proposed design standards you develop driven by some concern about traffic?

**Zehnder:** There's two issues, commissioner. How much development, that's the floor area ratio. The f.a.r. question. That's what we modeled through the traffic studies and as you heard ms. Schweitzer say, the reason we even initiated this plan, it was the last place in the central city with something as low as two to one. Had high growing residential successful strict, we needed to increase the f.a.r. to match our own expectations for the district. That's what we had the traffic modeling for. We also took this opportunity, because we were asked by developers in the community to consider taller buildings. So the principle we tried to build into the plan is going taller is fine, and, in fact, we're allowing you to go -- opened up how tall you can go. We just want the floor plate and the buildings to be shaped and get thinner as they go up. That's a development choice. The shape of the building you don't have to model for traffic. You can fit the same amount of development in several different designs of buildings.

**Fish:** I have a couple of questions and i'm going to ask you to walk us through our options. I want to make sure I understand the potential options and your assessment of each. Mr. Winkler said this is somewhat of an academic -- contingent on whatever he has falling apart and then he'd have to come back under the new rules. If his current development did not proceed and he didn't operate within the current time line and bound by the new rules, what option would he have to get relief if he wanted to build a different kind of building?

**Zehnder:** It sounds like the factors that would be most -- have the most impact on his building would be this maximum length of a facade. The 150 that you can modify up to 180 feet. I'm going to ask troy to confirm. But they can get you up to 180 feet, but I believe they can't go beyond that; that would be something that would be different than what he faces now. The other element that's different than now is there's maximum floor plate size at the lower height of 32,500 square feet. So if you needed a floor plate bigger than that in a single building, then that could be modified by design commission --

**Fish:** No, no, no --

**Doss:** What really sets the floor plate size is the maximum facade length. You can get up to 150 feet, no problem. However, through a modification, at design review, they can get you relief. Allow you up to 180 feet many if they did that on the facade, you could get a floor plate that's no more than 32,400 square feet. That's the maximum. And the code prohibits adjustments above thankful that's the maximum size.

**Zehnder:** And the current regulations, probably allow for floor plates, they're silent on to the size of the floor plates but talk about the f.a.r., that's allowed on the site. This might drive a redevelopment of the site into more than one structure. I mean, there's -- this is a very large parcel so there's other design approaches that might be possible, but that's the new limitation that's not currently faced by the property.

**Fish:** So would you walk us through the various options that we have that we can at least consider and then just offer your opinion on each?

**Zehnder:** The --

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**Leonard:** The options suggested by [inaudible]

**Fish:** We could accept your recommendation and turn this down, that's in the document before us.

**Zehnder:** Right.

**Fish:** And you said under that proposal, some issues could be kicked over to the Portland plan process?

**Zehnder:** Correct, the issues we had really been focusing on for the Portland plan was how much development. Because one of the major issues in the Portland plan is picking out how we're going to work around the capacity limitations that the whole central city faces now and we think when you look at the big system, when you look at the whole central city, we're going to find ways to eliminate that roadblock to future development. Conway, a lot of the expansion sites, are caught under that net of traffic limitation. We need to look at our traffic system and find things that are going to give us greater capacity in the central city. That's one reason the f.a.r. was kicked over to the central city plan. The floor plate issue, I guess would be addressed in the central Portland plan. I believe we'll be looking at how we regulate the dimensions of buildings in general differently for a large part of the central city. But mostly, the recommendation in the plan for moving to the central Portland plan was focused on f.a.r.

**Fish:** Is that --ism that's option one?

**Zehnder:** That's option one.

**Fish:** Option two, let's say he said take us out of the north pearl altogether.

**Zehnder:** Option two is possible. What it would do is create a single parcel, surrounded by other parcels. So it would be an island within this north pearl plan district. And it would have a whole separate set of rules that apply to it. And if you look at the draft amendment package, just go to the table of contents on page 5, you're going to see that there's two sections, the northwest triangle open area requirement and the northwest triangle waterfront development, that are struck through here. We would basically have to take all of the provision that exists today that we've amended or eliminated to make the north pearl plan in front of you, and keep those in the code and they all would just apply to one parcel. Because a lot of the way we're regulating develop through this plan is different than it was before. That would be the big difference. We'd have to change the map and add these provisions back in that would only apply to one parcel. Our brethren at the bureau of development services, would be strongly advocating for how much complexity that adds. And I would want to go back and check that it's truly enforceable before we put that option in front you. But I believe it could be done.

**Leonard:** Does that get to the issue of having this development occur out of context?

**Doss:** Let me correct something that joe said. Regulations he talked about could go forward. We've renamed them to the north pearl subarea. They're just -- that doesn't make much of an issue. It's really how you gain additional floor area and how you gain additional height would be different in this one parcel than the rest of the parcels in the plan area. That would be the primary difference and it's quite a difference in how it's reviewed.

**Leonard:** Is it a difference in the facade?

**Doss:** It would allow for --

**Leonard:** You said -- you were recommending that over -- into the Portland plan anyway, right?

**Zehnder:** Correct, the total amount of development would not change, but -- how big your building could be would be different. Could be different. It's the same amount of -- it's a 100,000 square feet building, commissioner Leonard, but under -- for instance, as an example, the new code limits you to 32,000 square feet. The existing code would not have that limitation. You could have -

**Leonard:** That's like -- recommending that to set that over to be --

**Zehnder:** No, we've -- we're setting over the total amount of square feet you can build on on a site.

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**Leonard:** I see. Not the footprint.

**Fish:** On that point, it's the difference between a squatter shorter office building and a thinner taller building, is that right?

**Zehnder:** It is theoretically. The question I would ask -- it eliminates some options for big floor plate buildings. Shorter, but with bigger footprint buildings.

**Leonard:** Is that important, because as in the discussion on the south waterfront, you want to have view corridors? Is that why this is an issue?

**Zehnder:** This is mostly a standard that was developed for west of the tracks and on the waterfront. And it's one that we probably could give closer examination to on this one superblock, this one big parcel. But the intention is to have taller thinner buildings, more visual, more views through, and more light on the street.

**Leonard:** And allowing jim to do what he wants to do makes it less likely we'd have adequate view corridors.

**Zehnder:** It eliminates that as an issue that we can talk about at this point. It's not the terribly tall a building. It's up against an elevated structure, but it could still be an issue. I don't want to overrepresent what kind of negative impact the building like he's describing could have, but it would be different.

**Potter:** There's a statement in here in urban forms, that the larger f.a.r. would result in a more massive bigger building.

**Zehnder:** Correct, if we -- but that's just increasing the total amount of space that could be built on the site. That, we think is problematic. The amount of troy was siting, the total amount of development potential on the site would be comparable to big pink. So we're not sure that scale of development even in a building and what the building looks like is appropriate on this site.

**Potter:** You said it would have a different urban form for the area?

**Zehnder:** Correct.

**Doss:** It's be a larger mass than anything else.

**Fish:** I want to understand, this building is east of the railroad, correct?

**Doss:** Right.

**Fish:** You is he the design considerations around site lines and the aesthetics is more appropriate on the best ever west side or the south waterfront?

**Doss:** It's on the west side, as well as the waterfront in this area, but they were designed on the waterfront to -- the massing requirements applicable to this site are more applicable to the properties that are west of the railroad tracks. We also did a similar approach to building masses to thin them up on the waterfront. But there's a different criteria.

**Zehnder:** We treated this large parcel the same as we did to the parcels to the west.

**Fish:** You said we could take staff recommendations or deny. On something like this, where my guess is all other items can be dispensed with in this hearing, is there an option to adopt the plan and carve this issue out for further consideration or is there no plan with all of the pieces addressed at the same time?

**Zehnder:** We would have to put something in place with the adoption of the plan for this parcel. So I believe that the carve-out would be the same as, you know, coming -- giving us instruction to come back and revisit the particulars of this parcel.

**Potter:** The plan itself, the two pieces, we're not going to vote on today. They'll both go forward to a second hearing. The first one because it's an ordinance and has to go to a second hearing. So the net effect is if we change the second piece, which is a resolution, and it would have to -- even if it's a resolution, we can't vote on it today until after we vote and on the north pearl plan. So both would be carried over to next week.

**Fish:** Why voting on these amendments that were before us last time. Why aren't we voting on them today?

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**Zehnder:** Vote on any amendments but not the whole plan.

**Potter:** Actually, set it over to vote with the second reading of the ordinance.

**Zehnder:** Correct.

**Potter:** Because if there's any change made today, it's got to be incorporated into the ordinance itself.

**Zehnder:** Correct.

**Potter:** So you have to vote both of them at the same time.

**Zehnder:** We would need to do what commissioner fish is talking about, about leaving it out or holding it over, we would need an amendment today, right, that would have to be incorporated in the ordinance for you to be able to vote on the ordinance.

**Fish:** I want to make sure I understand it. There's seven amendments. I'm not advocating we carve it out. I just want to understand the options. We could today as I understand it, have a motion to adopt staff recommendations on six of the seven amendments and dispose of that today if we wanted.

**Potter:** No.

**Fish:** Why not?

**Potter:** Because it has to be heard at the same time as the plan itself. Because the plan incorporates these amendments.

**Zehnder:** We would have to bring forward a new ordinance as a whole desperate legislative process to after you've adopted this plan to change one property.

**Fish:** Since we're struggling with these issues to understand them. To come to a fair and balanced outcome, if we were to accept staff's recommendation on the matters mr. Winkler raised, what's the hardship that would follow for him? What is a practical hardship he would have as compared to what he's seeking by way of the relief?

**Zehnder:** The risk factor would be that the building, approved building plan that he has now doesn't develop and he comes back with a future develop scenario that didn't fit with even what he could build on the site through modification under the existing code.

**Fish:** And that could occur in the next two or these years?

**Zehnder:** That could -- if that happened before we adopted the central Portland plan and where they'll be another set of rules in place, yes, that, an impact on his next round or next go at the development of this parcel.

**Fish:** If we were at that stage, there's some flexibility n at design guidelines that he could seek. Some additional flexibility?

**Zehnder:** Still, it would be less than he had today.

**Fish:** And still reports back to council for some further adjustment. We would ultimately have that say?

**Zehnder:** I'm not sure that the -- I'll let troy engineer answer.

**Doss:** Do you mean the legislative process.

**Fish:** Yes.

**Doss:** Certainly.

**Zehnder:** Another provision that we've been talking about for the waterfront parcel, that's part of this plan, one of the motions that the planning commission has instructed us to do is this master planning tool. And this large site in adding flexibility how you arrange your buildings and move the f.a.r. around is what the master planning tool is supposed to be about. The planning commission put in place rules for the large waterfront parcels that require setbacks between buildings and to get smaller, although they allowed more height. But we were counting on us getting the right tools for those parcels as well. That tool, if we develop one that's acceptable to city council and get it adopted would apply to -- or could apply to this parcel well. So there's several options that could add potential -- flexibility to the future development of this site.

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**Potter:** I'd like to reverse the question. Are all developers and development within this proposed north pearl district be subject to the changes that would occur under the new plan? And if we accepted that would everybody else then be required to comply with the plan except for the winkler-naito project?

**Zehnder:** If you carved it out, yes, mayor, that would be true.

**Potter:** So everybody else, we talk about them being penalized. But everybody is subject to that.

**Zehnder:** Correct, but just to be fair, they're in a different situation.

**Leonard:** And that's because?

**Zehnder:** The size of the site.

**Leonard:** Why does that make a difference?

**Zehnder:** The -- they actually have a site where -- I guess a larger massive footprint might be possible. It eliminates that option if that's really where you wanted to go.

**Potter:** Referred to as a super-block?

**Zehnder:** I don't know if it's technically a superblock, but it's a much larger parcel than a typical city block.

**Leonard:** That gets back to the original question I raised. It is almost a properties rights thing. What i'm hearing is that you guys, that what we're trying to do is make sure that the development happens in a way appropriate to its location because of its relationship to the waterfront. Am incorrect about that?

**Zehnder:** The rest of the district builds under these new rules designed to give you a certain massing of buildings and on the waterfront --

**Leonard:** Is that because of the district's relationship to the waterfront?

**Zehnder:** Yes, and the district's character in itself. And that's what was really driving --

**Potter:** Mr. Winkler said they're planning with the plan they have right now that not only within the guidelines of the previous plan, but the new plan as well. I think what they're trying to do is hedge the bet. What happens in the future. I don't think it's changing their current plan.

**Fish:** Mayor, I think that's an excellent point. Because there is an approved plan and design and there's no claim of some hardship under those rules. The question before us is is there a potential hardship if that plan falls through and there's some future development. That's a differently argument.

**Potter:** Ok.

**Fish:** Because I don't hear a clear harm now. Because you already have an approved plan and a developer, very sophisticated developer who is prepared to go ahead.

**Leonard:** And we're not changing any rules. Unless this project falls through and they reapply.

**Fish:** And if there's a second bite of the apple, a legislative process to the Portland plan and some other recourse?

**Potter:** Any other developer in a similar situation could claim the same thing.

**Zehnder:** Correct, mayor. The rules apply to all of the sites. If we're opening up this option for large floor plate development, i'm sure we'd hear from others who want a piece of that as well.

**Saltzman:** I have one question. The statement earlier, there's three years from the time design where you approved it. So two years and nine months remaining on this approval for this one waterfront. How -- how likely are some of the issues of the master planning regulation -- I guess the central Portland plan and the products that may come out of that, which may be of value to one waterfront if their current proposal needs to be reexamined. Any likely overlap of time lines or are we really talking for central Portland plan something three, four years before we actually have implementing regulations?

**Zehnder:** The master plan tool, I think would be the way we're thinking about it now could be an early adoption of a legislative item. The rewrite of the whole central city zoning code, I don't want to misrepresent how complicated that's going to be and how many hearing we're going to have with

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you. We'd like to get it done in three years. I can't guarantee that. This master plan tool, there's a lot of interest behind and it's discrete and can work within our current zoning code. I would expect it would be an early action item.

**Saltzman:** By that you mean?

**Zehnder:** Within three years. We're actually working on it now. Starting to explore items.

**Potter:** Other questions? As I explained before, the first item is a resolution, 1475. And it's really adopting the proposed amendments that you folks have requested.

**Fish:** Staff recommendations.

**Potter:** Excuse me, that's the plan. We hear the plan next week, because it's an ordinance, so it goes to a second reading. It's the 1476 that would encompass the recommended amendments. And in order to approve the plan next week, we've got to also ensure that it has all of the appropriate amendment changes so that we adopt the plan in total; is that right?

**Doss:** If you were to adopt as recommended by staff, we have that material before you already. So the ordinance already states two design amendments, they're here and reflected to reflect the staff amendments and we have the language that shows how the action item and the plan would be amended to address mr. Michaelson's request. We don't need to amend the ordinances to address those because they're referred to in the ordinance already. It's a reference to the zoning plan.

**Fish:** In plain english, can we today vote on the amendments and then vote on the adoption of the plan? Council?

**Zehnder:** No, you've got to vote on the amendments and then have to carry over to a second hearing and vote the adoption of the plan and adopt it then.

**Potter:** That's correct.

**Zehnder:** Within the package today, there's amendments to the plan and amendments to the code. So --

**Saltzman:** Is this the appropriate time to have council discussion.

**Potter:** Sure.

**Fish:** For my own sake in trying to understand this, there are seven amendments. Is the sense of the council that there are six that are not controversial?

**Saltzman:** [inaudible] seven.

**Fish:** Six that prior to this conversation, we all had -- they've been worked out and so there's a seventh we've been having a hearing on. Really, spending the bulk of this time. And i'm prepared to vote on all seven and prepared to vote and a package. But i'd like to explain my vote ... And I have to frankly come back to the fact here that there was an opportunity to participate in the process. As it unfolded. Which has been pointed out by prior witnesses and gone on for a long time. Mr. Winkler has an approved plan and design under the old rules. He has identified a potential condition that could occur in the future for which there is some relief. It may not be the complete relief he seeks, but some relief and frankly, he has created a record before council today which I would revisit if it ever came back to us on any application. Because I think he has raised some interesting issues. But and extent sent a claim that somehow the process was fundamental detective, which i've not heard, and based on I think the sense of this council that we want to honor the integrity of the planning process and not engage on the margins, which is one of the reasons we said we wouldn't make special accommodation for mr. Bachrach and his properties and based on the fact that he has an approved plan and design and there may be some recourse and based on the discussion that we had the possibility of building a perfectly respectable office building in these constraints i'm not prepared to take apart and engage in spot zoning on this matter because I don't believe the equities rise to the level of doing that. And I say that with all respect because I have enormous regard for the developers in this case and tried to give them every benefit of the doubt but I don't think the argument is sufficient to change the overall integrity of the plan. So I vote aye.

**Leonard:** Aye.

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**Saltzman:** Well, I think as comments of commissioner fish reflect my own. I do, I struggle with this issue because of the concerns about the competing traffic analysis and I think there's some merit. I think they feel very strongly about that and I respect the caliber of the people coming before us on this matter. But as i've come to understand more today about the three-year window, about the -- I think as commissioner fish said, another bite at the apple through the central city plan, so I appreciate the principles upon which they're making their case. My sincere hope is something gets built between now and when the three-year permit expires. But if it doesn't and they need to come back with another alternative, I think there's flexibility for us to be revisiting this in the future. And putting aside that amendment, I want it take this opportunity to say that the north pearl plan really is a gemstone and I want to thank all of the people who have worked on this. It's the first example of an comprehensive plan we've put together that speaks to issues that people have talked about a lot of how to become more family-friendly and build nor family housing throughout the city and particularly in this part of the town where people requested it was part -- questioned it was part the future. So I want to commend troy and joe and mauricio and all -- it's ground breaking stuff and I wanted to take this opportunity. Get lost in the debate over the amendments so i'm pleased to vote aye as well.

**Potter:** Thanks, folks. I believe that the proposed amendments are consistent with the north pearl district plan and I vote aye. [gavel pounded] we're adjourned until next week.

**\*\*\*\*\*:** If we could announce the date for the second reading?

**Potter:** The second reading --

**Moore-Love:** Next Wednesday, November 5th.

**Potter:** What time?

**Moore-Live:** 9:30.

**Potter:** Thank you. We're adjourned.

At 3:37 p.m., Council adjourned.