



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **7TH DAY OF JANUARY, 2009** AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Adams, Presiding; Commissioners Fish, Fritz, Leonard and Saltzman, 5.

Commissioner Leonard arrived at 9:41 a.m.

At 11:25 a.m., Council recessed.

At 11:43 a.m., Council reconvened.

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

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

Motion to elect Commissioner Leonard President of the Council: Moved by Commissioner Saltzman and seconded by Commissioner Fritz. (Y-5)

COMMUNICATIONS		Disposition:
1	Request of Richard Ellmyer to address Council regarding accountability for public housing spending and policy making (Communication)	PLACED ON FILE
2	Request of Roger P. Grahn to address Council regarding Water Bureau policies (Communication)	PLACED ON FILE
3	Request of Nola Rathburn to address Council regarding funding, accountability, process and concentration of public housing (Communication)	PLACED ON FILE
4	Request of Damien A. Chakwin to address Council regarding public housing issues (Communication)	PLACED ON FILE
TIME CERTAINS		

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<p>5 TIME CERTAIN: 9:30 AM – Revise Retail Sales and Service regulations for Division Main Street through the Regulatory Improvement Code Amendment Package 4 (Ordinance introduced by Mayor Adams; Previous Agenda 1754; amend Title 33)</p> <p>Motion to amend Exhibit A, 33.460.300 and 33.460.310: Moved by Commissioner Fish and seconded by Commissioner Fritz. (Y-3; N-1, Leonard; Saltzman absent)</p>	<p>PASSED TO SECOND READING AS AMENDED JANUARY 14, 2009 AT 9:30 AM</p>
<p>CONSENT AGENDA – NO DISCUSSION</p>	
<p>Mayor Sam Adams</p>	
<p>Bureau of Planning & Sustainable Development</p>	
<p>*6 Accept grant for \$50,000 from Northwest Health Foundation to open a conversation with public health experts, East Portland residents and other partners to identify how to support the building of healthier neighborhoods (Ordinance)</p> <p>(Y-5)</p>	<p>182459</p>
<p>Bureau of Transportation</p>	
<p>*7 Authorize an Intergovernmental Agreement with the Tri-County Metropolitan Transportation District for enhanced security and cleaning of the 5th and 6th Avenue transit mall and the interim transit mall on 4th and 3rd Avenues during construction of light rail facilities on 5th and 6th Avenues (Ordinance)</p> <p>(Y-5)</p>	<p>182460</p>
<p>*8 Authorize application to the National Institute of Health for a grant in partnership with Portland State University for \$10,000 annually for 5 years for translating basic behavioral and social science discoveries into interventions to reduce obesity (Ordinance)</p> <p>(Y-5)</p>	<p>182461</p>
<p>Commissioner Nick Fish</p>	
<p>Portland Parks & Recreation</p>	
<p>9 Place certain public areas abutting Tom McCall Waterfront Park in the jurisdiction of Portland Parks and Recreation for enforcement purposes (Resolution)</p> <p>(Y-5)</p>	<p>36664</p>
<p>10 Authorize an agreement with Police Activities League to provide payment for operational support to youth programs (Ordinance)</p>	<p>PASSED TO SECOND READING JANUARY 14, 2009 AT 9:30 AM</p>
<p>Commissioner Amanda Fritz</p>	

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Office of Cable Communications and Franchise Management

<p>11 Amend and extend telecommunications franchise granted to Pacific Fiber Link, LLC, now known as 360networks (USA), inc. (Second Reading Agenda 1789; amend Ordinance No. 172864) (Y-5)</p>	<p>182462</p>
<p style="text-align: center;">Commissioner Dan Saltzman</p>	
<p style="text-align: center;">Bureau of Environmental Services</p>	
<p>*12 Authorize a contract with the lowest responsible bidder for the Oak B Sewer Relief and Reconstruction Project No. E08300 (Ordinance) (Y-5)</p>	<p>182463</p>
<p>13 Authorize a contract and provide for payment for the construction of the NW Irving St and I-405 Sewer Replacement Project No. E08345 (Ordinance)</p>	<p>PASSED TO SECOND READING JANUARY 14, 2009 AT 9:30 AM</p>
<p style="text-align: center;">REGULAR AGENDA</p>	
<p>14 Direct City Offices and Bureaus to implement steps to improve The City that Works (Resolution introduced by Mayor Adams and Commissioners Fish, Fritz, Leonard and Saltzman) (Y-5)</p>	<p>36665</p>
<p>*15 Merge the Bureau of Planning and the Office of Sustainable Development into the Bureau of Planning and Sustainability (Ordinance introduced by Mayor Adams and Commissioner Saltzman) (Y-5)</p>	<p>182464</p>
<p>*16 Transition appropriate budget, functions and staff from the Bureau of Housing and Community Development and the Portland Development Commission and create the Portland Housing Bureau (Ordinance introduced by Mayor Adams and Commissioner Fish) Motion to amend Directive “a.” to include OMF budget transfer work: Moved by Commissioner Saltzman and seconded by Commissioner Fritz. (Y-5) (Y-4; Leonard absent)</p>	<p>182465 AS AMENDED</p>
<p style="text-align: center;">Mayor Sam Adams</p>	
<p>*17 Establish the Office of Healthy Working Rivers (Ordinance) Motion to amend Directives “c.” and “e.” to clarify language and identify the Commissioner offices that will develop new code: Moved by Commissioner Fritz and seconded by Commissioner Fish. (Y-4; Leonard absent) (Y-5)</p>	<p>182466 AS AMENDED</p>

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Commissioner Dan Saltzman

Bureau of Environmental Services

- 18** Implement improvements to the Downspout Disconnection Program and establish administrative rules (Second Reading Agenda 1801; repeal and replace Code Chapter 17.37)
(Y-5)

182467

At 12:10 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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<p style="text-align: center;"><u>WEDNESDAY, 2:00 PM, JANUARY 7, 2009</u></p> <p>19 TIME CERTAIN: 2:00 PM – Accept State of the River Report (Report introduced by Mayor Adams)</p>	<p style="text-align: center;">RESCHEDULED DATE TO BE DETERMINED</p>
<p style="text-align: center;"><u>EXECUTIVE ORDER</u></p> <p>20 Reassign City offices and bureaus to the Commissioners in Charge (Ordinance; Executive Order)</p>	<p style="text-align: center;">182458</p>

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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.

JANUARY 7, 2009 9:30 AM

Adams: We're going to get started. The previous mayor took the gavel, so I guess i'll use the phone. I hereby call the 2009 session of the Portland city council to order. Karla, would you please call the roll?

[roll call]

Adams: We'll begin with the normal slots for communications. This is an opportunity for the public to sign up. Which you can do at the auditor's office for -- to make a three-minute statement to the city and your city council. Karla, would you please read the first communication?

Item 1.

Adams: Good morning, richard.

Richard Ellmyer: Good morning.

Adams: How are you?

Ellmyer: Fine, glad to be here. My name is richard ellmyer. I first came to this building in 1975 as chair of the north community action council to meet mayor goldschmidt and discuss my neighborhood issues. I'm still doing that today. The council's appalling support for the discredited and abhorrent public policy of unlimited neighborhood concentration of public housing must stop. The council's refusal to support a policy of equity and distribution of public housing must stop -- the providing public housing statistic data must stop. The council must reverse its support for illegitimate leasing of the surplus property for private use which violated the Portland public schools condition of sale requiring public use for this land. The council must determine through due process a public use for the john ball school site which is acceptable to the school board and the citizens of Portland or return the property for a full \$800,000 refund. The council must state that no city bureau is permitted to fund with tax payer dollars any tax exempt organization that refuses to allow access to their list of eligible voters especially those recognized by the neighborhood of involvement. Council must acknowledge the undemocratic system of fief government which has overtaken our city hall and denied checks and balances and democracy Portlanders and americans expect and deserve. At least one commissioner must reject management of any bureau to become an honest public policy broker. The game of you don't mess with my bureau and i'll not mess with yours must stop. Finally, the public insurance health insurance premiums which can rise to \$1,246 per month. It must instruct the city and sale and lobbyists to support the healthcare bill which can decrease the city's healthcare cost by 20% as a competing model for healthcare reform. It must oppose senate bill 329 as too costly and developed without due process and relies on the despised failed for-profit private health insurance model. I first came to this building in 1975 to fight to improve the quality of life in north Portland. I'm still here and i'll be back.

Adams: Thank you, richard. Karla?

Item 2.

Adams: Mr. Grahn? Move on to item no. 3.

Item 3.

Adams: Good morning, nola. How are you?

Nola Rathburn: A little nervous, i'll never -- i've never been here before.

Adams: Well, just say your name and watch the clock. You have three minutes.

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Rathburn: A little intimidating. I live at 8606, directly across from the old John Ball school site. I bought my house there -- it's three blocks from my house and I understand that three full time uniformed police officers are assigned to the villa. This proves that public housing of this type has increased gang-related crime. My concern is the overloading of public housing in north Portland, particularly the Portland Hope Meadows, if built, it will include an at-risk youth foster care and elderly housing. If the project is allowed to move forward, it's highly possible that the at-risk youth could cause harm to our property and increased drug activity which is a problem currently in north Portland and our property values will lower and crime increase. I understand the three uniformed police officers at Columbia Villa deal with gang-related crime. We don't want any more in our neighborhood. I feel due process has not been followed when the city of Portland decided to sell public property, being the John Ball school site, to a private site and not asking the homeowners in the neighborhood whether we wanted a public housing development on that site. And no formal notification from the city as to what is scheduled to be built on that site. Since that site is public property, how can the city decide on their own without neighborhood involvement, without due process, to use that land for anything other than for public use? The Interstate Corridor Renewal Committee submitted a letter stating that their study proved that north Portland has more than the recommended cap of 15% public housing. And we have approximately 30% of public housing. If the city has approved more public housing such as Hope Meadows for north Portland, how can that be. North Portland has no chance of attracting sustainability business without such -- with so much public housing. I would like the city to stop the Hope Meadows project and use that property at the John Ball site for public use, such as a library, a park, a community garden. Finally, I would like the city to follow proper due process in the matter of allowing any more public housing in north Portland.

Adams: You did great. Item no. 4.

Item 4.

Adams: Good morning.

Damien A. Chakwin: Good morning. This is my first time.

Adams: Well, welcome.

Chakwin: It looks very civil.

Adams: We try. All you have to do is say your name and watch that clock in front of you.

Chakwin: Good morning, my name is Damien Chakwin and I'm here to address you on the issue of low -- there's been an inequity in the placement of publicly -- the placement and distribution among the neighborhoods is far from what we could call fair. We have some neighborhoods such as Portsmouth, Centennial, Gilbert, which have the highest concentrations of public subsidized property. When you look at the population numbers for all of the neighborhoods there's no way that any agency can claim an equitable dispersal of subsidized housing throughout Portland. The message is clear. This is OK, but not in my neighborhood. Doesn't this create a caste system within our wonderful system. What's next? Profiling of Westmoreland? What message does this send to the people we're trying to help? Here, we'll help, but you have to live here, you can't live there. I've read the proposal and think it sends a wonderful message to all of the neighborhoods in Portland. How can we expect any one neighborhood to shoulder 52%, 18%, when 32 different neighborhoods have percentages ranging from less than 3% down to 0%. I ask you to look at the part of Portland, the working men and women who are the bread and butter of Portland. Some trying to achieve the American dream but how can we say to them that the dream can happen when the neighborhood has such an imbalance from the more affluent areas of Portland? Portsmouth -- percentage of subsidized housing, I thought it was 18%, but from what I read, 14,000. Forest Park, the percentage of subsidized is .80. The two neighborhoods are as great as you can imagine. But how about the descriptors of the others and the 12 highest subsidized neighborhoods? My question to you with all due respect knowing this is a new administration, is Portland, Oregon a city of golden rule where he

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who has the gold makes the rule or the innovative place that's promoted in the press? All of Portland awaits your answer.

Adams: Appreciate your comments.

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

Adams: I have to admit, i'm torn. Commissioner Leonard can't vote until he's sworn in. [laughter]

Leonard: Can I talk, though?

Adams: And we have no control over you, I guess. Shall we take a pause, council, for the swearing in of commissioner Leonard?

Leonard: I would appreciate that.

Adams: All right.

Gary Blackmer, Auditor of the City of Portland: I do solemnly swear that I will support the constitution of the united states and of the state of Oregon, the charter of the city of Portland and its laws. And faithfully, honestly and ethically perform my duty [inaudible] I have no undisclosed financial interest and any business -- in any business located in Portland. [inaudible] I hold no other office or position of profit and I am not a member of any partisan political committee, so help me god. [applause]

Adams: All right. With full -- with the -- with the full complement of city commissioners we're ready to dive into the consent agenda. Karla, prior to this meeting, has anyone requested an item be pulled from the consent agenda?

Moore-Love: No one.

Adams: Anyone on the council who wishes to pull an item? Anyone in the room that would like to pull an item from the consent agenda? Karla, I think we're ready to vote.

Fish: Aye. **Fritz:** Aye. **Leonard:** Aye. **Saltzman:** Aye. **Adams:** Aye. [gavel pounded] consent agenda passes. Thank you, commissioner fish for the backup gavel. I appreciate it. Let's hear calendar item --

Moore-Love: Elect the new president of council.

Adams: Oh, that's what we do now. This is on a rotational basis and next in line is commissioner randy Leonard.

Leonard: It is a big day.

Adams: Do I hear a motion to elect him president of the city council?

Saltzman: I so move.

Adams: Is there a second?

Fritz: Second.

Adams: Moved and seconded. Is there a debate? Could I have a clear understanding of the scope of authority?

Leonard: I'll send you a memo.

Adams: Wounded and further participated, he takes over.

Leonard: Everything.

Adams: Everything. All right. Let's take the vote.

Fish: Aye. **Fritz:** Aye. **Leonard:** Aye. **Saltzman:** Aye. **Adams:** Aye. [gavel pounded] motion passes. Congratulations. Now, we're ready to go to consider agenda item no. 5. Time certain.

Item 5.

Leonard: I think this is a second reading. It says --

Adams: It says previous agenda item.

Leonard: Isn't that right, city attorney, this is the second reading? Yes, this is. I know that it is.

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

Leonard: Right, so under discussion, i'm assuming you would entertain at this time, mr. Mayor.

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Adams: I first wanted to determine whether anyone on council had not been here before would like to get a briefing or have questions of staff.

Fritz: I would appreciate a short briefing. On account of the website being down, I wasn't able to get a transcript.

Adams: Good morning, gentlemen.

Fritz: I have a general concept.

Adams: A concise of the issue in front of us.

Eric Engstrom, Bureau of Planning and Sustainability: Good morning, mayor Adams and commissioners. I'm here with phil and we're representing the soon to be planning -- bureau of planning and sustainability. This is the second reading of this item. It concerns some changes to a planned regulation on division street and i'm going to let phil go through the implications and -- of those issues and the implications of a yes or no vote.

Phil Nameny, Bureau of Planning and Sustainability: I believe we handed out a flyer that has a brief overview on the first page and the actual code language within it.

Adams: For the record, your name is?

Nameny: Phil from the bureau of planning and sustainability. A quick overview. The division green street main street -- 10,000 square feet per use and it's created issues with a specific location. That location went through an adjustment process. There's been some holdups on that and appeals. The neighborhood association and business association, as well as the property owner came to the planning commission and requested that the planning commission direct us to find a legislative solution to this and that is in essence what is before you here. With the -- what the solution does it allows some flexibility and exceeds the 10,000 square feet maximum limitation but only to existing buildings and floors other than the ground floor and the logic behind that was the smaller side on the ground floor would maintain the store front atmosphere but allow floors up above to use for office and retail service. What i've put here is a quick thing. What the council vote means of both in general and in regard to the specific wild oats site which is what generated the greatest amount of testimony. And so basically, the yes vote would allow in the case of the wild oats site, allow them to put in a retail sales and service limited to 10,000 square feet on the ground floor but be able to utilize the entire second floor of that site. If there's a no vote, regulations would stay as they are. For wild oats that would mean their options, they could -- I don't know if commissioner Leonard is going to go into this in greater detail. But they can work with the staff and the adjustment committee to take the adjustment back to the adjustment committee and reanalyze it with potential for appeal to luba for exceeding the 10,000 square feet. The other option, if there's a no vote, they would look into investing into the property to create new tenant spaces that meet the code, and the third option, they could demolish and redevelop the site. I did put a couple of other options. If you wanted to look at something more holistically or if there's aspects of the code you would want to adopt while not adopting others.

Leonard: If I could clarify. You said with the adoption of the proposed changes, that the second floor could be used but I think it's -- isn't it more accurate to say with the adoption of these changes, given they don't apply just to this property. There's unlimited amount of space that can be used on the second floor by a retailer, obviously, given the restrictions of the dimensions of a given piece of property.

Engstrom: The proposed code applies to existing buildings. It would be limited by the number of existing buildings which I understand is about 14 and then also limited by the total floor area ratio of the building, whatever that building might have.

Leonard: Certainly more than 10,000 square feet.

Nameny: I was saying what it would mean for that particular site. Granted wild oats only currently has a second floor.

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Adams: Do the calculations for me. 14 buildings that it theoretically applies to in this swath of land. That this council action would make changes on and go further. How many of buildings of the 14 would be able to do for themselves what we would do for this site?

Engstrom: Some percentage -- a lot of the buildings are condominiums or other things that are unlikely to be redeveloped into retail. So it's probably -- what? -- three or four buildings would be economically viable to do something different. The other example, 39th and division, there's a rite-aid that is currently one story and that building could be expanded. Since it's an existing building that's over that size limit, it could be expanded and this would allow it to have a larger use on it.

Fish: I don't know if it was the first or second time we took this up we had a discussion about whether we could put a cap on the amount of expansion on the second floor or other floors. And I believe we heard from the applicant as to some formula that might be acceptable. But I don't remember. Would you refresh my memory?

Engstrom: You could do something like that. That's not in the proposal we drafted but it's still ultimately capped by the floor area.

Fish: Of the existing zoning?

Engstrom: Yeah.

Fish: So under this proposal, could someone be concerned, in one of the 14 opportunity sites or four most likely opportunity sites, could someone be concerned that there could be significant expansion to the zoning code of additional floors going up?

Engstrom: The floor area ratio and height limit in that district as I understand it, ultimately you couldn't get beyond three or four stories and still be in compliance with those standards. So it's in the extreme in the amount it could increase. But like at the rite-aid site, you could add potentially one story.

Leonard: Isn't --

Nameny: I think a lot of it is 45 feet. There might be bonus, if you do residential.

Leonard: Rite-aid is one story?

*******:** Correct.

Engstrom: You could at least add two stories to a building like that. Unless you impose a cap as you suggested.

Adams: Other discussion with council? It's the council's prerogative to take testimony even though it's a second reading. I wasn't here for the first. Did we have a sign-up sheet?

Moore-Love: We did not.

Adams: Anyone in the room who would like to testify in this matter before we discuss further? Sir? Come forward.

*******:** Mayor Adams, council.

Adams: Good morning.

Stan Amy: My name is stan amy. I wanted to comment on the concept of a cap which for me seems like an effective way to address concerns here. The -- and speak to our particular case. In our case, we'd like to see a cap in terms of a percentage increase for the size of the building that didn't just applies to the second floor but the entire building. We would be interested in increasing the size of our building. We have a loading dock out of the side of our building and I just picked up when commissioner fish was speaking, he specified second floor and I wanted to be clear to from our perspective.

Leonard: Forgive me for repeating some of the questions i'm going to ask, but we have two members who weren't here at the last council and I think it could be edifying for them to listen to my questions and your answers. I've received a lot of e-mails on this topic during the process of it going from the planning commission to us from neighborhoods and e-mail, although i'm not looking at one right now, are close to the following summary that i'll give you. Dear commissioner Leonard, please vote for the ricap measure before you. We need a gold's gym in our neighborhood.

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Commissioner Leonard, please vote for the ricap that will be coming before you because we have voted to have a gold's gym in the neighborhood -- and the neighborhood supports that. Ironically, the e-mails pushed me to the position i'm at now. I know as you've agreed to last time that the -- changing the zoning on a property doesn't guarantee a particular retail outlet and, in fact, in the case of this particular piece of property, you don't have a signed contract with gold's gym, do you?

Amy: We have had a signed lease with them, which had a time limit. That required certainty in terms entitlement.

Leonard: In any event, it would be a mistake for anyone to think if we passed this today that they're going to have a gold's gym in that building.

Amy: I'm going to take a liberty of responding to the full thrust of your comments as well as your question. There are absolutely no guarantees. This process which has gone on for nearly three years now has essentially drained the -- a lot of the capital that was going to provide the equity to make the building happen. We're going to have to restructure the entire process. From day one when we chose not to accept rent for seven years from wild oats, which we could, we decided to take the risk and terminate that lease. We got \$300,000 from them. We've blown through that. And we've blown through \$200,000 of our own paying mortgage payments. As a result, no, we're -- we might not be able to execute on the project. There are no guarantees. Our intent is still the same. I think I have a great track records in this town.

Leonard: You do.

Amy: The broader issue is that not only have individual neighbors commented with e-mails, but the deliberative bodies of the neighborhood process both of the hosford abernathy and the business association have considered this fully. They're not confused about whether or not it's a gold's gym issue or whether it's an issue about making potential anchor buildings that are functioning as anchors in retail nodes viable again when they get a change of use. And the -- those neighborhood associations have directly supported it from -- through a deliberative process and I have a lot of respect for their judgment and that's why initially we chose to go through the process with the neighborhoods had outlined.

Leonard: Which leads me to my next question. The current code doesn't prohibit you from entering into a agreement with gold's gym or any other athletic facility. It just describes process and the bureau of development services has approved the variance that you requested for a gold's gym. Why -- why would you -- if you -- utilizing the process that exists, that actually approved the gym to exist there, why would you propose to change the zoning for the entire stretch of division between 12th and 60th that impacts a variety of other buildings with potentially unintended consequences to accomplish your goal of just having a gold's gym in that one site?

Amy: Two reasons. One, why the larger area? The -- believe it or not, i'm concerned about more than just that building. I spent a year as a commissioner's assistant in the city, five years sitting on the planning commission. I have a broader perspective. Division street is not in the position to have a retail mall the way the zoning works on division street. The only way you're going to have a strong retail division is from strong nodes. As both a real estate investor, the corner of 15th and alberta that kicked offer the redevelopment. The corner the 15th and fremont and the new seasons and prior nature's store, my experience, an anchored use that generates enough traffic to enable smaller businesses to function is necessary in the absence of a retail mall like hawthorne where you have enough to create its own synergy. Given that, I believe that each of those nodes needs the ability where they have existing building to do it and I had written my ideal version, rather than focused on preexisting buildings, I would have focused on the nodes, but i'm not the only person in the process. And the effect of focusing on preexisting buildings and the economic realities of the buildings is effectively narrowed down to the nodes. That's 20th and division, at 30th and division. And ours. And I don't know what the fourth one is. Number one is the area. Number two, why change in process? Because after we've spent two and a half years trying to go through the process,

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and the -- let me back up. This piece of code is experimental, it hasn't been done -- the existing code was experimental. You argued earlier why use code to change existing code. Why take a code exclusion that's too risky. We took a risk when we adopted this code. It has unintended consequences that all of people in positions of leadership have told you about.

Leonard: Can you explain what that means? Unintended consequence?

Amy: The economic effect of consequence of using the adjustment process which is subject to appeal to luba is to -- luba is to effectively make uneconomic the redevelopment of existing buildings with two stories and drive owners who are merely interested in maximizing their bottom line to -- ultimately, we're all interested in that to some degree, when necessity sets in. Drive us into the motion of maximally developing -- once you tear down the building, you suffer costs -- it creates a pressure --

Leonard: Can I summarize? I don't want to mischaracterize your concern. In your view, it's an unintended consequence if a person from the neighborhood appeals --

Amy: No, sir.

Leonard: Let me finish. If a person in a neighborhood appeals a bureau of development decision as outlined in the code to the land use board of appeals, and that takes time and they remand that back to the -- remand that back to the city; that's an unintended consequence?

Amy: No. I'm describing what comes out of back end.

Leonard: What's that?

Amy: You create an economic incentive to demolish existing business.

Leonard: Why does that happen?

Amy: Because our only process is subject to creating delay.

Leonard: That's what I described and you said that's not it.

Amy: The words you used were that the unintended consequence is having somebody appeal it. No, the unintended -- the neighborhood had no idea -- the neighborhood leadership -- and we have at least one member of them here -- had no idea by using the adjustment process as the opportunity for the neighborhood to comment, they -- that they could be creating a situation where it would take upwards of three years to get a decision and they'd be faced with a building in limbo then. They -- so if the neighbor -- in the neighborhood leadership had no idea it could take that long, then taking that long is an unintended consequence.

Leonard: I would heartily disagree. Having listened to the northwest 23rd garage debate for three exhausting meetings all of which ended up back here by using the exact process you're calling an unintended consequence, I cannot imagine any members of council looking at the neighborhood and saying you've created an unintended consequence by appealing to luba.

Amy: I disagree.

Leonard: Do you see the draft language?

Amy: No [inaudible] to other council members or us.

Leonard: I'm not sure that's accurate. It's language from the bureau of development services that addresses what luba said needed to be addressed in terms of defining what a locally serving business would be. I think we had the computer system break down last night twice and we --

Adams: [inaudible] copies of it.

Amy: I've not seen it. Anything that requires us --

Leonard: Can we get them?

Adams: We've had a server go down and so we're all caught between a server and a hard place.

Leonard: Here's four copies. Can you take one and pass them along? Thank you. And you're going to get a copy right now. I didn't know it, but I had copies sitting in my pile.

Amy: Anything that requires us to return to the adjustment process creates a situation in which we only -- only one member of the adjustment committee who was there when this was originally heard is going to be there. Effectively reopened the entire issue and go through the process again. At this

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point, i'm exhausted, the neighborhood is. We've been at it three years of the neighborhood has suffered and the businesses across the street has suffered as a result of a dark building. We had a brief period of having it occupied by a campaign. The -- the -- and any decision by the adjustment committee is far more liable to successful appeal to luba than a legislative decision by council. I believe we made a -- we, as a city, made a legislative mistake when we adopted the code the way it is now and we ought to fix it. Thank you.

Adams: I think this discussion has been good but i'd like to bring it to a close. I'd like linda, if you could, since I wasn't here last time. If you could share -- represent the neighborhood perspective if possible. And then we'll move to council discussion. And after initial discussion, I would entertain any amendments before we actually take a vote on the matter.

Linda Nettekoven: Linda, former co-chair of the hosford abernathy neighborhood. As indicated our board has supported trying to find a compromise that would allow this particular stuck place to be involved -- resolved where we found ourselves in some unintended consequences. We thought when we were working on the green street plan that we were trying to protect ourselves from someone aggregating property and building some big structure on the street. We thought we had three large anchor tenants in place. That uses -- which is naive now I realize. We had a wild oats grocery and a new seasons and a rite-aid at 39th. Those three were exempted in the original code from the 50,000 square feet limit because they were obviously meeting that nodal anchor function. Division, we deliberately kept the zoning so we have housing that's interspersed among the commercial nodes because again, the -- we didn't want the street to turn into a strip overnight without any thought and a natural evolution as things -- so we would add commercial perhaps in the newt future if we needed it. If we dealt with all of the miss matched zoning that was left from the 1980s. This was a surprise to us, that, in fact, this building went vacant because of its change and then we found ourselves where it was another business owner appealing. The question still remains, would this appeal have taken the course it took if there hadn't been another competing business of the same kind on the street as the one being proposed for the use of this building? And you had, at least to my mind, large turnouts at several neighborhood meetings. All-comers community meetings that the neighborhood helped to publicize and sponsor. This building sits just outside the neighborhood and we work with richmond and the business association to try to bring everybody together who is affected. We had the division coalition. And we had a number of community meetings and very detailed conversations looking at the potential, if we were going to go over the health club route, which is one of the things that had shown up in a neighborhood survey as an unmet need. You had a health club, which serves, I think a bit of a niche population, if will you. We, as -- h.a.n.d. Neighborhood has worked with the original owners and we've done historic oral history with folks and we have great respect for that establishment and would like to see it continue to thrive. So we've always felt a bit caught in the middle. Not wanting to get in the way of what a lot of neighbors were saying was an unmet need on the street. We found the appeal process going the -- in a direction that was against the tide of a lot of the neighborhood sentiments. They were saying, yes, this is an appeal process and we got to have a say. We were in favor of the adjustment and this is how the process works. But instead the appeal -- yes, the appeal to luba and everything took much longer than we expected. We had not been through the northwest neighborhood wars yet. We hadn't had that scope of struggle in our neighborhood in the past. We've worked a lot on consensus and compromise whenever we can. We have a strong split in our neighborhood in a sense where I think everybody in theory think that local businesses are good. But some people would like to have nothing buff local businesses on the street and see us zone appropriately. Other people, of course, would be -- we have obviously have neighbors that were very happy to take contributions from starbucks that stored our local elementary school. So we have competing themes in a sense that go on. Part of, again, the definition of locally serving versus locally owned, do you -- allow how you split out a franchise. Is our beloved local hardware locally

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owned since it's a franchise. We've been trying to find a middle path that brings in the concerns of all the parties involved and we pride ourselves on being transparent and open and aboveboard as we can with all of these conversations and if we don't get a good turnout at a neighborhood meeting, that's not for lack of publicizing or trying and I know in some of the previous testimony people have requested the validity of the neighborhood association and the business association system for taking stands but we've tried to have open meetings and we've had 40-60 people at meetings to talk about what uses this building should have. This is the kind of use we want on our street. We've had a developer who has worked with us and tried to understand what the vision for the street was. Kind of even adjust his own vision because it was perhaps different as a business owner than the neighbors and business community had come up with to date. In some ways, the process has worked well, in other ways, it's gotten us here where we're stuck.

Adams: You've done a great job of summarizing the variety of use from the neighborhood and business district association. So i'm clear, did the neighborhood or business associations then take a position to vote yes or no on this issue?

Nettekoven: Yes, all three, richmond, h.a.n.d. -- I can't recommend the vote from the richmond board and the business association also went on record, I was at that meeting and [inaudible] to the business association and i'm regularly there and also voted in support of this change.

Adams: Questions from council.

Fritz: My question is that this is not a quasi judicial hearing. It's not just about this particular property. It affects others and I see in the record that this process of this particular property has been exemplary with contact with the neighborhood and proposal was adjusted in response to that. But -- and I think perhaps commissioner Leonard, the unintended outcome was some of the language to define what is small in scale, as far as what the adjustment committee came up with was not defined in the code, so, therefore, your amendment proposes to fix that process and continue to have these future applications go through the adjustment process. What's being proposed today is we would allow them by right. But we still have the bullet in the code that under the proposed regulations, there's nothing that there is required contact. Is that of concern to you?

Nettekoven: I wish we could build in at least a minimum the level of contact we have built in for multifamily dwellings. There has to be a written contact with the appropriate neighborhood coalition. If it doesn't say -- i'm not sure how the code treats business associations, but they don't seem to get notices on things sometimes. I think that's a problem.

Adams: We're going to fix that.

Nettekoven: Good. I would like to see a minimum that there's a notification and requirement to attempt to meet. Obviously, if there's a situation where there's no neighborhood out there willing or interested to meet with a given developer in a given situation, you can't force it. But something that requires the contact and intention to meet.

Fritz: And is the concern on other properties there might be consolidation of properties and expansion to three or four stories of large development? Is that of concern to you?

Nettekoven: Well, we had -- I hadn't in regard what was presented this morning to be the case. I hadn't realized -- I thought if a property owner added a more than a certain percentage onto a building, it's treated as new construction and would, therefore, be covered by the 50,000 square feet requirement again. So I was in error in terms of my understanding of that.

Fritz: That's a concern?

Nettekoven: That's a concern.

Adams: Get a quick clarification here. Is the possible scenario outlined by commissioner fritz indeed your understanding of what could happen?

*******:** Yeah --

Adams: Your name.

Engstrom: You could increase the square footage.

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Adams: Your name.

Engstrom: I'm sorry, eric angstrom. I'm going to look to him to confirm i'm correct in my understanding that there's not a magic threshold -- when something is concerned a new building versus a existing.

Douglas Hardy, Bureau of Development Services: Douglas harding, bureau of development services. Welcome, mayor Adams. There's no magic threshold if you add over a certain amount of floor area that it's considered new development. So you could -- any unlimited amount up to the maximum f.a.r. and it would still be considered expanding an existing building.

Engstrom: I would add one thing. There's a neighborhood contact requirement in this code that applies to other things, so it's conceivable that you --

Leonard: There's an distinction between required contact and a process in which you can object.

Engstrom: Contact is weaker in terms of the neighborhood's ability to appeal.

Fritz: Can you describe that?

Engstrom: I'll have phil do that.

Fritz: We also have a different in the land requirement code and --

Engstrom: There's a contact requirement already for proposals that don't require a land use review if you're going to add more than 5,000 square feet of gross building area to a site.

Fritz: And what do they have to do for contact?

Engstrom: They have to send a letter to the neighborhood association offering to meet before they can submit their application. But there's nothing in it that says they have to respond to the neighborhood in any affirmative way.

Fritz: Thank you.

Leonard: Which, as the commissioner in charge of development services, is an unending source of anger and frustration to neighborhoods because I hear about that provision all the time. I know from experience that's a distinctly, almost misleading provision that lets neighbors think they have some input.

Nettekoven: The sad part is we've had nothing. It's only recently that we even got a letter that someone was building a large multifamily. And i've written to you recently asking you that we get a notice when a large multiuse building is going into a neighborhood even if it meets code so that we have a chance to talk to the developer. The struggle we have is trying to look at the entire corridor instead of the entire site. Again, we have no opportunity to have those conversations, to help developers talk to each other about the impacts one building will have on another and the whole feel of the street.

Leonard: And thus, you have put your finger on what I think with all due respect, you've gotten it wrong. I've heard from people who came to the neighborhood meetings and were indignant and said we voted to have a gold's gym on this site. You need to support us. And I know you understand the distinguishing characteristics. But a lot of people who voted thought they were approving a gold's gym. And the second point. The most important, you would not had that discussion had you not had this code provision with the neighborhood. It's nice that stan came and talked to you. He had to by the code. He wouldn't have gotten the approval to put the gym in if we didn't have the code here. The thing you're identifying that you have problems with you're advocating to repeal. I can't agree with that. I know that down the road you'll have wished to have this provision to give you input into the process. More than just a letter at your home -- by the way, we're doing this, see you later -- but you have true input into the process.

Fish: My question --

Nettekoven: Could I respond before or after? I think a lot of letters you're getting saying I want a gold's gym are coming from people who came from the all come meeting rather than the people who were at the h.a.n. Meeting in june when I was in scandinavia. I read the minutes. That was a small group of people and there was a understanding, I believe of what was going forward. I think

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what you're getting in terms of support for this change from people who want to see a health club on that site are people who came to the earlier meetings wanted to be notified whenever some change was happening in the process and, therefore, came forward to say, we want to keep our gym. And it's unfortunate we can't necessarily -- you know, we try to send out language that explains what's happening.

Leonard: I respond to each and explain that that's a mistake.

Adams: Commissioner fish.

Fish: I'll say in the month and a half we've been having this conversation I think it's eminently clear in the public record that there's no guarantee of a gold's gym and I appreciate that commissioner Leonard pushed that point early on because I too have gotten those e-mails. My question is to planning staff. I've heard tough different concerns raised. One has to do the notice that goes to the community if there was a proposed change. And the second is whether or not we should entertain some cap, some percentage call and i'd like to hear from you your recommendations back to us how we can fine tune this and address those concerns.

Engstrom: I'll start with the cap. You could amend the language, I think, to where it says that you can have this exception -- it may exceed 10,000 square feet, if, I think you could add a line, if the total square footage has not increased more than 120 percent from the original. In terms of notice, I think I agree with commissioner Leonard, it's not always helpful to provide notice or -- if you -- if there's no input possible. And i've spent time in b.d.s. And know that's frustrating and I wouldn't recommend that unless there's some meaning behind that.

Fritz: I would suggest we can improve the neighborhood contact process and we should to say something like the applicant has held a public meeting with -- and list the neighborhood associations and business associations. And has provided a [inaudible] to the b.d.s. indicating the response. So they're looking out for things when the personalities come in. I agree with you, commissioner Leonard, that's not as nearly as much public input as an adjustment process. My concern in this legislative process with the other applications that might come in, is that even with the bureau of development services good work on defining what locally supporting means in the case of a gym, it's going to be difficult to be specific if it was a different use in a different site. What's a locally serving grocery store? Some people might come out, oh, a locally serving whatever.

Leonard: What you're doing, though, to be clear, is you're trading a true process --

Fritz: Absolutely.

Leonard: -- that neighbors have demanded all over the city to have actual leverage for redevelopments in their neighborhoods for a letter. And you can characterize the letter any number of ways. You can require the developer to come in and say nice things and then go off and build whatever they are going to anyway. I'm just saying that it's one of the most frustrating things I have to do is respond to neighbors and tell them why that notice was just simply that. A notice.

Fritz: Maybe we should --

Fish: Can I ask a question of protocol?

Leonard: Uh-huh.

Fish: I've had the benefit of reading a draft of commissioner Leonard's memo and asked anna in my office to get her hands dirty with this. I went from being somewhat clueless on these issues to I hope being more thoughtful and there's the third hearing i've attended and as usual, commissioner Leonard has made a lot of good points along the way. My inclination is as for the ricap package provided these two amendments are addressed by council of the notice provision and whether or not we want a cap. What i'm concerned about though, is drafting something on the fly here. We could have a discussion, craft some language and get a ruling from council that we could vote on this today, but I think it's important to bring this to closure. This is our third hearing. I'm prepared to vote today if necessary, but based on what i've heard, I would think two amendments would be in

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order here even to those who are not supporting the ricap proposal. Both the strength of community notification and put a cap. Since the applicant has even floated the idea of a cap.

Adams: I'm going to work my way down council just to get a poll where people are at. Commissioner Saltzman?

Saltzman: I'm in favor of the zoning code change and I think we can do that. Eric has defined one of them. I think we can define the contact one also. I think this has been, again, the third hearing. The ricap process had extensive public involvement. The neighbor business associations have been at the table throughout this process and quite frankly, when I listened to someone with I think a lot of vision of how to make neighborhoods work and how to make businesses succeed and look at 12th and 60th on southeast division, i'd like to see some other stuff be there. It's under-utilized property and anemic. And there's good things happening there, but overall, it's pretty sketchy and I would welcome something like a gold's gym or whatever goes in the wild oats building. So i'm prepared to vote today.

Adams: Commissioner fritz.

Fritz: I'm delighted to have commissioner Leonard's commitment to public process and respecting the adjustment process. I think that's extremely important to recognize that, in fact, the process worked as it's supposed to in this instance and the challenge we're facing is whether the legislative changes in the division street plan are what we want to do for all of the properties along that street. I'm also concerned about the many places in the code where there's required to be neighborhood contact but not required to have any response to that contact. This bullet says this code language is supposed to provide neighbors with the opportunity to give early input to developers on significant projects. If we don't do something, that bullet has no meaning. So I suggest we have to put something in about a required neighborhood contact. We could even, since this is a particularly small set of properties in this particular plan strict, we could require the -- district, we could require the applicant make a presentation to council on their response to the input received. At the very least, there's a public hearing where people say, yes, they did respond or no, they didn't. It wouldn't be a huge burden on the system to do that. And certainly wanting to work with the office of neighborhood involvement in the future to see what we can do to strengthen those and avoid those controversies that are 17 years i've been involved have been a source of frustration. I'm inclined to support -- if we can get the limitation on the expansion and the new development, because new development does come into this, and if we can put a neighborhood contact requirement in, i'm inclined to support it because of the economy now and because we do need to get things moving in this particular corridor, the whole corridor. It's not about just a particular building and a use in that building, and so we need to consider that?

Leonard: This was unique language in 2006 and I don't think I acknowledged my impression of it at the time, but I thought with the background I had at the bureau of development services and I thought wow, this is a template I want to use for other areas of the city. I can't begin to describe how disappointed I am that we're having this discussion today. In my view, this shouldn't be repealed. It should be fine tuned and applied to other areas of the city. With all due respect to my colleague, replacing the language you have here with anything else dilutes notices and input from neighborhoods. And I would argue that the economy notwithstanding, that doesn't change what will happen on this site. Because this argument has been either/or. Either you get the change that allows gold's gym or leave the code as it is and you don't get it. That's mislead can. The bureau of development services has approved gold's gym. All that happened was a group of people appealed to luba and it came to the city and just define what locally serving businesses are. And we have done that. And with that language, they can allow gold's gym in there. By throwing out the baby with the bath water, as this does, I honestly can't any more believe that neighbors actually want to have true input into the decisions of how far their neighborhoods look. I can't take that credibly because this is the language that you use to do that. There's no other way to get there other than this

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language. To have input means you be able to object and have an appeal process where you can take your arguments to another level. I'm not interested in sitting here and having developers coming in and tell me what they're going to do to the neighborhoods and then can't do anything about that. Buff thank you for coming, that's what will happen. I work with developers all the time. I know their mind set. I'm not disrespecting that. But they have a business to run and they're out to make money and if they have to do a process to get to that, they'll do that, but they'll do what they have to do and that's all. So with all due respect, I think it's a tremendous error for this council to repeal this. What I would recommend doing, is I agree, we've had three hearings, let's vote on it. Vote it down and allow the staff to do what they've done. Use the language to define local live side effecting business and direct staff to draft something that we can in a more contemplative way consider for not only this neighborhood but other neighborhoods that is more balanced. I'm -- you know, aside from my position on this issue, i'm very much opposed on the fly. This council sitting here and drafting something that I administer. That i'm stuck with administering and i'm just expressing to you on behalf of the bureau of development services, I think, probably a unanimous feeling that this is good language. We administer this code all the time. This gives us some tools that we've never had before to make sure the right business is going to go in that you want, linda, in your neighborhood and the wrong ones to stay out. I'll tell you, be careful what you ask for. Because you're honor the verge of getting it. I would just say I think i'm doing stan and others a favor but taking this position because god help us all if a home depot ends up anywhere on division. All of this angst today and the neighborhoods find not only do they not get a gold's gym but they have a home depot.

Adams: All points well stated. What i'd like with the permission of council, what i'd like you to do is -- first off, Karla, we do not have a 2:00 this afternoon, correct?

Moore-Love: Correct.

Adams: So i'd like staff to work on language and i'd like to continue this item to the end of our agenda today. Council can look at what you've come up with within the next hour in a few minutes. If they feel comfortable with the language, they can choose to approve it. If they're not, then we're continue this hearing further out. If you -- you're happy to come forward. You have to speak into the microphone.

Amy: Stan amy. I just wanted to suggest on the question of input, an alternative might be to put into the code the requirement that the developer follow the city's adopted neighborhood input policy. And then allow the city to take into full consideration what a meaningful input process would be. And --

Fritz: What do you mean by the adopted neighborhood input process?

Amy: I'm suggesting that the city should create as a separate action, create a neighborhood input policy, since we've heard in your comments and that there are other situations on who the input is and the process on that is unclear. So to establish a meaningful input process, short of appeal process, that is still meaningful, than you could take your agency on this and -- action on this and create a separate environment for you to develop a process [inaudible]

Leonard: Wait a second.

Adams: My advice is we come up with something for this specific issue and it can be replaced by future deliberations on a future policy. I think input needs to be addressed. That can be done on a macro level. But if we can get council to agree on a better input of protocols on this particular neighborhood plan, we should do that as well.

Leonard: I'm going to be clear that that does not reflect what I want. And you said all of the things that I think truly reflect what you think, but I want to be clear to everybody. You want to have whatever process we create as long as after you meet with the neighborhoods and they don't like what you do, they cannot appeal what you're going to build?

Amy: Are you trying to impugn my motives?

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Leonard: I'm asking you a question.

Amy: It's impossible to -- i'm asking is that your intention?

Leonard: I'm asking you a question.

Adams: I'll take the chair's prerogative and call a time out. Unless there are objections on council i'm going to have staff go off and write. Would you like to testify?

*****: [inaudible]

Adams: The procedure is to talk into the mic.

Michelle Wong: My name is michelle wong and i'm directly affected by this vacant building. I have a business in the building across the street is that I spent basically all of my savings to build. That place is dark. It's dirty, there's crime, there's graffiti. I don't know if you have ever driven down that street. I grew up in Portland, on that street. It's the worst it's ever been in 40 years. I'm trying to save my own business? Yeah, I am, and my six employees' jobs. It's awful there. I'm not a zoning expert. I know the people that are trying to stop it -- it's a joke. They're afraid of the competition. I would welcome starbucks across the street. I'm sorry, I will not stop them. We have no foot traffic. Nobody walks down that street. It's getting dirty. My million dollar building is being devalued by that building across the street. All of the neighbors are letting their properties go down because there's graffiti and garbage and crime and I don't understand why it's taking so long. Stan is going to give up and they're going to tear down that building. Portland is not a sustainable building city. They're going to tear it down. And you know what? I would welcome home depot. Anything.

Adams: I appreciate your taking the time to talk with us. I'm going to cut off further comments until we get language back. I want to make it really clear regardless of your point of view on this issue, everybody has the best of intentions in terms of making improvements for this part of town. So I don't think there's any intended or unintended questioning of folks' motives. So i'd ask staff to go off and come back with something in writing within the next hour and i'm going to push this on to the regular agenda. We're going to continue this item and push this on to agenda item no. 14. Karla, please read the title.

Adams: All right. I'm very excited to begin the process of improving the city that works with a strategic plan baseline that's going to be very concrete, that integrates the service and improvement work plans with the service efforts and accomplishments reports and integrates that yet again with the budget. We're also restructuring -- establishing the bureau of planning and sustainability and creating a new bureau of housing and focusing on development and jobs in economic and establishing the bureau of healthy rivers and improve the delivery of direct services with the feasibility of creating a one-stop service center inspired by the service center that i'm personally familiar with in eugene, Oregon. We have a number of amendments. Maybe it would be useful if the council is willing to go ahead and call -- just read the titles of all the related council calendar items and we'll take the amendments individually but if there's any testimony, i'll take testimony on the whole package at once. Karla, could you call the rest of the items. So 15 and 16 and 17.

Items 15, 16, and 17.

Adams: Susan, if you could come up on item no. 15 and give us a quick snapshot of what you're doing and your plans in terms of moving forward the merger of the office of sustainable development and the bureau of planning into the bureau of planning and sustainability. We're all still getting used to the new title.

Susan Anderson, Bureau of Planning and Sustainability: Susan anderson, soon to be the director. I'm pleased with this opportunity to take the principles of sustainability and take them much further than we've gone in the past being able to integrate it into the day-to-day activities of the city and the day-to-day planning of the city. Steps have been taken to begin that merger and we look forward to working with all the other bureaus in terms of taking next steps. Do you want more specifics, we can do that later?

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Adams: Available to answer questions from anyone. Thank you. Commissioner fritz, do you want to give a brief overview on item no. 17 as we get kate for item no. 16?

Fritz: We're establishing a new office to deal with the columbia and willamette rivers and we want council's authority to figure out what that means. I'll be leading with environmental services.

Adams: I was excited that when I floated this idea to commissioner fritz, one of the first things she said was, well, let's include the columbia. We've done virtually nothing on the columbia so I think that's a great addition to the city's efforts.

Fritz: For those who have commented on the name, we're open to taking more suggestions if you have better ones.

Adams: I kind of like the name.

Fritz: My intent was to reflect both the need for restoration and the ecological value of the rivers and that they have industrial uses adjacent to them. Superfund and harbor sites. It reflects what it is we're hoping and planning to address in this new office.

Adams: And commissioner Leonard, can you give us an overview of -- even though we don't have a specific ordinance, how it's bringing together all of the permits under the bureau of development services.

Leonard: Yes, I have paul scarlett who is not in the room now -- paul scarlett. But the effort is to consolidate all of the various -- if you could ask paul to come in here -- to consolidate all of the various places one needs to go to get a permit. Which includes up to seven places. If you want to add a room on to your house, you may get your approval at the bureau of development services, but that leaves the bureau of environment services and the bureau of transportation, and so on, to get approvals, it's again, as the one who has to administer the system, we oftentimes get complaints about permit approvals. And oftentimes, the bureau of development services, oftentimes, they're not. And we have little ability to figure out why a problem exists. In addition to the fact that the other permitting entities are in different locations and it's very confusing and unique to the city of Portland that we treat permitting that way. So paul is here to describe in further detail.

Paul Scarlett, Director, Bureau of Development Services: Good morning, mayor and commissioners. Paul scarlett, director of bureau of development services. And with andy peterson, who is the permit and plan review manager for the bureau. One of the divisions. And we have been since the announcement of moving forward with the consolidated permitting program have been focused on working closely with the other interagency bureaus in identifying the members who can be at the table to create a transition team and focus on how we can capitalize on the good things and improve our areas that have for some time some weaknesses and can be improved upon, and we're also looking at putting together an oversight team to balance those ideas in terms of where we're going and making sure we haven't missed any opportunities. But we're very excited about this assignment. I'm fully confident and excited that we will come back with a plan. That is reflective of the goals of the council and of the city in terms of having a development review and inspection process that is comprehensive, attractive, seamless, and reasonable and practical. And so over the next period of 45 days, we're very focused on having productive meetings and we have the commitment and I would say the energy, so far, expressed that this will be a pretty involved --

Leonard: Can you describe for the council some of the stakeholders you've asked to participate in this, beyond the city people.

Scarlett: We're looking at outside stakeholders and thus far i've made contact with mike houck who is with the watershed. We've got environmental interests and developmental interests. Small business, housing, neighborhood --

Leonard: The audubon society.

Scarlett: Audubon society. Dennis wild. And so we're mimicking to some degree what's been a very solid and beneficial advisory committee that's been in place on this review advisory committee and that committee has over the last 10 years or so, given us good input on programs and budget.

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Some of the new activities that we have introduced to the community to tie in our goals of providing excellent customer service and make sure our programs and services are efficient and effective and keeping pace with changes. So I think this is something that -- certainly we've been talking about this for the last 10 years or so, and this time feels right. There's a lot of good energy. Actually a lot of things that are in place and andy actually works with interagency partners on a biweekly basis. Where we meet and talk about different interactions that's occurred with the development review process and so we can build off those things.

Adams: Andy, anything you want to say?

Andy Peterson, Bureau of Development Services: Well, I just think --

Adams: What's your last name?

Peterson: Peterson. The opportunity to build on the plan review and development process, stretch those further and to encompass the other bureaus as well and create a seamless delivery of what the services can be for the city as a whole.

Adams: Having the bureau of transportation and the bureau of environment services for the past three and a half years which have significantly, as you mentioned, commissioner Leonard, significant review responsibilities outside, but in partnership with b.d.s., I can tell you, my efforts to improve the development permitting functions of those departments have been an abject failure and it's not because of the people. We have really good people involved in those sections. And i've got firsthand experience -- and it's not that I didn't focus on it or work with the community. It's that the system is what was dysfunctional. I want to thank you, commissioner Leonard, and this is thankless -- and andy and paul.

Leonard: [inaudible] [laughter]

Fritz: I have a quick question.

Adams: This is thankless work and we easily forget that because you have made significant improvements and in many ways, you've made the improvements easy from the outside but I know you worked hard and it's with that confidence that we as a council are assigning you this task.

Fritz: I'm assuming you're involving the development review advisory committee and neighborhood associations and business associations representatives in figuring this out?

Scarlett: Yes, we'll coordinate with all of our existing committees that's been helpful over the year giving us good advice and input.

Leonard: And if you wondered why I might have been as passionate as I was on the last three hearings, it's -- thank you for saying what you did, mayor Adams. As andy will attest, the things I said are like my little part of what he deals with every day. And it is so frustrating for the staff to have to look at well intentioned very hardworking community leaders and say, sorry, that's what the code allows. And so I greatly appreciate the work you guys do. And if I don't say that enough, i'm sorry for that. But you guys do -- honestly.

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

Leonard: I see it, I know not everybody does. How hard you work to make sure processes are fair and when it's time to, you know -- to bring all of these different groups together, I know you'll do it in a very judicious and fair manner that whatever angst exists, they'll overcome. The employees are doing a great job. It's a great atmosphere and I attribute that to you and andy.

Scarlett: Thank you.

Adams: If it's ok with the council, i'd like to focus on the housing p.d.c. efforts and commissioner fish, could you -- so thank you. If you could start with an overview. And maybe kate and keith come up. And keith from p.d.c. up. Kate is the housing policy coordinator for the city of Portland and keith, what is your current title?

Keith Witcosky, Portland Development Commission: Government relations director.

Adams: That title does not do you justice.

Witcosky: Neither does mayor for you. [laughter]

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Leonard: Nice, nice. [inaudible] czar Adams.

Fritz: What's with the czar thing?

Fish: I want to take a page from what others said. Thank you for your leadership in breaking a logjam. I think Paul said earlier, there had been a conversation over 10 years about consolidating certain permitting functions but it took political will, you and commissioner Leonard to break the logjam and now it's up to commissioner Leonard and Paul to deliver. And it's thankless work and I think there's an interesting similarity to what we're going to introduce in the housing world. Well intentioned people have been talking about the promise of new alignment. All of the people doing great work and harnessing the resources to deliver a better product. We don't talk about reforming government and changing structure because we hope to get an award at some government work committee. We do it because it delivers a better service to the customers and people we serve. And when we -- and what we have proposed, the mayor and I have proposed, is to bring the great talent that exists in the bureau of housing and community development on the housing side and merge it in a new bureau with the great talent and treasure of the Portland development commission and create a new powerhouse bureau that's strictly focused on housing. And when we talk about housing, we're talking about the young family with kids that wants to take in the -- stay in the city because they want to be in the great school system, and the homeless. We're talking about the whole spectrum. To accomplish this goal, Keith and Kate and a wonderful group of stakeholders have come together. This is going to be very complicated. There's a lot of legal issues. There are labor issues or practical issues or funding issues, and historic issues. But as I introduce Kate, I want to tell you, as I've gotten to know the professionals at the bureau and at P.D.C., I could not be more excited and the possibilities of what we can deliver to the city of Portland. And Kate, would you like to make a couple of remarks?

Kate Allen, Portland Housing Bureau: Thank you, Mr. Mayor and commissioners. Really good to be here from my relatively recent tenure as the housing policy manager in commissioner Fish's office. But close to 20 years working within the affordable housing delivery system in the city of Portland. So it's a complete privilege to sit in the chair I sit in now. Able to manage that change.

Fish: For those what might be listening, it's probably Tom and Pete, a quick background on when you say you've been involved in these issues. What did you do?

Allen: I went to work for the PDC in 1990 and worked at PDC from '90-'94 at the beginning of what might be referred to as the launch of the downtown housing preservation partnership which affected the rehab of the City's SRO, single room occupancy hotels in Old Town. The partnership at that time brought together City Central Concern and the Housing Authority of Portland along with the city Chamber of Commerce and the mayor and commissioners at that time. Our charge in the DHPP section at PDC was to take on this animal called low income housing tax credit financing can be put to work in some of the hardest housing there was to create, which was S.R.O. housing for very low income. We learned a lot, actually officially wrote some of the regulation that guides use of low-income tax credits in that type of housing. I appreciate that experience and had a housing consultant business for about seven years a brief stint in the private sector and, the last six years, as director of enterprise community partners working in Oregon and southwest Washington on issues, affordable housing and community development and opportunity for low-income people to move up and out of their situation of poverty.

Fish: I will just tell you we're very lucky to have you in this role, and you were the unanimous choice of a panel we put together to select the very best person in our community. I was very much surprised you accepted our offer. Is there anything you want to add to the description?

Allen: I think the ordinance that's before you and the amendment, I appreciated the opportunity to work closely with Mayor Adams' staff on putting that together. We felt like there are many things -- many things being sorted out currently, and it's almost day by day we get a clearer picture of how

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this transition and formation of a new bureau will emerge. And it just gets better and better. But really aiming towards move can as quickly as possible, getting work groups thinking about a whole range of issues that include both city professional staff as well as p.d.c. And bhcd staff, really beginning to model what it is to work in a new Portland housing bureau. And so the formation by this ordinance of the new bureau structure and then an ability to bring more and more of our dialogue with the community and with our other stakeholders in the city into commissioner fish's no vision.

Fish: And if I could just clarify, this amendment would essentially authorize the creation of a bureau of housing. I neglected to mention earlier that our innovative economic opportunity will be migrated to the Portland development commission where it will be americaned with the core economic development of that agency. Under the ordinance we're voting on, we're on a 45-day clock. There's a parallel track which the Portland development commission will be going through to give authorization.

Adams: Keith, do you want to give us a quick interview to work under way of transition housing out and also how to bring the community economic development in?

Witcosky: Sure. In terms of the transitioning housing out, we're working with commissioner fish's office under kate's lead, and I think you accurately talked about where we're at with that piece. We see it, just to back up for one second, that housing and the people who work on it are really an important part of our family, part of our extended family moving forward. I think the direction 85 provided us, mayor Adams, to focus more surgically on jobs in the community is perfectly complex meanted by bringing over the piece from bhcd, kimberly schneider, in that group today to get an understanding of where these resources are going and integrate that into the emerging development. We can update in the future, but that piece is just developing.

Adams: Andrew, could you come up and give us a brief overview on the other pieces regarding the bureau baseline reports and the service program and permanent work plan that really come into play as we get deeper into the budget process? And just sort of how we're doing.

Andrew Scott, Office of Management and Finance: I'm andrew scott, office of management and finance. In terms of the bureau baseline reports, that's something we have sent out to the bureaus now with a memo from council. They're working on that, and that is due back with the bureau budget requests on february 2nd. I've got the budget team, financial analysts working with bureaus to help answer their questions. It's a new process, but it's intended to replace some of the existing information bureaus already provide in the budget in terms of narrative but consolidated a little bit more and get it into a little bit easier, more accessible format as well as make it a little more robust. Bureaus are working on that for february 2nd. And then also there's the service and performance improvement plans which we're still working out some of the details on. That's going to be due, I believe -- we're timing it with the 45-daytime line in terms of what bureaus are coming back to on the plan. The idea there is that from the information they put on their bureau baseline templates, we'll have an assessment of where they are, and then they'll need to put thought and effort into where it should be going, and that's what those plans are going to entail. And we're still working out some of the details on what bureaus will need to put together for those, but that we'll do a little later in february but in time for council to take into consideration during the budget process. Overall, the budget process bureaus should be well into their planning stages now. The budget requests are due on february 2nd, as I mentioned. Most bureaus have been asked to put together 2.5 and 5% budget cuts forthcoming year and are also working with the budget advisory committees which include management, labor, as well as external and internal stakeholders. They should be well into that process and wrapping up by mid to late jan jean in order to get everything sort of finalized.

Fish: If I could just say to someone watching this or reading about this later, just a clarification in terms of our process. We're starting to get inundated with emails from people saying, i've heard

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you're going to cut this or why is this being cut, and I think it's very important -- and as i'm learning -- in a budget process, you have to anticipate contingencies, plan for the future. So we have in fact been asked to identify possible savings. They are savings that are possible. And in order for them to become savings, the council would have to agree with a recommendation. There's a lengthy process which culminates in the major's budget and the security council coming back and reviewing it and making changes. I just want to say to the public it's important that you weigh in and advocate for your programs and let us know what's important. We don't make any decisions for months. At this point, it's just contingency planning. The fact there any particular program has been designated for possible cuts, it doesn't mean we're committed to it, just that it's among a range of options the security council will consider.

Adams: I, as you get a lot of these kinds of questions, I would be worried if I didn't start hearing concerns about parks services and precinct open and closed issues. There should be no sacred cows. We set up the bureau management, labor, outside stakeholder process to look at everything. And we have to make cuts, so it's a question of what degree of quality will our cuts be. But we have to make cuts, so I think reinforcing when people have concerns to get involved in the process, in the public outreach process on the budget. I understand the communication outreach folks have been working on that and will come with a specific proposal, but there cannot be at this point in the process any sacred cows.

Leonard: I appreciate both those comments and need to make an observation. I'll real clear with the bureaus that i'm responsible for that any communications relative to the budget cuts must be -- with the public must be approved by my office. That's clear to me not a protocol in each of the bureaus. And if you would like more specifics after the council, i'm glad to share that with you. But for bureau heads too specifically contact neighborhood groups and have them be requested to contact the council, i've raised this as an issue specifically with other bureau head also in the past. Again, i'm happy to share that with you afterwards. It's inappropriate and happening as we speak.

Fritz: One of the things that I want to do is to help citizens know who to talk to at the appropriate times. So on my website, i'm going to have that coming down the pike issues where people can most appropriately participate right now. So actually, right now, sending all of us emails is not the most useful way the citizens can spend their time. Going to or participating in the budget committee meetings is the most helpful way. If you would like to have call of your bureaus send me the information about when your next budget meeting is, I can help through the office of neighborhood involvement get that information out.

Adams: Why don't we provide you with the information.

Fritz: Perfect.

Adams: So it's all in one place.

Fritz: It's really inspiring how people do want to help participate and not just "don't cut my program" but rather "how can we understand this whole big picture."

Adams: We've got some comments to go through one by one. Before I do that, we should probably take testimony. Karla, is anyone signed up for any of these council calendar items?

Moore-Love: One person signed up, nola rathburn . I don't know if she's still here.

Adams: Anyone in the room want to testify? Richard, come on up.

Richard Ellmyer: My name is richard ellmyer, and I would like to speak to the housing piece. First i'd like to remind commissioner fish, who said that -- mentioned the people we serve, and I wanted to make sure he and the people on the council understood the people you serve are also taxpayers, property owners, business owners in every neighborhood. And I think sometimes that gets lost in the undercurrent of what's going on. Those are also the people that you serve, the taxpayers who pay the bills, that pay for all of this, so we want to keep them in mind in any decision making you make. I'd also like to suggest -- and i've written this down -- that when you put together the bureau of housing that you consider creating two divisions: The division of public

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housing and the division after affordable housing. They are very, very different. And this council and the press very often confuses the public using those two names or those two terms often interchange believe, and they are not interchangeable. Public housing involves the government. It requires a means test. It requires government subsidy and a rental agreement. Affordable housing can be almost anything as described by "the Portland tribune" affordable housing is the \$1.3 million house in the west hills that is affordable by former commissioner erik Sten. That is not affordable for most people. I have been writing about this for about eight years now. It's very important for people to understand the difference. When you're talking about public housing, you have total and complete control, you being the government. Affordable housing -- and I support both of them, but I think it's very important that we all use the language correctly and make sure, when we're talking about public housing, that we use that term. When we talk about affordable housing, which may have nothing to do -- you can have affordable housing that has nothing to do with any of it, so I think that would be a good way to organize your bureau and keep -- your bureau and keep it clear and make clear which constituencies you're trying to help and where the money is coming from. Finally, just before the city took over of the responsibility from p.d.c., the ikaraks sent a letter, which was supported by about half a dozen citizen groups, which asked ikarac -- and I believe it was opinion of earlier -- asked p.d.c. to stop using new 30% set-aside money or any other new monies to build public housing in the portsmouth neighborhoods. I would ask that, now that you have control of those staff and those funds, that that request is now shifted over to your bureau and that we will write another letter, if necessary, but you should understand that that same request now follows the fact that you have the money and the staff.

Adams: Thank you, richard. Anyone else in the room that did not sign up that would like to testify? If not, I think we can consider item 14, which has no amendments to it, unless there is council discussion. Karla, please call the roll.

Fish: Aye.

Fritz: Aye.

Leonard: This cannot go without comment. I mean, these are hugely impactful changes that I certainly recognize, and I didn't -- I neglected to even talk about the one-stop service center as a wonderful vision that mayor Adams has that I think, all by itself, is worthy of praise. With the various directions that this gives, I think it really truly does, from my perspective, make Portland a more efficient and coordinated city for all. So I really appreciate these thoughtful changes. Aye.

Saltzman: Aye.

Adams: Aye. It sounds like --

Fish: Don't break that.

*****: That's a historic gavel. Right?

*****: He broke it.

Adams: I'm sorry. All right. I don't believe we have any amendments to item number 15. Is that your understanding, Karla?

Moore-Love: That's mine.

Adams: And unless there is any further council discussion, call the roll.

Fish: Aye.

Fritz: Aye.

Leonard: Again, I think you have to acknowledge the merging of the office of sustainability which I will tell you, behind-the-scenes, there were a number of us fighting to get which speaks so well of dan's vision and creation of what was truly a visionary organization in the city, including its director. Each of us would have been honored to have that assigned to us, so that really speaks well to commissioner Saltzman's vision and hiring of susan anderson, but I don't think any of us really anticipated this merger before commissioner Adams announced it, and it's really a great idea. I mean, it's something that makes, I think, sustainability on par now with developing our city at close

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to being in the spirit of entity we look for for innovative ideas. It integrates planning with sustainability, a great vision you had, mayor Adams. So i'm again very anxious to support this and look forward to what I know is going to be great work coming out of this new office. Aye.

Saltzman: Well, thank you, commissioner Leonard. I, too, want to say it's nice to think back to, I believe it was, the year 2000 when I was relatively a new commissioner and came up with this idea of forming more of a focus within city government on sustainability. It wasn't without its growing pains. It wasn't without some of the chafing bureaus the wrong way. But I think -- think, over time, with a director like susan anderson, it's overcome a lot of tensions and established its preeminence not only throughout the country but in the city of Portland as again a focal point for sustainable development, jobs related to the green economy, green building -- you know -- an outstanding solid waste and recycle program. And I think it's the next logical step for it to become linked with planning, and I think this new bureau will serve all of the citizens well and will serve our economy well and will serve our environment well. I want to thank everybody i've had the chance to work with over the last eight to nine years, including susan anderson again and its leadership. They've done a great job, and they're great people, and i'm pleased to support this. Aye.

Adams: Well, I remember that city club speech you gave where you had kermit the frog on the podium.

*****: [laughter]

Adams: The city club members were bemused, I think, but that was around the same time that you were putting together the office of sustainable development. I was in that meeting when you came to visit mayor vera katz, and you wanted to use a portion of the responsibilities that you had for oversight of the trash franchise collection system and really try to get value out of that. And you've just -- you've done amazing work here, and I have to admit that I contemplated this change because I thought it was the right thing to do, but I was very sort of tender-footed about it because I was afraid of how you would react since this was your baby. Once again, you've shown yourself to be the selfless public servant that you are. This is a great idea, and let's go for it. I really want to thank you for that great response. Aye. Now we have item number 16 and amendments. That is correct? Ok. Commissioner fish, any discussion of the amendment on your part?

Fish: It's just straightforward.

Adams: No further discussion of the amendment. Let's be voting on amendment to item number 16. Do you need to read the title again? Oh, i'm sorry. Do I hear a motion to --

Saltzman: So of moved.

Fritz: Seconded.

Adams: Can I say, without objection, the amendment is approved or do I have to have a vote? Please call the roll.

Fish: This is going to be an extremely challenging process working and time line that's punishing with two bureaus and lots of culture and history and laws that apply. But as challenging as the birthing is going to be of this, I think the new bureau of housing is going to be one of our singular achievements in terms of restructuring. And what i'm also excited about with the consolidations of permitting under commissioner Leonard and his leadership is that I think there are a wealth of new opportunities for both the bureau of housing and b.d.s. to work together and to find further efficiencies and collaborations. So I think this is the beginning of a process that is going to have a logic of its own and take us forward, so i'm pleased to vote aye.

Fritz: I'm going to defer to my colleague, commissioner fish and mayor Adams in determining that this is the correct and best way to go. I also acknowledge the great work that's been done in the bureau of housing development and in the Portland development commission and the citizens who worked on the study and have been looking at different ways to do things in housing. We certainly want to continue to build on that work rather than tossing it aside, and I know that's the intent both

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commissioner fish and mayor Adams to make things better for the people who need our help in providing the basic services: Housing. Aye.

Leonard: Aye.

Saltzman: Aye.

Adams: I wouldn't have done this, commissioner fish if you were not on the council to assign this to. This is very difficult, and one of the reasons it hasn't been done before this time is because of all the technical difficulties in making what is, I think, a common sense amendment. But you bring to this both expertise and sort of a fresh outsider's approach to it, and that's why I feel so confident that, as difficult as this will be and is, that you'll pull it off, so thank you for taking this on. Aye. Please call the roll call on item 16.

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

Adams: Aye. That gets us to item 17. Do I hear a motion for the amendment?

Fritz: I move the amendment.

Fish: Seconded.

Fish: Aye.

Fritz: This just clarifies exactly who's going to do what. Aye.

Saltzman: Aye.

Adams: Aye. Now let's vote on item number 17.

Fish: Aye.

Fritz: I'm very excited to be the who is going to do what in terms of leading it and making sure that there's been collaboration between all the partners that need to be involved. Aye.

Leonard: Aye.

Saltzman: Aye.

Adams: Well, I think it's great that we're going to have on the city council a person in charge of the river. I'm excited that you're going to be doing it. Aye. All right. That gets us through the council item 18. Please read the title.

Item 18.

Adams: Andrew? Andrew, could you do me a big favor and try to find where our bureau of planning people went? Oh. Thanks. They'll take care of it. So you'll get out the email to all the bureaus, and we'll get it to amanda. Thanks. All right. This is a second reading e vote only on council item number 18.

Fish: Aye. **Fritz:** Aye. **Leonard:** Aye. **Saltzman:** Aye. **Adams:** Aye. We'll take a five-minute recess -- 10-minute recess while we gather up our staff and be back here at 40 past the hour.

At 11:25 a.m., Council recessed.

At 11:43 a.m., Council reconvened.

Adams: I'm pleased today to announce -- and this is one of my major announcements as mayor -- that we now have a representative of Portland in leeds, england, and i'm appointing the ambassador of the city of Portland, miss pam jones. We will knight you appropriately if you'll come forward. It's odd that, of all the cities in the world, that we would pick leeds, england, for our first volunteer am ambassadorship, but i've heard such great things, I think it's in our best interests. I thought maybe you could say a few words more of who you are and why you might be in Portland.

Pam Jones: I don't think I can take three minutes. Obviously i'm very proud. Pamela jones from leeds, england. Very proud of amanda of course.

Adams: Is there a connection?

Leonard: Aren't you equally proud of all of us?

Adams: Why aren't you proud of me?

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Jones: For my middle child, amanda. And i'm very honored, fascinated to be here watching democracy work. It's wonderful. Thank you very much.

Leonard: Thank you for being here. [laughter]

*****: [inaudible]

Leonard: They call that schizophrenia.

Jones: She has an elder brother and a younger sister.

Fritz: But I was never actually the middle child.

Leonard: Nice.

Adams: We are delighted to be working with amanda, so congratulations to you as well.

Jones: Thank you very much.

Adams: Is staff ready? Ok. Come on up then.

Item 5 continued.

Engstrom: We have copies coming. I have one copy.

Leonard: Do you need more time? We could postpone it two weeks a month.

Saltzman: One copy is sufficient.

*****: Your office ran out of paper for a moment?

Adams: Mine did?

Leonard: They didn't run out. They sabotaged it.

*****: [laughter]

Adams: Why don't you quickly walk us through.

Engstrom: The concept is you have the original proposal, I believe, but the concept is to add a requirement that buildings taking advantage of this provision, the total flurry of the building can't be more than 120% of the date this went into effect, so that would cap the amount of the increase the building could be expanded and still use this provision.

Leonard: In a practical way, what does that mean for this building?

*****: It works for this building, because it's already the size.

*****: The building's almost 30,000 square feet.

Engstrom: At 39th, conceptually this would allow a small expansion of this to use this provision. We added in the existing neighborhood contact requirement to the proposal but then also added a requirement that the applicant, if they're using this provision, make an advisory presentation to city council which would give a little bit more weight to the typical neighborhood contact requirement. It doesn't yet. We're awaiting copies.

Leonard: What would it take to have that --

Nameny: I think you got copies it should be item d4.

Adams: It's 2b4 -- 2 d4.

Leonard: What would the council's sense be if we had an appeal process just to the council?

Fritz: We can't do that, because then it would be appealable.

Leonard: So the staudt to you would require us -- there's no authority we have to have just an appeal to us?

Fritz: No.

Engstrom: Typically building permits aren't appeal label to a body in that way. So if you wanted it to be appeal label, you would make it a land use review and designate approval criterion for that review, which would be a larger change. Essentially what you just said would be going back to your original proposal to require --

Leonard: You're getting that, huh?

*****: [laughter]

Adams: Any other hopeless efforts?

Engstrom: So the recommendation is it's not ideal to have custom process for a particular situation so, in our ideal world, the mayor would direct the sustainable bureau and planning to look at this in

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a larger sense in federals of public involvement and examine the neighborhood contact requirement more broadly in the future so that --

Adams: Legislative records show that i've actually done that on behalf of the council. Any other questions, presentation or discussion on the amendment? Is there anyone in the room that would like to testify on the amendment? So you actually, I think, want to wait for the next -- before the next vote.

Leonard: Well, I still have some questions. I have some questions of staff still.

Adams: Commissioner Leonard has some questions from staff on the amendment. For simplicity's sake, we'll take testimony now on anything related to the ordinance or amendment.

Leonard: This amendment applies only to division street or does it apply citywide?

Engstrom: Only to someone using this particular provision on division street.

Leonard: So this doesn't mean we're opening the door to having testimony citywide, just only between 12th and 60th on division?

Engstrom: If you're using that particular division of the code.

Leonard: You're drawing a distinction. What is that?

Engstrom: It means, if you're going to exceed 10,000 square feet in an existing building on division street, you would have to do this extra process.

Leonard: If requested to do so or would it be automatically required.

Engstrom: Required as written right now.

Leonard: So anybody who, by right, had the opportunity, for instance -- we had a woman here earlier testifying about a coffee shop she owned. Would she have to come to council?

Engstrom: Not unless she's expanding beyond the 10,000 square feet.

Fish: I'd be happy to of move the amendment and have a discussion.

Adams: Been moved. Do I hear a second?

Fritz: Seconded.

Adams: Folks that want to testify, raise your hands. Why don't you both come up. Sir, we're ready to take your testimony. Come on up, if you would. Please approach and please state your name for the record, and you have three minutes. Feel free to comment on either the amendment or the underlying ordinance.

Charles Kingsley: Well, here we are still -- my name is charles kinsley, part of the richmond neighborhood and one of the founders of the division vision coalition and have been on the southeast outlook board. I want to speak positively to this amendment and this little refinement. When we had these deliberative discussions, we were operating under assumption that there would be certain limits to the size increase that could happen to these 14 existing buildings and so I think it's been unsettling earlier on, with randy's pressing and whatnot, to think that four stories could get added or three stories could get added to rite-aid. We like the creative solution providing a bit more flexibility to those sites for, I think, reasons that randy hasn't entirely alluded to, but I just wanted to remind the council that we felt like this legislative approach worked because of the congress consequence but also felt like it gave us a chance to approach the division street plan as a living plan that we could adapt as world circumstances came up. And I think one of the things we've learned is that, if those 14 buildings were to fall outside of -- well, if they were to stick with the original limitations that it could provide undue limitations on those properties in terms of how they could be developed, and we wanted to do whatever we could to allow those buildings to be maintained from a sustainability standpoint, which is a key piece of the green street plan. It's obviously better to be able to keep those buildings than not from an affordability standpoint. Represents tend to be lower in buildings that are old rather than new buildings that have gone in. Once again, just to push back a little bit on randy's contention, when we debated all this, one of the reasons we could support this refinement is knife%-plus of the properties still fall under the 10,000 square foot limit. This only is the 14 properties and literally only one or two that could be

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potentially a big box. So the idea of coming back to this 120% limit that would not allow rite-aid to add a second floor or -- I think rite-aid is the only candidate. We strongly support it. I think the neighborhood would be supportive of this.

Adams: Thank you, sir. Good afternoon or good morning.

Boris Tofer: I'm Boris Tofer, and I would speak tentatively not in favor of this particular amendment and the original reason is, when we were -- this was appealed and based on a specific use, and that was being argued as indifference to the size and the existing law. What happened was that, instead of continuing the process through with Luba and clarifying that the issue came to city council through this back door methodology to make what was clearly an appeal based on a land use planning issue into a housekeeping measure here in front of the city. And it was a little alarming to me, because it specifically upped the ante in terms of what the neighborhood would have to give up and what it would cause to the neighborhood in relationship to this particular project, meaning that there would be less regulation and less input and less ability for the neighborhood to have a strong say or appeal in the process of any particular use on that building. Certainly had no intention, when I appealed this, to be arguing the benefits for the loss of land use appeals but certainly we would have had no voice at all had that originally come up had this not been in the first place, and I think that my appeal and the objections we had were reasonable and fair in the beginning, and this would not allow that to occur in the future for someone else who might have an objection to the process. One of the things in the process that I had felt was a language or purpose that might make sense is if, in the process of providing a service or a building or something that exceeded this limit that it would be something that would provide something new to the neighborhood or something that the neighborhood didn't have or couldn't have in a smaller business or within the restriction. I certainly didn't feel that that was true and that that was, in my sense, what a big box business -- why you wouldn't want a big box business is that it would be of overwhelming size and not bring something new that the neighborhood couldn't have that was small in scale. I still feel the project they're having doesn't need to be the size it is, could be smaller. They could have a great deal of success with a much scaled-down version of that. This sort of wipes out people's ability to object. They can say something. It gives the neighborhood association the right to say something, and it gives the citizens a right to say nothing.

Adams: Thank you for your input. All right. That leads us to a vote on the amendment to council item number 5 unless there's any additional discussion by the council. Karla, please call the roll.

Fish: I'm going to support the amendment, and I'm going to explain the basis of my overall decision on the vote that follows. Aye.

Fritz: My vote would be -- I believe it would be part of the neighborhood contact process and there would also be an opportunity for citizens to testify before city council. I do recognize that that's not the same as the rights of an adjustment appeal. And so my vote is aye on the amendment.

Leonard: I'm going to vote no on the amendment and reserve my comments.

Adams: Aye. All right. That gets us to the vote on the underlying council item number 5. Unless there is additional council discussion, Karla, would you please call the roll?

Moore-Love: Are we going on number 5?

Adams: Correct.

Moore-Love: We just had an amendment, and this is a nonemergency. I believe we should not be voting on this. It should pass to a second reading because we amended it today.

Fritz: Could we reopen the comments so those present could hear the comments?

Fish: Is it your view that this the kind of major revision that goes over to a second reading or is this a minor modification?

*******:** I think it's a major modification. We're amending how it's being adopted.

Adams: Ok. So our choices are -- oh. Well, you also have housekeeping on top of this now?

Leonard: Yeah. When you do something on the fly like this, it takes --

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Adams: Come on up.

Leonard: -- a little more thought.

Nameny: The house keeping on the ordinance itself, we intentionally split the two ordinances. Phil Nameny. We originally split the two ordinances up with the idea that there may be some controversy on the second item so that they could be voted on separately. We did not split the exhibits up, so the ordinance specifically mentions what pages are being adopted as part of the division street. So we just need to kind of main some changes, maybe have a new exhibit that is specific to division street.

Adams: How long do you need to do that?

Nameny: It shouldn't take too long. Next week would be fine.

Adams: So council has given certainty -- I think has provided through its comments a certainty on the issue. We just need to memorialize it.

Leonard: I'd like to --

Adams: I'll let you. I promise. We need to memorialize it with a vote.

Leonard: Given that we're not going to be voting on the main piece today, I want to make clear for the record my objections to the amendment. Let's be clear that we can add whatever kind of public comment we would like as a condition of this amendment to council, but that's what it is: Public comment. And I would tell you're setting the public up to be very angry if they believed that they were getting a gold's gym out of this deal. Believe me, they'll believe that they have some right to have the council intervene and stop a development if you adopt this language when they come here. And this is again, from my perspective of administering the bureau of development services, they'll be extremely chaired to find out that we are powerless to do anything but sit and listen to people complain, which is the intent of this amendment. It is frustrating to me that the council has agreed to an argument that somehow using an appeal process by the neighborhood to luba is an aberration or, as has been characterized, an unintended consequence of the process. I am absolutely flabbergasted that this council has agreed to that argument. I would tell you that not only is it not an unintended consequence; it should be a model for how we adopt plans in business districts throughout Portland. Again, I don't know -- you know -- to concede a point to each of you, I don't know that I wouldn't have agreed with each of you if I wasn't responsible on a day-to-day basis for handling the kind of complaints I guess from neighbors who are upset on a variety of levels for various developments that occur in their neighborhoods, whether they're single family dwellings, apartment houses, duplexes, but certainly commercial buildings on streets. I mean, I have a standard answer I give them. It is by right in the code that these businesses have to locate there, and what we've done here today, by adopting this amendment, is remove that right from neighborhoods and the only neighborhood that has it when in fact this isn't an either/or argument. The bureau of development services has agreed with mr. Amy's application, drafted language to address the concerns raised by luba, so he can, by right with that approval by the bureau of development services, do exactly what he wants to do. All i'm arguing is don't throw the baby out with the bath water for the entire length of division from 12th division and remove those restrictions that currently exist and take those aside. But at minimum remove the opportunity to address your government. We heard amanda's mom's talk about watching democracy in action, and one of the most fundamental rights citizens have in our democracy -- and I actually correct people often and tell them it's a republican, not a democracy, the republic of the united states. One of the most fundamental rights is to address the government with grievances.

Adams: Any other comments?

Fritz: I'm delighted to hear your comments, commissioner Leonard, and I agree with you that the adjustment review has huge value, that this is not an unintended consequence, that it's exactly what was requested and intend in the code. I also understand the bureau of development offering a different way to figure it out. What I heard from the neighborhood associations and business

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associations is that they wanted to change what they asked for in the initial plan. When we do legislative processes -- and again this is a less legislative process -- we always have the capacity to go back and say we want to do it a little differently. And I also greatly respect, having been with some of the folks, my colleagues in the neighborhoods -- calling development services and being frustrated with inadequate neighborhood contact and inadequate ability to affect projects rather than just give input. I know mayor Adams and I will work with you -- mayor Adams and I will work with you on amendments so that we can strengthen and make it really meaningful. Also don't underestimate how intimidating it is to come to the city council and make a presentation.

Leonard: He didn't look very intimidated.

Fritz: Well, you demonstrated that there is value in the discussion. I think that that has been clear today. And I have personally seen changes in developments happen because city council asked for them in a public process. So we have a new way of doing things. Frankly, even with the neighborhood associations, the business associations asking for this change, I probably would not have supported it, and I probably would have supported your version of the resolution of this problem were it not for the dire economy that we are currently in and were it not for the fact that this is in a very -- it's a larger area than just this one building. It's certainly from 12th to 60th along a long street which a lot of planning has gone in for. But it's not citywide. It's something that in the short time we need to foster business revitalization. With the contact environment, we can very quickly see if its not -- if it's not working and change it again. I would very much consider taking it back in if it's not working.

Fish: If I could, before I get to just brief comments on the merits next, extend a warm greeting to commissioner fritz for her first meeting. It's taken her about three hours to feel so comfortable that she is leading our discussions on the complex issues of our day, and I was heartened by what I heard at your swearing in, and i'm delighted to call you a colleague, and I know I speak for all my colleagues. And I also just want to say to people watching this here that there is a misconception that each of us pushes back on regularly that on issues like this that come before the council, there is something that forms in the public eye that we rubber stamp something in here that's already been agreed to. I hope this debate over three hearings once and for all disabuses what I call slander on this council. Because what I see on this council is five dedicated public servants that who struggle to get to the right outcome on very complicated issues. I avoid whatever possible fundamentally disagreeing with commissioner Leonard because he has some jurisdiction authority that could come back to haunt me. My car could be towed, my house tagged. There are some other things i'm worried about.

Leonard: Slow response by the fire bureau.

Adams: Bring it on.

Fish: But I have a rule of thumb that, when I have a colleague that is very passionate about an issue, I pay twice as much attention to the issue, because I have very thoughtful colleagues who frequently have caused me to reflect and change my mind on this. So I appreciate the passion of commissioner Leonard. By the way, for those of you who followed commissioner Leonard over the years, when he starts citing to founding documents to the public -- [laughter]

Adams: That makes him get out the federalist papers.

Fish: This is a close call. I appreciate the fact that the department of development services put together a memo, and I have had a chance to talk to my good friend and colleague, randy Leonard, about this. The reason that ultimately I come out in favor of the amendment and the underlying proposed change is that I believe it is good for the whole street and not just for one property. I think that is a fundamental point that we each have to come to. I would not be as comfortable if recap 4 simply had one potential outcome. I am concluding that it's good for the whole length of the street and all of the target properties. I am impressed that this proposal was brought forward by a coalition of neighborhoods, organizations, business organizations and received the support of the

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planning commission. I have listened carefully to the testimony, and I believe beyond doubt that people's eyes are open about the potential risks of this change and that there is no promise of any particular tenant at this one site that has been the focus of so much of our conversations. And in conclusion, I have decided that the proposed change is good policy that removes barriers that picking up on what commissioner fritz alluded to will give us a better chance of jump-starting business along an important main street and spur redevelopment of an anchor property. For those and other reasons, i'm voting aye.

Adams: And next week we will vote on it. Do we have a time certain?

Moore-Love: It does not have a time certain.

Adams: So next week will be the -- I want to make sure I am selling this correctly. Next week will be the second reading or the first reading? Second reading? So we'll be able to vote on it next time.

Moore-Love: On the regular agenda.

Adams: Because it just a vote. That brings us to the end of our council calendar, if i'm not mistaken. All right. So this first session of the Portland city council in 2009 is adjourned.

At 12:10 p.m., Council adjourned.