



CITY OF  
**PORTLAND, OREGON**

OFFICIAL  
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 16<sup>TH</sup> DAY OF JULY, 2014 AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fish, Novick and Saltzman, 4.

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

Item No. 752 was pulled for discussion and on a Y-4 roll call, the balance of the Consent Agenda was adopted.

<b>COMMUNICATIONS</b>	<b>Disposition:</b>
739 Request of Michael O'Callaghan to address Council regarding shelterlessness (Communication)	<b>PLACED ON FILE</b>
740 Request of Nancy Newell to address Council regarding expand alternative energy operations to replace BPA/PGE electric power (Communication)	<b>PLACED ON FILE</b>
741 Request of Miriam German to address Council regarding the closure of the nuclear power plant in Washington State (Communication)	<b>PLACED ON FILE</b>
742 Request of James Lopes to address Council regarding personal constitutional writ (Communication)	<b>PLACED ON FILE</b>
743 Request of Marc Moscato to address Council regarding services and programs offered by Know Your City (Communication)	<b>PLACED ON FILE</b>
<b>TIMES CERTAIN</b>	
744 <b>TIME CERTAIN: 9:30 AM</b> – Report on the Planning and Leadership Across City Environments PLACE Program (Report introduced by Mayor Hales) 15 minutes requested  <b>Motion to accept the report:</b> Moved by Novick and seconded by Saltzman. (Y-4)	<b>ACCEPTED</b>
<b>CONSENT AGENDA – NO DISCUSSION</b>	

July 16, 2014

<b>Mayor Charlie Hales</b>		
<b>745</b>	Appoint Craig Gibbons, Jessy Friedt, Carmen Denison, Araceli Ortiz and Charniece Tisdale to the Arts Oversight Committee for terms to expire December 19, 2016 (Report)  (Y-4)	<b>CONFIRMED</b>
<b>746</b>	Reappoint Dan Saltzman and Julie S. Young to the Portland Children's Levy Allocation Committee for terms to expire June 30, 2016 (Report)  (Y-4)	<b>CONFIRMED</b>
<b>Office of Management and Finance</b>		
<b>747</b>	Accept bid of Field Turf USA, Inc. for the East Delta Synthetic Turf Fields for \$2,958,338 (Procurement Report - Bid No. 116669)  (Y-4)	<b>ACCEPTED PREPARE CONTRACT</b>
<b>748</b>	Accept bid of R&R General Contractors, Inc for the NE 52nd Ave & Alberta St Park for \$1,188,010 (Procurement Report - Bid No. 116722)  (Y-4)	<b>ACCEPTED PREPARE CONTRACT</b>
<b>749</b>	Accept bid of Kodiak Pacific Construction for the 2014 Local Improvement District Project for \$1,056,992 (Procurement Report - Bid No. 116842; C-10043 and C-10045)  (Y-4)	<b>ACCEPTED PREPARE CONTRACT</b>
<b>*750</b>	Pay claim of Joseph McDonnell in the sum of \$22,454 involving the Water Bureau (Ordinance)  (Y-4)	<b>186713</b>
<b>Commissioner Steve Novick</b> <b>Position No. 4</b> <b>Bureau of Emergency Management</b>		
<b>*751</b>	Authorize application to the Federal Emergency Management Agency Pre-Disaster Mitigation program grant in the amount of \$173,000 for Landslide Susceptibility and Risk Analysis (Ordinance)  (Y-4)	<b>186714</b>
<b>Bureau of Transportation</b>		
<b>*752</b>	Accept a grant in the amount of \$966,000 from the Oregon Department of Transportation and authorize an Intergovernmental Agreement for the design and construction of the Marine Drive Path: NE 112th Ave – 185th Ave (Ordinance)  (Y-4)	<b>186720</b>
<b>*753</b>	Increase contract amount with Signal Construction Group, LLC in the amount of \$30,000 for construction of the US Adaptive Traffic Signal System project (Ordinance; amend Contract No. 30001827)  (Y-4)	<b>186715</b>

<p><b>754</b> Increase time period for property owners to repair existing driveways to 60 days (Second Reading Agenda 725; amend Code Section 17.28.130) (Y-4)</p>	<p><b>186716</b></p>
<p><b>Commissioner Nick Fish</b> <b>Position No. 2</b> <b>Bureau of Environmental Services</b></p>	
<p><b>*755</b> Accept and appropriate a grant in the amount of \$40,000 from East Multnomah Soil and Water Conservation District for Crystal Springs Culverts Removal and Habitat Restoration (Ordinance) (Y-4)</p>	<p><b>186717</b></p>
<p><b>REGULAR AGENDA</b> <b>Mayor Charlie Hales</b></p>	
<p><b>756</b> Appoint Margaret Tallmadge and Teresa St Martin to the Planning and Sustainability Commission (Report) 15 minutes requested <b>Motion to accept the report:</b> Moved by Fish and seconded by Saltzman. (Y-4)</p>	<p><b>CONFIRMED</b></p>
<p><b>Bureau of Planning &amp; Sustainability</b></p>	
<p><b>757</b> Authorize a Grant Agreement with Hacienda Community Development Corporation to install a 10 kW solar electric system on the roof of the futsal court located at the Ortiz Center at 6736 NE Killingsworth as part of the Solar Forward Program (Second Reading Agenda 731) (Y-4)</p>	<p><b>186718</b> AS AMENDED</p>
<p><b>Office of Management and Finance</b></p>	
<p><b>758</b> Accept Guaranteed Maximum Price of \$1,998,187 from Stacy and Witbeck, Inc. for the construction of the Portland Streetcar Southwest Montgomery Street Track Relocation Project (Procurement Report - RFP No. 116186) 15 minutes requested <b>Motion to accept the report:</b> Moved by Saltzman and seconded by Fish. (Y-4)</p>	<p><b>ACCEPTED PREPARE CONTRACT</b></p>
<p><b>759</b> Authorize a price agreement with Christenson Electric, Inc. for LED Streetlight Installation and Maintenance services for a 5-year contractual total not to exceed \$6,500,000 (Procurement Report - RFP No. 116619) <b>Motion to accept the report:</b> Moved by Fish and seconded by Saltzman. (Y-4)</p>	<p><b>ACCEPTED PREPARE CONTRACT</b></p>
<p><b>*760</b> Pay claim of Kristy Galvan in the sum of \$50,000 involving the Portland Police Bureau (Ordinance) (Y-4)</p>	<p><b>186719</b></p>

July 16, 2014

<p><b>761</b> Authorize a 5-year contract with Schweers Technologies, Inc. to provide handheld parking enforcement hardware, software and services for a total of \$1,057,847 (Ordinance)</p>	<p><b>PASSED TO SECOND READING JULY 23, 2014 AT 9:30 AM</b></p>
<p style="text-align: center;"><b>Commissioner Steve Novick</b> <b>Position No. 4</b> <b>Bureau of Emergency Management</b></p> <p><b>762</b> Amend Disaster Policy Council membership and leadership strategy (Ordinance; amend Code Section 3.125.030) <b>Motion to amend 3.125.030 B, add new C and re-letter previous C-M:</b> Moved by Saltzman and seconded by Fish. (Y-4)</p>	<p><b>PASSED TO SECOND READING AS AMENDED JULY 23, 2014 AT 9:30 AM</b></p>
<p style="text-align: center;"><b>Bureau of Transportation</b></p> <p><b>763</b> Declare one City owned property at SE Foster Rd and SE 91st Ave as surplus and authorize the Director of the Bureau of Transportation to transfer the property to the Portland Development Commission (Ordinance)</p>	<p><b>PASSED TO SECOND READING JULY 23, 2014 AT 9:30 AM</b></p>
<p style="text-align: center;"><b>Commissioner Nick Fish</b> <b>Position No. 2</b> <b>Bureau of Environmental Services</b></p> <p><b>764</b> Authorize the Bureau of Environmental Services to convey certain permanent easements at NE 2nd Ave and Flanders St to Union Pacific Railroad in exchange for a permanent easement, license and agreement to install improvements on City owned and controlled property (Ordinance) 15 minutes requested</p>	<p><b>PASSED TO SECOND READING JULY 23, 2014 AT 9:30 AM</b></p>

At 11:18 a.m., Council recessed.

July 16, 2014

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,  
OREGON WAS HELD THIS 16<sup>TH</sup> DAY OF JULY, 2014 AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fish, Novick and Saltzman, 4.

Commissioner Saltzman arrived at 2:04 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Lisa Gramp, Deputy City Attorney; and Wayne Dykes, Sergeant at Arms.

<p><b>765 TIME CERTAIN: 2:00 PM</b> – Accept the Old Town/Chinatown Five-Year Action Plan and authorize modifications to the System Development Charge Exemption Program (Ordinance introduced by Mayor Hales; amend Code Section 30.01.095) 45 minutes requested</p>	<p><b>Disposition</b></p> <p><b>PASSED TO SECOND READING JULY 23, 2014 AT 9:30 AM</b></p>
---	---

At 4:22 p.m., Council adjourned.

**LAVONNE GRIFFIN-VALADE**  
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.

July 16, 2014  
**Closed Caption File of Portland City Council Meeting**

This file was produced through the closed captioning process for the televised City Council broadcast and should not be considered a verbatim transcript.

Key: \*\*\*\*\* means unidentified speaker.

**JULY 16, 2014      9:30 AM**

**Hales:** Good morning, everyone, and welcome to the July 16th meeting of the Portland City Council. Would you please call the roll?

**Saltzman:** Here. **Novick:** Here. **Fish:** Here. **Hales:** Here.

**Hales:** Commissioner Fritz is out of the country. Welcome, everyone. We'll start the council's deliberations here shortly. We'll start with some communications items, where we provide the opportunity for people to come in and talk on any topic, and then we'll start the regular calendar after that. If you're here to testify on a regular calendar item, you just need to give us your name, not your address. And if you are a lobbyist representing an organization, let us know that. We have a tradition in the council of trying to maintain decorum so that everyone can have their say. So, if you agree with someone, you can hold up your hands; and if you disagree, you can frown, but we ask you to not engage in vocal demonstrations so that everyone can have their say. If you have written materials, provide them to our Council Clerk, and she will distribute them. Before we get started, Commissioner Novick, appreciate you calling to our attention the pretty disheartening news story this morning that actually the concentration of poverty around the country just got measured, and it got measured here in Oregon, and it's gotten a lot worse in Oregon. It's gone up by 15% -- that is the number of people living in areas where there's concentrated poverty, not so much a change in the overall number of poor people in Oregon, but the concentration, and that has all kinds of pernicious side effects on the folks living in those areas. We don't know how much of that is in Portland versus in the rest of the state. There's been a lot of problem with rural poverty in Oregon as well as urban poverty, but it's a pretty daunting statistic. So, we appreciate you letting us know about that and sharing that with us. It's certainly going to -- we want to learn more and feed that into the work that we do here.

**Novick:** And thanks to Betsy Hammond of The Oregonian to pointing that out in her article.

**Hales:** Yeah, it was a good story about a tough subject. OK, let's take up the business of the day, and start with communications items, please.

**Item 739.**

**Hales:** Mr. O'Callaghan, good morning. Come on up.

**Michael O'Callaghan:** Thank you. Thank you for that segue.

**Hales:** Speaking of poverty.

**O'Callaghan:** Yes, absolutely. I would like to read to you Desertrain vs. City of Los Angeles -- and I don't know if you are aware I'm in litigation with the City. This is 9th Circuit Court. Vagueness may invalidate a criminal law for two independent reasons. First, it may fail to provide the notice it will provide ordinary people to understand what conduct it prohibits. Second, it may authorize, even encourage arbitrary and discriminatory enforcement. How can we obey the law? Statute is unconstitutional in that it provides no standards for the exercise of the discretion. It becomes a convenient tool for the harsh discrimination and enforcement by local prosecuting officials. In particular, groups deemed to merit their displeasure. Thank you. This invalidates the parking ordinance, you can't live in your car in LA. And it invalidates the so-called anti-camping ordinance, which was found unconstitutional in Multnomah County Court. Now, I address you all as being prior city. You take responsibility for that. Shelterlessness has increased 2% out on the street. We're

July 16, 2014

up to about 12,000. Increase in women of about 15%. A lot are on bikes. As you know, the law is unconstitutional, and as you know, the law does not allow the taking of property. Both is done by the Portland Police department. And you do this under the guise of health and safety. The solution is before you. Right To Dream, OK? I've given you the solution. You choose not even to return a phone call. Nothing. Lakeside, New Jersey. Homeless camp, 120. They housed all that 120 people -- they were self-governing, too. The 10-year homeless plan -- you guys are not onboard at all, nobody is on board here. What's going on? 10,000, 12,000 people on the streets, and you guys are mute? Not only that, you have the police harass us. Two times ago when I came and talked to you, I was arrested by the municipal attorney. Excuse me, what kind of message are you sending? Let's do something positive about this, please. There is a solution. Let's implement it. Don't oppose us. Let's work together, we can find a solution. Thank you for your time.

**Hales:** Thank you.

**O'Callaghan:** Thank you for being in court.

**Hales:** Thanks.

**Item 740.**

**Hales:** Good morning, Ms. Newell. Welcome.

**Nancy Newell:** Good morning. This is an auspicious occasion. I'm Nancy Newell. I have quite a record in closing nuclear plants and transitioning. Some have been operating, some have been fully built and never operated. And the reason for it is I was a victim of a three-mile island accident in the '70s, 40 miles away. So, my education level on this issue is considerably high. I've worked with Dr. Helen Caldicott. [indistinguishable] does sustainability all over the world, he was a visionary. I was very fortunate to be with the legislature that was willing to listen to all of these experts and come up with a decision. Even though the utility decided to go ahead and fully build a nuclear power plant, and it never operated. And it has been torn down. So, the reason I'm here today -- we have a situation with the Columbia generating station, which is part of the WPPSS operation -- and by the way, the WPPSS operation is a the single largest default of the municipal bonds in the history of the United States. And it still is. Unfortunately, the Columbia generating station, which is actually WPPSS too -- they wanted to give them a prettier name -- financially is a mess. This book has been placed with Amanda Fritz's Office, Planning and Sustainability. One billion dollars in additional costs to this region in the northwest for anyone that's part of the exchange of that particular operating plant. It does not operate very often, and only provides 4% of the total needs of this region. So, can we replace it? You bet we can. We had the sustainability conference here -- I think it was a couple of years ago -- it was internationally attended, and all the pieces are in place. The technological revolution's 200% more efficient solar plates are available to everybody in Portland. The things that we can do are endless. The reasons to do it are endless. This is a Fukushima-designed GE plant, a very dangerous plant to be on the river. There is a dam -- damage above that plant that provides the cooling water for this system. That plant would actually deteriorate badly enough that we've got flood conditions, which you know what that leads to because at Fukushima -- you can open the pages, and it's thousands of years before that problem is solved. We're 160 miles away but we easily could be saturated with very, very serious radiation issues and the end of living and habilitating with the city of Portland. And I am not kidding you, this is all well documented by the Union of Concerned Scientists, they filed cases, they are participating in this effort to close this plant and transition it as quickly as we can, because the door is wide open far more than when I went through that experience many years ago. [beeping] And I am running out of time, but I do have this book. It's filed with Amanda Fritz's Office -- I'm sorry that she is not here today. I have all these quick facts from the PSR from Washington and Oregon -- absolutely invaluable information, and I hope you pursue it because the public, you know how we feel. We did it. We decommissioned. We've got all the experience, and we are ready to do all of the other alternatives and solve employment problems and create, some non-poverty situations, easily. Thank you.

July 16, 2014

**Hales:** Thank you, thanks very much.

**Item 741.**

**Hales:** Good morning.

**Miriam German:** Good morning. I haven't been here since Sam Adams was the mayor. Sam Adams helped my group to purchase this Geiger counter. The group is called No Nukes NW, which then became a piece of a group that I started called rad cast. The entire job of rad cast is to monitor radiation coming in primarily from Japan and Fukushima into Portland and the entire United States. What happens when I get those readings is I look at them, I evaluate them, I post them daily on our website. So, I know for the last three years where we were with radiation fallout to the degree of where we are now. We have a rise in 43% of radiation coming in from fallout. It's not every day, but when it comes, I know when it comes. One of the things that we could do here, knowing that GE knowingly -- and they went to court over this and lost -- that GE knowingly let out bad parts, and they sold these parts to nuclear power plants across the world. So, when you hear GE in the power plant name, you know that there are defective parts. CGS, the Columbia Generating Station 177 miles upstream from us -- it's basically identical to Fukushima. It has bad parts. It is the seventh worst emitter, 24-7 of nuclear radiation, ionizing radiation around that area, and that blows, as you know. And so, what I'm asking -- and I've been here before to ask and spoken with Amanda Fritz with another member of Physicians for Social Responsibility or which I am not a member but I support -- to create a letter, just a letter, a statement -- anything you might do is better than doing nothing -- to tell Washington, and to tell energy northwest, the owners of CGS that we in Portland cannot support CGS as a viable means for energy. It needs to be shut down. It's sitting on 13 fault lines. Those fault lines were just discovered again by the University of Washington geological team. It was thought at the beginning that they were on far fewer fault lines. They're not. You know we are waiting and doing our own seismic studies here. Well, think about it there. If CGS can get shut down now, we don't need the energy. As Nancy said, it's 3.9% of the energy, which is a total of 10% of the energy that the output is that we take in the northwest. That's all. They have alternative energy setup. Solar, hydro, and etc. So, I am asking that you created a statement that says, Portland is in agreement for the health of the people that CGS needs to be shut down and we need to put all of our attention and all of our money regarding energy into alternatives. Thank you.

**Hales:** Thank you, thanks very much for your advocacy.

**Item 742.**

**Hales:** James, are you here? Apparently not. OK, let's move on.

**Item 743.**

**Hales:** Good morning. Welcome.

**Marc Moscato:** Thanks for having me. My name is Marc Moscato, and I am the executive director of a nonprofit here in Portland called Know Your City. Our mission is to engage people in art and social justice through creative place-making projects. Over the last five years, we've done collaborative programs with probably over 100 different nonprofits and companies here in Portland, and much of our work brings together the public policy community and the art community to better explain and better understand the issues of civic concern. I'm just here to tell you briefly about some of our upcoming programs to engage people in some of the vital issues to the area. This summer we're looking forward to a program called de-gentrifying Portland. We're working with 10 youth of color in the Portland African American leadership forum, and we're giving them video equipment and training to make short videos about urban development in the north and northeast, and the final videos are going to be screened in Portland public parks. This fall, we're doing East Portland newspaper project, which is a program at Harrison Park in which a social studies class will work with a graphic designer to create a multicultural newspaper -- multi-lingual -- that will be distributed for free, and in stores and whatnot to reflect the multicultural fabric of SE 82nd and how it's changing. We offer tours, we're building kiosk we're super excited about. It's going to be located



July 16, 2014

between Voodoo Doughnuts and Saturday market in that alleyway. And we have a couple different tours. We have a multicultural Portland tour focusing on the multicultural heritage, African American, Chinese American, Japanese American etc. We also have a DIY tour looking at the craft economy here. We created a history app last year called PDC social history guide. You can listen to over a dozen stories on your smart phone or on the web about the multicultural heritage in downtown Portland. And lastly, we created comics. We created a really successful series called Oregon history comics and comics for change about living Oregonian activists that are sold at more than a dozen stores. So, I trust that you can see the value in these programs and, I hope that -- I'm here to ask for your support, not only financially -- you can sign up to become a member or whatnot -- but I am here to ask your participation in an upcoming event that we have. We're doing Ankeny Alley block party. So we are working, and we have the support of Dan and Louie's, Voodoo Doughnuts, all the businesses in Ankeny Alley. And we're going to have music, food, tours, etc., but specifically, we're going to be renting a dunk tank. So, we're soliciting your participation. I know it sounds kind of goofy, but it's a small way to show your support for our vital work. I'm going to leave you with information, and I am going to have our board president Cameron Whitten - - who I'm sure you are familiar with -- follow up with you about it. Lastly, I want to say thanks for your time in supporting initiatives like the Regional Arts and Culture Council and for making art a priority in our city. You can find out more about our programs at [knowyourcity.org](http://knowyourcity.org).

**Hales:** OK, thanks.

**Fish:** Just a couple comments. First of all, Council has a designated person for things like dunk tanks. [laughter] That's Mayor Hales.

**Hales:** Yeah, and I'm going to demonstrate that here shortly today.

**Fish:** He's graciously agreed to be the lead on that. You mentioned the cartoons -- did Sarah Mirk do one of those?

**Moscato:** She did, yeah. She authored one of the series.

**Fish:** OK. And do you get any funding from RACC? Have you been successful getting RACC funding?

**Moscato:** We have. We've received several grants with the Oregon Arts Commission and several other foundations.

**Fish:** And I think Natalie Sept is an artist that is part of that comic book series, right?

**Moscato:** That's right, the newest one.

**Fish:** And the other thing, Mayor, I should mention -- we're going to be at Dawson Park at 6 o'clock. And Dawson Park which is adjacent to Legacy Emanuel Hospital, in the heart --

**Moscato:** Right, I'm familiar.

**Fish:** It is being reopened after a big revitalization project. And the public art that we'll be celebrating there tells the story of that community, and it goes back to the civil rights days, urban renewal, Bobby Kennedy kicking off his presidential election here in Oregon, and the great stories in that community. So, I hope that makes your walking tour. And then perhaps you could join us this afternoon at 6:00.

**Moscato:** Ok, yeah, yeah. Is [indistinguishable] there, the artist?

**Fish:** Yes.

**Moscato:** Yes, we've done some different programs with him in the past, too.

**Fish:** Yeah, he's the artist and we'll be acknowledging his work. So, it's at 6 o'clock at Dawson Park and it is open to the public. So, we hope that and you others can join us.

**Hales:** Thanks so much, Marc. And it is hard to say no to Cameron Whitten. Thank you. Take care. OK We're about to move to the time certain item, but before that, we need to deal with the consent calendar. I've had one request to pull an item from the consent calendar, which is item 752. So, we'll pull that to the regular calendar. Any other requests to take things off the consent calendar? If not, then Karla, let's take a roll call on the consent calendar minus 752.

July 16, 2014

**Roll on consent calendar.**

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

**Item 744.**

**Hales:** Good morning and welcome to the students from Catlin Gabel who have studied once again the future of our city -- a number of future planners, perhaps, in their professional lives that are headed in after their education. Again, this is a great program. George Zaninovich at Catlin Gabel and his crack team of planners do this work and look at our future. They've been looking particularly at the Oregon Department of Transportation sites along the Powell Boulevard corridor with an eye towards how might that corridor be and how might it be better with higher capacity transit and with some place-making. So, thank you, team, and we're very eager to hear your thoughts and ideas, and it's great having this partnership with you as future planners. So, welcome.

**Emma Hayward:** Thank you. We would like to start off by thanking you for taking the time to be here and to let us present. We are all super excited to be here. And thank you very much for this opportunities.

**Hales:** Great. And just each of you, give us your names.

**Hayward:** Oh, sorry, I'm Emma Hayward. First, kind of a rundown of the group. So, we're 21 high school students coming from six different high schools. We come from Catlin Gabel, Franklin High School, Grant, Wilson, Central Catholic, and Lincoln. It's a four-week program emphasizing civic engagement and urban planning. This project this summer is focused on equity, functionality, and aesthetics. The PLACE mission statement is to empower youth to be engaged citizens for positive change through real world problem solving, innovative education, authentic community interaction, and hands-on leadership experience. And PLACE stands for People Learning Across City Environments. This summer, our project was based around SE Powell. Our client was the Bureau of Planning and Sustainability, and we've had a really great client interaction with them. They've been working with us to come up with the ideas for our project. We are working to redesign the ODOT parcels on SE Powell between 50th and 82nd. And between our original client meeting and today, we've had a total of 12 PLACE meeting days. So, our opportunity statement. Our focus is the revitalization of the ODOT parcels on the south side of Powell keeping in mind the needs and wants of the community from 50th to 82nd, and assisting the implementation of high-capacity transit.

**Jonathan Huang [Spelling?]:** Good morning, my name is Jonathan Huang [spelling?]. Powell Boulevard serves to be one of the most vital parts of Portland. Since the 1800s, Powell has been used to travel from one place to another. This included farmers from Gresham to the local Native Americans. With the creation of the original electric streetcar in 1890, transportation along Powell became more popular. Today, this area has around 50,000 cars traveling back and forth to and from Portland every day. Powell Boulevard also serves over 17,000 people a week with public transit. Buses bring people to multiple colleges, as well as high schools. Unfortunately, there are much fewer bikers and pedestrians, due to safety issues. Crosswalks are poorly marked and there are no bike lanes. The bus has problems of their own as well. With 28 stops from 50th to 82nd, some stops are poorly maintained. Others can be found with homeless sleeping there. With so many people using public transit, it is our responsibility to ensure that riders have a good experience. Another important aspect of Powell is the multiple parcels along the road. As you can see in the slide, these strips of land are ODOT-owned, and they currently serve as parking lots. Unfortunately, these parcels appear to be barely used, filled with trash, and overgrown with vegetation. The parcels are not only next to the street but they are next to many people's houses. This includes houses from neighborhoods Foster-Powell and South Tabor. Along Powell are also a variety of businesses, some local and culturally diverse. Powell Boulevard impacts many families and people every day. Many are heavily dependent on public transit. Problems on Powell are on the rise. Several plans, including the Portland Plan, Climate Action Plan, and the Powell Streetscape Plan aim to improve Powell. This includes improving safety, expanding transit, and sustaining the community. Because of the

July 16, 2014

condition Powell is currently in, a high capacity transit has been decided to be built. We are being called to look at the parcels along Powell and how they can be used to incorporate high capacity transit. This is a really good opportunity to help the community.

**Alex \*\*\*\*\*:** Good morning. My name is Alex [indistinguishable], and I'll be talking about the methodology that we underwent through looking at how to redesign the parcels. So, our team of 21 split into four main groups to divide up the work. First off, there was a case study group to figure out what has been done in similar situations in order to see what's feasible to replace the parcels with. This group mainly found examples of high-capacity transit systems in other parts of the world and examples of vacant lots being turned into parks and green space. The group even researched of art, beehives, and public libraries to explore all options of what potentially to implement in place of the parcels. The case study group allowed us to look at the good and bad designs and evaluate what works and what doesn't when looking to replace the parcels. The second group was a lit data group. And the lit data group was in charge of finding out demographics of the surrounding area and reading up on plans for the future of Powell. This group researched the Inner Powell Streetscape Plan, the Portland Plan, and the Climate Action Plan, as well as getting demographics of the surrounding area from [socialexplorer.com](http://socialexplorer.com). In this way, we were able to figure out how to best serve the community while keeping the City's goals for Powell in mind. The third group was the interview group that interviewed people working in the urban design field as well as store employees on Powell. In this way, the group was able to discover what employees and store owners on Powell thought about the parcels, while interviewing experts on what options to implement. People we interviewed were employees from Chair Outlet, Seven Dees Nursery, and Plaid Pantry -- which are three retail stores on Powell -- as well as experts such as Philip Auchettl, the director of RAD Lab, an urban architecture firm; and Tom Schwetz, the Eugene Springfield transit director. They have a bus rapid transit system implemented in Springfield. The final group was the survey group that surveyed people that lived and worked in the area in order to get a good idea of what the people that spent the most time on Powell wanted in place of the parcels. Overall, we collected 160 surveys. Surveys were distributed in English, Mandarin, and Spanish -- and there should be sample questions in the packet in front of you -- and these surveys were distributed to people that we encountered while walking up and down Powell, and as well as online through neighborhood associations of Foster-Powell, South Tabor, and Uplift. Survey Monkey was used to distribute the surveys online, as well as compile the data. This next slide should contain an example of sample question and results, which can also be seen in your packet. And we'll get more into the survey results in a sec.

**Zach Torrey [Spelling?]:** Hi, my name is Zach Torrey [spelling?] I will be talking about the findings. So, like Alex said, these four groups that we split into did an immense amount of research through interviews, surveys, and other outside research. We identified three main categories for best utilizing the space: transit stops, improved parking, and green space/community gathering space. And so, here are our findings. So, this first slide here is about the transit stations. Like Jonathan talked about earlier, Powell does have a history of being kind of a center of mass transit. And with the implementation of this new mass transit line, it looks like it's returning to that state. So, in our surveys, we asked people whether they feel safe doing a number of things at night and during the day -- things such as parking, walking, biking, and things like that. And specifically for waiting for transit stations, 54% of people said that they don't feel safe right now if they had to wait for the bus at night, and 25% actually said that they don't feel safe during the day waiting for transit. So, that definitely interested us in motivating us to improve the stations. It also works towards the Portland Plan's goal -- I'm sure that you're aware -- but the Portland Plan hopes to have 90% of Portlanders have easy access to transportation. And with the implementation of this mass transit line, that will definitely work towards achieving that goal. This slide is about parking. When we did the surveys and the interviews that we discussed previously, a lot of people seemed shocked that we were planning to remove all the parking. I didn't know if you were all aware, but the ODOT parcels were

July 16, 2014

originally put there to establish a park and ride kind of system for the current bus line that's there. Going through our thought process, we definitely realized we would definitely need to keep some of the parking if we were going to establish these mass transit lines. And so to do that, the case studies worked on some -- and found some examples -- of more eco-friendly and more sustainable options for parking, which we'll talk about later. And lastly, community gathering spaces was the topic that we got the most community support for. And as you can see from the statistics there, people were very passionate about wanting some new community green space. There is a park nearby the Powell area, however, it seems like people are much more interested in seeing what a park or a green space where they can sit and eat their lunch and socialize with other people in the community right on Powell. And especially, since the lots are sitting there, they're prime for becoming some sort of community gathering space.

**Angela Liu [spelling?]:** Hi, I'm Angela Liu [spelling?] Thank you for having us. So, based on our research and findings, we came up with a set of criteria to be followed in the designs. And as you can see, first and foremost, we considered the safety of the people on and around Powell. We also wanted our designs to be aesthetically pleasing, functional, and multi-purpose, so, we tried to build each of our designs to be eco-friendly in accordance with the climate action plan, and everything you see is solar-powered. While designing, we kept in mind equity and the want for green space. Next, we have a video, and this will showcase our three main categories of design, which -- as Zach mentioned -- are transit, parking, and the community gathering space. So, when we designed these, we didn't design specifically for each parcel. We designed general concepts that can be plugged into the parcels as the community sees fit. First, you can see the transit stop, which will help implement the high-capacity transit, and we are just using buses as an example. So, the parcel has been turned into two transit stops, one eastbound and one westbound, and in the back of the parcel, we've cleaned up the vegetation and added lighting, because those were two big things that the community wanted. The stops themselves are glass-enclosed with an open entrance, and they provide shelter from the weather, seating, lighting, ticket machines, and TVs with arrival and departure times. There is one lane of high capacity transit running around each side of the stop. So, there are going to be two lines of high capacity transit, as well as four lanes of regular traffic, as well, but that isn't shown on there. Next is parking. We decided that we wanted to keep some of the parking to assist the implementation of the high-capacity transit, and commuters driving into park can get straight to their stop. So, this is very close to what is already there, just cleaned up and improved. So, as you can see, we've cleaned up the vegetation, we've added some new plants and trees to improve the aesthetics of the area. And the sound barrier along the back has Powell written across it, and that is a representation of a possible community mural that could go in there if residents in Powell support the idea. We've added extra lighting, five handicapped spots, and five regular spots. The pavement also has stormwater drainage -- more efficient systems of stormwater drainage, such as permeable pavement and rainwater gardens. Finally is the community gathering space, and the aim would be to make the community feel more connected. And what you see here is an example of one that could go in a long parcel. So, at the front, we have installed art. There is the community mural along the back as well, because we thought that that would be a really great way to showcase the diversity of the community and bring people together. Again, existing vegetation, has been cleaned up, new plants were added. You can see paved pathways, a water features, and more seating. What we're zooming in on now is a streetcar library, which is an example of something that can be added to a space like this, and it speaks to the history of streetcar use in this area. And finally, there is a soft barrier of trees between the sidewalk and the road for safety. And now, just a quick recap of the designs. Transit stations, increased safety of commuters, and visibility as well. There will be four lanes of regular traffic, and two lanes of high capacity transit, one curving around the parcel. As for parking, we have added lighting, the mural, cleaned up vegetation, stormwater drainage. And it will just make it a better experience. And finally, community gathering. This is more of a flexible

July 16, 2014

design, but what we definitely recommend is lighting, vegetation, and art, and the community can decide on aspects the space like the streetcar library. As for next steps, we'd like for there to be more dialogue with the community about what is going to happen. Because of the words that came up in survey responses was "forgotten." So, we thought it would be good to connect with them more and get their input. [inaudible] we were able to do because of time limitations on this project. So we would want to inform then on the process, decide on exact placement of the parcels, and also more specifically to discuss the community murals. And lastly, we want to find other ways to increase safety of bicyclists and pedestrians, because even though that was not within the scope of the project, it was brought up many times in survey responses.

\*\*\*\*\*: Once again, thank you very much for taking the time to let us be here and giving us this wonderful opportunity. Thank you also to the Bureau of Planning and Sustainability, who are our clients this summer. If you guys have any questions, feel free.

**Hales:** Great work. I bet that we do.

**Novick:** Thank you very much. I have actually have a request, which is, could you email my office an electronic copy of the presentation?

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

**Novick:** Then I can I can share it with the Powell-Division high-capacity transit steering committee. Thank you very much.

**Hales:** And if you are willing, it might be great to have this presentation for them, if we can get more of your time.

**Novick:** Yeah, if that's possible.

**Hales:** That would be I think great for the formal planning process to hear your ideas and this good work. This is really well done.

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

**Hales:** Other questions? Comments?

**Saltzman:** Well, I appreciate your creativity. I think you mentioned something called a beehive. What is that?

**Alex \*\*\*\*\*:** That's an example -- we had a case study of beehives in public areas -- or more like bee-keeping areas.

**Saltzman:** Oh --

**Hales:** A real beehive!

**Saltzman:** I thought that was some urban form I didn't know about -- [laughter]. Great work. And have you spoken with ODOT about this, too?

**Hayward:** We did have an interview with ODOT when we were working -- the interview group talked to them. But we haven't -- our presentation for our client is tomorrow, and I think that we will be talking, combined with that. I'm not 100% sure.

**Saltzman:** I certainly hope so. They could have the keys to those parcels.

**Hayward:** Right.

**Hales:** And your work is really timely, as you know. You made a really good choice, in my opinion, of where to focus. Because we do have this study underway, but we also have a much larger discussion that is now likely actually to get somewhere about whether Powell should continue to be an ODOT highway or should transition to being a city street. And Commissioner Novick and I are both very interested in that subject, because he's the transportation Commissioner, and I'm dealing with the finances of all of this. But we both believe that if the funding can be figured out -- finally -- that it makes sense for some of these roadways that are state highways -- 82nd is another one -- to transition from being -- they call them orphan highways sometimes -- into being city streets. Because as you've pointed out, they function as a city arterial street. People don't know or care that it has a state highway number on it, they care about safety and livability. So, that discussion is getting ripe for change, we think and we hope. And then secondly, the region -- and I think you

July 16, 2014

picked up on this in your work -- the region has been thinking about the question of bus rapid transit. We've done a lot with light rail and streetcar, there are more places where those ought to go, we have a good conventional bus network with conventional stops. But as the Eugene/Springfield project demonstrated, there are places where that particular form of transit makes sense. The right tool in the right place. And I think you've made a wise choice of saying, it could work here on Powell. Have any of you had a chance to see the system in action? I haven't, either. And I should, I used to be in the business. So, I think it's a prototype that we want to study more here in Portland. So, that's another reason why your work is really timely.

**Fish:** I have two questions. First, a thank you. I'm in charge of the Bureau of Environmental Services, and you put a lot of emphasis on permeable surfaces, rain gardens, stormwater run-off -- so thank you, that will ultimately be good for the environment and save rate payer's dollars. So, that's spot on. I'm interested in bikes and I'm interested in one of your choices. Let me start with one of the choices. Your model puts the high capacity transit on a dedicated strip of the highway off to the side. In some cities they run the high-capacity down the median, down the middle, and segregate it. I'm just curious if you evaluated those options, and why this one you thought worked better in that location?

**Liu:** Well, as you can see, we've got the two lanes of high capacity off to the side, and we thought that we could make space for this by taking away some of the median and using the parcel as well as maybe taking away some of the sidewalk buffer. So, we just thought that this would allow for more efficient transit, and it would be safer for people to be on the side of the street rather than --

**Fish:** The safety point just jumps out at you, doesn't it? If you put it down the middle, then people have to access a busy street from both north and south. If you have a dedicated lane, then you're potentially making it safer for people accessing transportation. So, I think that makes a lot of sense. The related piece that I wanted to ask you is that is that your vision anticipates four lanes reserved on the other side. Now, we're going to be talking about putting a bike lane probably there, so how do cars and bikes co-exist in your mind in that space?

**Hayward:** Well, on the streetscape plan, we had kind of laid out space for each item. And I don't think that we had specifically put in the space for a bike lane -- this is more of a suggestion, a recommendation, but I'm sure that there is a rather easy way for us to find room for our bike lane because we think it is very important for the community.

**Fish:** And very interestingly, the bike community is telling us that they want segregated, dedicated space -- that having a lane in traffic is less desirable than having -- and you've sort of given us this idea of segregating in a separate space the high-capacity transit. Perhaps we could do the same for bikes and give them a safety corridor on either side, and then figure out -- so, I think it's -- I want to join with my colleagues in saying this is a very thoughtful piece of work, and we appreciate hearing from you this morning this morning.

**Hayward:** Thank you.

**Hales:** Yeah, as you've noticed probably in looking at this corridor versus others in the city -- I mean, Powell is one of the few places where we have got this generous situation. Pretty wide right away, these leftover parcels from ODOT. That's not the norm. Most of our streets are pretty walled in by existing buildings and relatively narrow right-of-ways. So, this one has got more opportunity for the kind of creativity that you're putting into it here, and that makes it an exciting place to study. And where you can actually do it, as opposed to, you know, we would have to demolish 300 buildings but it would be a great plan -- that's not practicable on other streets. Other comments or questions?

**Novick:** You probably already know this, but I just wanted to give you a little sort of political context. We would be counting on the federal government to provide a significant chunk of the funding for high-capacity transit. You might have noticed in the newspaper that this seems to be a question as to whether the federal government will continue to provide funding for transportation at

July 16, 2014

all. So, I'm sure you'll be looking as we will to see how that plays out over the next couple of months. We're also having a discussion about raising local money for transportation projects, and one of the discussions we've seen is that we've seen a lot of community advocates saying that we want investments in safety for pedestrians and bicyclists. We've heard some folks in the business community say that no, we should just do maintenance, and we should not spend any money on the safety projects. And so, I think that it's helpful for you to have done this survey, and although Powell of course is a state road, reinforce the idea that safety is a high priority for the community. So, thank you very much for that.

**Hayward:** Of course.

**Hales:** So, there are citizen planners and there are professional planners. So, looking ahead, how many of you are considering becoming either a land use or transportation planner as a professional option? Some of you? All of you? Some of the group out here? We are recruiting all the time here.

**Fish:** Mayor, can I do a little advertisement? I met with the Bureau of Environmental Services team yesterday, and I think that I have this right, but I believe that the median age in a whole set of categories of key employees -- particularly people with environmental science background -- is 50 plus. Which means in the next 10 years, we're going to be creating openings in careers for people with cutting edge, exciting, good pay and benefits, long-term growth potential, and one of the things that the City wants to do a better job of is making those opportunities available to home-grown folks. Kids who come through schools here and go out and get their degrees in state or out of state, and help us to continue to do our work. So, the City is going to experience a significant amount of turnover in the next 10 years in really interesting jobs, and we hope that you keep your eye on potentially a career in your field with the City.

**Hales:** Just enough time for this group to go off to college and get a Masters in urban and regional planning from Portland State up the street -- [laughter] -- while they're doing an internship here --

**Fish:** And you'll remind the mayor that you were here for this presentation -- [laughter] --

**Hales:** Just a suggestion. Well, let's suspended the rules of the house at the moment and congratulate these students on good work. Thank you, well done. [applause] Great work, and we look forward to having you present not only to the Bureau of Planning and Sustainability, which was the client, but also perhaps to some of the other discussions and committees that are already underway as you may have remaining time yet this summer.

\*\*\*\*\*: Thank you very much.

**Hales:** Thanks. Well done. Great work. So, I think that we have to adopt the report, is that right? Does anyone else want to speak?

**Moore-Love:** Someone had signed up, but I think she left for testifying on this. Miriam German?

**Hales:** Yeah, I think she signed up for the wrong one. So, a motion to adopt this report.

**Fish:** So moved.

**Saltzman:** Second.

**Hales:** Any further discussion? Roll call, please.

**Item 744 Roll.**

**Saltzman:** Well, I really appreciate the work of PLACE, and all of you who are part of PLACE. I think you provided some very creative ideas for how to utilize the space that needs a better idea and a better future. So, thank you for doing this. Aye.

**Novick:** Thank you very, very much. A very enthusiastic aye.

**Fish:** Mayor, I think one of the most famous alums of Caitlin Gable in the planning arena was David Bragdon. And I say congratulations to Catlin Gabel for sponsoring this program, to the students for embracing it, and to Planning and Sustainability for hosting you. And that was a -- we get a lot of presentations in this Council. That was a first rate presentation, and congratulations. Aye.

July 16, 2014

**Hales:** Really great work, and I love this partnership that PLACE is making possible between students and the City. We appreciate -- as Commissioner Fish said -- Catlin Gabel's sponsorship, but also the participation of the students from a variety of Schools in the community. Great work. We do want to continue the conversation about this project and to keep involved in these kinds of issues. You know, a lot of what's great about Portland started out with a citizen planner's idea. Pioneer Courthouse Square was a citizen planner's idea and carried forward by a huge coalition of people in the community. A lot of what's happened in our park system has been the result of people in the community having a great idea for better public spaces. So, we have a tradition here of trying to generate ideas, but I think that this is a great new element of that tradition of student planners directly involved in thinking about the future of their city. So, great work, and look forward to more work with you. Thank you. Aye. Thanks much. OK. Let's move on to the next item on the calendar then, please.

**Item 756.**

**Hales:** I'll ask the two nominees and our chair to come forward. Welcome an good morning. Mr. Baugh, would you like to take it away?

**Andrew Baugh:** Thank you, Mayor. Andre Baugh, Planning and Sustainability Commission Chair. It's my pleasure this morning to introduce two new members to the Planning and Sustainability Commission. These two members will fill two positions that we've been missing and carry forward on one of the commitments that came out of the Portland Plan to add a youth Position to -- that we heard from the community when we had Portland Plan process that the youth wanted to have a voice in the future decisions of the City of Portland. And so, we're living up to that. It also gets us up to speed as we move forward into the fall and the comprehensive plan that's coming before us, and I look forward to their decisions and their hard work on providing you recommendations on the comprehensive plan update coming forward. And Teresa St. Martin is a real estate professional focused on sustainable housing selection and small scale commercial development. She has been a certified eco-broker since 2006. She currently serves as a member on a number of organizational boards, including sustainable practices committee, assisting local realtor committees in improving sustainable practices here. Teresa will fill a role for a real estate professional who also brings knowledge about green building practices to the PSC, which is an important role. Next is Margaret Tallmadge, Maggie. She's our first youth appointment to the PSC, and as I said, that was something that came out of the Portland Plan and our focus to get the youth voice as part of the future plan. And we recognize -- and Council also recognized -- the need to have that voice as a sustainable voice as we looked at decisions.

**Fish:** And Andrew, let's be clear -- when we say youth, we were looking for someone with the right skill set, 55 and younger -- [laughter] -- that they could bring that perspective that was missing. Am I right on that?

**Baugh:** We were looking for someone -- and really our focus was plus high school, right out of college youth that was willing to dedicate -- the Planning and Sustainability Commission takes time, and it's a considerable amount of time and will be this fall with the comprehensive plan. So, we wanted someone with a lot of hard work and take some time and give us that perspective that we recognized we were missing and wanted to have that in our decision-making process. And so, Maggie, our first youth appointment, will serve a two-year term. Maggie is a graduate of Wellesley College and has been involved as a volunteer with a number of organizations, including NAYA, Central City Concern, and Verde. She was a member of the U.N. major group on children and youth, and has presented on the General Assembly floor sharing positions with delegates and other groups. As a young and active member of our community -- young is the key word there -- Maggie will provide what is currently missing, a youth place on the PSC. And I look forward to it, I'm excited about both of them joining. And lastly, I just want to thank all of the members of the PSC. They have put in a lot of hard work, and this fall will again put in a lot of time and effort on the



July 16, 2014

comprehensive plan. And hope to bring you that before the end of the year and right after that early next year. And with that, if they want to say a couple of words.

**Hales:** Welcome.

**Teresa St. Martin:** Sure. Thank you for the opportunity to serve on the commission. In reading through the Portland plan, I was inspired by the aspirational goals and also pleased to see a path forward with some short-term action. So, I look forward to working with the council and the commission to help move our city forward.

**Margaret Tallmadge:** Again, I'm honored as well to be serving on the Planning and Sustainability Commission. I'm especially excited to be part of a process guiding sustainable and equitable policies for an increasingly diverse population here. And more specifically, I'm interested in investment strategies in economic and housing opportunities, as well as the sustainable development that we'll be working on throughout the comprehensive plan and zoning code.

**Hales:** Thank you. Questions?

**Saltzman:** I was curious, Teresa, I've been hearing a lot about how green houses or green homes are not fully appreciated as much as -- I mean, appraisers and things like that, it's not being reflected in the appraisals. So, Andre said you were a certified eco-broker. I guess I was just curious -- tell us more about what that is.

**St. Martin:** The eco-broker designation is -- well, it's an international because it's U.S. and Canada, but it provides special training to help me with sustainability issues and sustainability for people's lifestyles as related to read and. So, in identifying the opportunities, helping people think about things beyond just what a green label might be and how it actually affects their lives, and I could probably go in for a long time, so --

**Saltzman:** Thank you.

**Hales:** That's great.

**Hales:** I have a question for Maggie who I've gotten to know a bit in the last year. And Maggie, part of your rich heritage is Native American. And you mentioned equity as something that you are interested in, and housing -- clearly a passion of yours. Is there a particular area where you think that the City falls short that you would like to put some additional attention through your service?

**Tallmadge:** I think a huge portion is just reconciling and finding a balance between sustainability and affordability. Most of the cities are facing that, but as we look at communities out in Lents or communities out in Cully, they face a transportation desert, food deserts. So, it's creating equitable opportunity for investment -- I mean, equitable investment strategies as well as finding innovative policies to keep those homes, those residences, and those commercial buildings affordable for current residents. So I think that that's also something that speaks to the wider issue of affordability rather than just the Native community.

**Hales:** More questions?

**Novick:** I just wanted to observe that I think it's particularly important for the Planning and Sustainability Commission -- which is planning for the City for the next 40 or 50 years -- to actually have people on it to expect to be here for the next 40 or 50 years. Thank you for accepting that responsibility, Ms. Tallmadge. And also, I mean, in planning circles, I think that we tend to say, well, we need to recognize that changing attitudes of young people, and we're building a city for them rather than us stodgy old folks, so it's useful to say, yes, that does reflect my changing attitudes as a young person, or no, I'm just as stodgy as you so get over those ideas. [laughter] So I really look forward to you giving us a reality check.

**Tallmadge:** Thank you.

**Hales:** Other questions? Well, thank you both for your willingness to take on this big citizen volunteer job. It is a big job. You're also serving at a time where there is big stuff happening at the commission, as Chair Baugh mentioned. So, we do the comp plan update only every now and then, and it's a big deal. And then, in the midst of all of that, of course we end up dealing with flash

July 16, 2014

points of little issues. Little to some that that will also end up -- you will have the hearing that lasts five hours on an item that you did not expect it to. So, a fair warning that those moments will come. But there are only a handful of volunteer jobs like this that have this much effect on the city. These positions and the Portland Development Commission board, Home Forward, there are few of these volunteer roles in the city where people really make a huge difference for a really long time. So, I hope that makes those long meetings worth the investment of your time and ideas, but we just appreciate your willingness to do this, and it's really important. Thank you.

**Hales:** Mayor, I move the report,

**Saltzman:** Second.

**Hales:** Roll call, please.

**Item 756 Roll.**

**Saltzman:** Welcome to the Planning and Sustainability Commission, and thank you in advance for - - as the mayor alluded to -- all the long hours you're going to be putting in both in terms of the meetings but also in reading through all the documents. But we always appreciate the very thoughtful and diligent work of our Planning and Sustainability Commission, and they advise us well. So, thank you. Aye.

**Novick:** Thank you very much. Aye.

**Fish:** We are very lucky to have two people with such distinguished background and skill sets agree to serve. One thing that you probably were not told is that you are about to lose all of your privacy and anonymity, because your meetings are televised on Channel 30. And every once in a while when I can't sleep I turn on the TV in the wee hours, and they do have a habit of running your meetings on a regular feedback loop. So, you are going to now be approached by people at all hours asking for your help on City matters. One thing that I want to encourage you to do -- and Chair Baugh has been especially good at this -- is that there are some members of the planning commission who assume that once you've done your job, and it gets kicked to us that your role is over. And I want to encourage you to see your role as a continuing one. And that includes, if you have is a very strong view of a subject -- and oftentimes, issues come through your body on a divided vote, which is healthy -- you have every right as a commissioner to reach out to us individually and as a body through testimony to share your views and to educate us. So, I would urge you in addition to the important role you will be playing as a commissioner -- don't undervalue the role as a commissioner in advocating for your view of things before this body. And it's a very important role. Andre does this so often, we wonder how he maintains his day job. But, it is -- you do have, following your hearings, unique knowledge and expertise that are valuable to us beyond just handing over a report. So, thank you both for taking on this assignment, and I am very pleased to vote aye.

**Hales:** Well maybe having scared you a little bit about the length of some of the meetings you are going to be involved in, let me reassure you a bit about the relationship between the Planning and Sustainability Commission and the City Council as I see it. And I've been giving some version of this little speech for 20 years, and I still think that it's the right balance. One, it's OK -- we're a leader in the country. People come here every week to study Portland. And so, that's good news and bad news. Good news is we're doing great things. The bad news is it we don't have very many others to imitate, so we have to figure out things on our own more often than take a cut and paste out of somebody's else's plan or zoning code. So be it. But that means that it's OK for us to experiment and then have a process like the RICAP process to make adjustments. The most famous example of that in my experience was we approved the mixed use zone because we thought we ought to have legal zoning for the kinds of buildings that we love but for a while we could not build legally -- that is, a two-story building with store fronts on the ground floor and housing up above. And we said yes, we'll adopt this new CM zone and say, that's what we want. And we put a provision to the code that said, well at least 50% of the building has to be housing. What we did not realize that you might realize as a realtor is that that meant that we could not build a two-story

July 16, 2014

mixed use building because there is a hole in the floor where the stairs go through and the second floor is never quite the same as the first. Oops, we got that wrong. We fixed it. It's OK to experiment and adjust. So, we don't have to figure it all out to the nth degree before we ever act. So, I think that's important for us here and for you at the commission. Secondly, I have always thought that the Planning and Sustainability Commission -- and this is related to that point -- needs to get an idea or a proposal to the 85th or 90th percentile, and then we do our job of again hearing from the community, and making the ultimate decision about what goes into the plan or the code. So, we don't expect you to sand off all controversy and to resolve all arguments before an issue arrives here. We expect you to get to a working majority about what you think is the right policy and then forward it to us. So, sometimes, I think review bodies feel like, gosh, we can never bring a controversy to the City Council. Would that if that were possible. It's not. So, it's OK to get things to the just about finished point, and let us do our work of finishing the job. So, hopefully that will make both your work more satisfying, and maybe some of the meetings a little shorter. Thank you very much. Aye. Congratulations and welcome.

**Baugh:** Thank you.

**Hales:** Ok, let's move onto 757.

**Item 757.**

**Hales:** Second reading and roll call.

**Item 757 Roll.**

**Saltzman:** A great project. Aye.

**Novick:** Aye.

**Fish:** I am very pleased to support this, and I want to just acknowledge a couple other people that made this day possible. It was Pietro Ferrari, then-executive director of Hacienda, that had this out of the box idea to take an area that was a parking lot filled with bushes and turn it into a safe place for children to play. And there was virtually no way to make this happen, but Pietro was not to be deterred, and he in turn handed the ball to Victor Merced, the successor, who also said it was vital that children at Hacienda to have a safe place to play. Special credit goes to Adidas, the Timbers, a couple of local banks, and generous funders who made the futsal court possible. And this is the icing on the cake that it is now going to be fully sustainable with this solar panel. I am delighted to support this and thank all of those who made it happen. Aye.

**Hales:** Good project. Aye.

**Item 758.**

**Hales:** Good morning. Commissioner Novick, do you have any opening remarks on this item? I know we've got a report here from the team.

**Novick:** I will just throw it out to the team.

**Christine Moody, Chief Procurement Officer, Office of Management and Finance:** Good morning, Christine Moody, procurement services. In November of 2013, City Council authorized the use of a Construction Manager General Contractor solicitation process for the construction of the Portland Streetcar SW Montgomery Street Track Relocation Project. Through this process, an RFP was issued, and three responses were received. The responses were evaluated by a five-person selection committee, which included representatives from the Portland Bureau of Transportation and the minority evaluator program. Stacy and Witbeck is the highest scoring proposal and was issued a notice of intent to award a contract. The City then entered into contract negotiations, and now you have before you a procurement report recommending a contract award for a guaranteed maximum price of \$1,998,187. The City and Stacy and Witbeck jointly worked on a minority, women, emerging small business supplier construction plan in which SWI has committed to achieve the aspirational goal of 35% MWESB subcontracting. SWI will comply the workforce training and hiring requirements of 20% apprenticeship, 18% minority, and 9% female workers. Chris Armes and Kathryn Levine from BOT are here to answer any technical questions you might have.

July 16, 2014

**Hales:** OK. Questions?

**Novick:** Kathryn, would you mind explaining how important this project is in terms of making the streetcar a more frequented and reliable form of transportation?

**Kathryn Levine, Portland Bureau of Transportation:** This project is going to eliminate the last single track segment of the streetcar line. And the project's purpose is to double track it, and the timing is to have these improvement in place before the Tilikum Crossing bridge opens when the streetcar system will then be able to run a complete loop, a full circulator in the central city. So, the timing of the project is very important and is also driven by the funding. Just as a reminder, the funding sources are primarily a State of Oregon grant. Connect Oregon is providing about \$1.9 million of funding, and the local funding mostly provided by the Portland Development Commission, is just over 1.5 million.

**Novick:** And as I recall, once this is done and the loop is completed, on 10th and 11th, we'll be able to count on the streetcar coming about once every seven minutes as opposed to now when it maybe four, maybe 14?

**Levine:** The streetcar has been working to get to 14 minutes on both the north, south, and central loop lines so that it can, in fact, have the seven-minute service on 10th and 11th.

**Novick:** Thank you.

**Hales:** I should know this number, but what's the forecasted ridership for once the loop is open and operating in the system? Anybody carrying that number around in their head today?

**Levine:** I'm not carrying the number around in my head. I believe that this year, we're looking to break the record and hit 5 million riders. But I have not seen a more recent projection.

**Hales:** Obviously, it will be more than that, but 5 million -- for those of us involved in the original project -- is a staggering number of riders. That's amazing.

**Fish:** On the financial impact, can you walk me through again just the different pots between ODOT grant, PDC, and general fund?

**Levine:** Right. The Connect Oregon grant provides the bulk of the funding. It's over \$1.9 million. The Portland Development Commission was providing over \$1.5 million, and the general fund had contributed \$230,000.

**Novick:** One additional question. The original estimate was that this would cost \$2.2 million, it's now coming in slightly under that slightly under 2 million. What will you do with the money you saved?

**Levine:** Considering that we have not broken any ground yet, I always think of construction like a home remodel project, right? We're not going to say if there is savings until the improvements are built and the project is complete.

**Novick:** Very prudent.

**Hales:** Great. Other questions?

**Fish:** Mayor, is the general fund portion something that's in your budget for the fiscal year?

**Hales:** The PDC general funds?

**Fish:** Or is it already budgeted?

**Levine:** I believe it's the current year.

**Hales:** Yeah.

**Fish:** Thank you.

**Hales:** Other questions? Anyone signed up to testify on this item? If not, let's take a roll call on the report.

**Moore-Love:** Need a motion to accept.

**Saltzman:** So moved.

**Fish:** Second.

**Hales:** Roll call.

**Item 758 Roll.**

July 16, 2014

**Saltzman:** Great job. We look forward to this important segment being completed. Aye.

**Novick:** Thank you very much to the team. Aye.

**Fish:** Aye.

**Hales:** Well, the streetcar is a real estate and redevelopment tool with transportation benefits. Sometimes we forget that its most powerful effect has been to stimulate literally billions of dollars' worth of development along the line. Well, why does that matter to anybody that does not live there? It's because this Council just put 30% of one of those urban renewal district's assessed value back on the tax rolls. That's cash flowing more than 5 million a year to the City and the county and the schools. Just put the first piece of all that new value that the streetcar supported back on the tax rolls, and it's already producing five or six million dollars of new revenue a year for basic public services. This was an investment in a more intense form of development that is now going to start paying off -- and of course, it does not just pay off one year. It's going to pay off for decades or more than that. So, it's important to remember those facts as well as the facts about where these dollars came from. Five million riders a year is an amazing public service, but five billion worth of real estate development is an amazing number, and the streetcar supported both. So, thanks for continuing the success story. Look forward to the successful completion of the project and not going around those two turns 90 degree turns every time we ride to the south waterfront. Aye. Thank you very much. Ok. Next item.

**Item 759.**

**Hales:** Ms. Moody.

**Christine Moody, Chief Procurement Officer, Office of Management and Finance:** Christine Moody, procurement services. In April of 2014, a request for proposal was issued for LED street light installation and maintenance services as part of the Portland Bureau of Transportation's planned conversion of streetlights from high pressure sodium to energy-efficient LEDs. In May, seven responses were received. The proposal responses were reviewed, evaluated, and scored by a selection committee made up of City staff and a minority evaluator. The proposal from Christenson Electric was deemed responsive to the requirements of the solicitation, and received the highest evaluation score. Christenson will also be using a state-certified women-owned firm to provide traffic control services as part of this contract. The City issued a notice of intent to award on May 29, 2014, and no protests were received. We have before you a report recommending a contract award to Christenson Electric for a not-to-exceed amount of 6,500,000 for a five year period. I will turn this back over to Council if you have any questions about the solicitation process.

**Novick:** Colleagues, if I may just put this in context for a moment. Starting next September, PBOT is going to replace 64,700 streetlights with LED lights over the next two years with additional installation and maintenance needed for three additional years. Awarding this agreement will allow us to do this planned conversion of streetlights. We anticipate the initial costs for this price agreement to be approximately five million for the first two years, with extensions of 500,000 per year for the remaining three years. Funding will be available from our adopted budget each year. With regards to equity, PBOT worked with the Coalition for Livable Future on a more equitable replacement schedule. For the first few months, we're going to be following a PGE map that reflects the company's replacement schedule, replacing the oldest streetlights first. And after, we're going to start using the collaborative replacement schedule we developed with the Coalition for Livable Future. Also, the ONI PBOT graffiti abatement program has been expanded to include these streetlights.

**Hales:** Great. Thank you. Other questions for Christine, or comments? Anyone signed up to testify on this item?

**Moore-Love:** I did not have a signup sheet.

**Hales:** OK. Then, motion to adopt the report.

**Fish:** So moved.

July 16, 2014

**Saltzman:** Second.

**Hales:** Roll call.

**Item 759 Roll.**

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

**Hales:** Thanks, Christine. Great investment in energy efficiency. Aye.

**Item 7601.**

**Hales:** Good morning.

**Becky Chiao, Risk Management, Office of Management and Finance:** Good morning, Mayor and Commissioners. This is an ordinance to resolve a claim from a former police sergeant that was reached in mediation, and you have got a memo about it. We also at the same time reached an agreement with Captain Kruger. There was cross claims between the Sergeant Galvan and Kruger, and this will resolve both matters before they became lawsuits.

**Hales:** Questions? OK. Thank you very much. Anyone signed up to speak on this?

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

**Hales:** Then roll call on the ordinance.

**Item 760 Roll.**

**Saltzman:** Aye. **Novick:** Aye. **Fish:** Aye. **Hales:** Aye.

**Item 761.**

**Hales:** Must be the beginning of a fiscal year or something.

**Christine Moody, Chief Procurement Officer, Office of Management and Finance:** Yeah, and the Council meeting was canceled.

**Hales:** I know. I'm teasing a bit.

**Moody:** Christine Moody, procurement services. The City issued a request for a parking in a format enforcement hand-held citation system, and in January of 2013, five proposals were received. The proposals were reviewed, evaluated, and scored by a five-person evaluation committee that included representation from the minority evaluator program. The proposal from Schweers Technologies was deemed responsive to the requirements of the solicitation and received the highest evaluation score. Schweers Technologies is the manufacturer of hand-held devices and will not be using any subcontractors for this project. The City issued a notice of intent to award on April 19, 2013, and no protests were received. Before you is a procurement report recommending the authorization of a five-year contract with Schweers Technologies in the amount of \$1,057,847. I will turn this back over to Council if you have any questions. Nolan Mackrill from PBOT is here to answer any technical questions.

**Hales:** Great. Questions for Christine or Nolan?

**Novick:** Just wanted to note that part of the reason for this is that our existing hand-held units are nearing the end of their service life and need to be replaced. But also, these new units will have additional functions for a changing parking enforcement environment. For example, once we start moving to allowing people to pay by phone, these hand-held units are set up to interact with that kind of system where our current ones are not.

**Fish:** Commissioner Novick, how will the pay by phone system work with the requirement that you have a sticker that you put in your car? Is it just that instead of going to the machine, you'll pay by phone and the machine gives you the sticker?

**Novick:** I think I know the answer, but I would rather defer to Nolan.

**Nolan Mackrill, Portland Bureau of Transportation:** Nolan Mackrill, parking enforcement manager. Commissioner, on a pay by phone, it would be related to your license plate. So, when you went on the phone and put in the payment structure, it would be to your license plate of the vehicle you're parking, and then our hand-held -- would put the license plate number into the hand-held, and it would tell us that you had paid and for how long.

July 16, 2014

**Fish:** So the person that then is enforcing the law isn't just looking to see whether there is a sticker on the driver's side, they're going to zap the license and see whether it's paid?

**Mackrill:** That will be another additional thing we'll be looking for -- if you don't have a receipt, we would be putting your plate in and that would also indicate if you made a payment, which would be authorized then. So, that would be another function that the officer would do.

**Fish:** That's great.

**Novick:** Nolan, while you're up here, I just wanted to thank you and the whole PBOT parking team for the very smooth transition on disabled parking. We've had a couple of concerns from constituents that I think we've been able to effectively respond to. But I think it's gone very, very well so far. So, thank you very much.

**Mackrill:** Thank you, Commissioner. And thank you for your support on that, too.

**Hales:** Great. Thank you both. Anyone signed up to speak?

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

**Hales:** OK, thank you. This passes to second reading.

#### **Item 762.**

**Hales:** Commissioner Novick.

**Novick:** Colleagues, first of all, I would like to pass out the substitute ordinance, which we have already given to Karla. And then turn it over to Carmen to explain what we're doing.

**Carmen Merlo, Director, Portland Bureau of Emergency Management:** Thank you, Commissioner, Mayor. Carmen Merlo, the director of the Portland Bureau of Emergency Management. The ordinance before you today relates to the membership of the disaster policy council, which is the mayor's advisory body on emergency planning, response, and recovery. The existing code calls the mayor as the chair, and the president of the council as the vice chair. But with the commissioner-in-charge of PBEM, not the mayor and not the president of the council, we have an unusual situation where the commissioner-in-charge of PBEM is not a member of the disaster policy Council. So, this ordinance does two things. The first is that it adds the commissioner-in-charge of PBEM or his designee to the membership, unless that would create a quorum. And we had that situation if you recall during the winter storm event where, Mayor, you were out of town, and Commissioner Fish was acting as both the mayor and the president of the Council. That would have allowed the commissioner-in-charge of PBEM to be on the disaster policy council.

**Fish:** Carmen, just on that point --

**Merlo:** Yes.

**Fish:** On those calls when the mayor was not available -- he was available for some calls, but because of the time change -- for some of those calls, we had Commissioner Novick, the mayor's chief of staff, the director of the bureau, and the president of the council. And because the decisions were consensus-based, and I don't remember a single time where we actually had a -- we always got to a place where Commissioner Novick, the mayor's chief of staff, and the president of the council were in concurrence -- it illustrated the fact it's nice to have extra people in the process because you get good judgment, and you get good feedback. But it did not hinder getting to consensus. And it had a lot to do -- frankly -- with the facilitation of the director of the bureau helping us to get to the decisions.

**Merlo:** Thank you, Commissioner. The other thing it does is it adds three new bureau directors to the membership of the disaster policy council. So, it now includes the director of the Parks Bureau, the director of the Housing Bureau, and director of the Bureau of Development Services. Happy to answer any questions.

**Fish:** On that point, Carmen, it is I think this Council's expectation that at a minimum when you call a meeting, either the director or his or her designee attends the meeting. And if there is a problem with that, the council would like to know, and particularly the commissioner-in-charge would like to know. But I think that it's -- having now through my cycle gotten my initial training

July 16, 2014

from you -- if we are going to create a slot on the broader disaster policy council for a bureau, this Council wants to know a bureau director or a qualified designee is attending those meetings. This is not discretionary.

**Merlo:** Understood. Thank you.

**Hales:** Any other questions or discussion? And anyone signed up to speak on this item?

**Moore-Love:** I did not have a sign up for this one.

**Hales:** And it is not an emergency ordinance, right? So, unless there is anyone to --

**Moore-Love:** You want to --

**Hales:** [speaking simultaneously] [indistinguishable] Roll call on adopting the substitute.

**Moore-Love:** I'm sorry, Commissioner Saltzman, you moved it?

**Saltzman:** Yes.

**Fish:** And I seconded.

**Item 762 Roll.**

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

**Hales:** Good solution. Aye. Thank you, and that passes to second reading.

**Item 763.**

**Hales:** Commissioner Novick.

**Novick:** I think I'm just gonna let staff handle this. No need for my preliminaries.

**Marty Maloney, Portland Bureau of Transportation:** Good morning, Commissioners. My name is Marty Maloney with the PBOT Right of Way. I just wanted to let you know what we're talking about. Declaring a City-owned property at SE Foster Road and 91st Avenue as surplus, and authorize the director of the Bureau of Transportation to offer the property to Portland Development Commission. I would like to let you know that PDC funded the acquisition of this parcel, and they own all adjacent parcels around the surplus piece in question. I would also like to add that before we offered the surplus property to PDC, PBOT offered the remainder parcel to all other City bureaus, of which none expressed the need to the property. And at this time, I'd be happy to answer any questions Council might have.

**Fish:** Thank you for clarifying that PDC acquired the property. So, PDC acquired the property, it transferred to PBOT to essentially manage the property, and that's why in transferring it back to PDC, there's no consideration?

**Maloney:** Yeah, we acquired it as a right-of-way during the Foster Streetscape Project and we actually kept 70% of the original parcel, 30% of which is the surplus piece that PDC would like to be transferred to them. Since they actually funded the property, the acquisition, that's why we're recommending giving the parcel to PDC.

**Hales:** Any more questions? OK. Thank you. Anyone want to speak on this item?

**Moore-Love:** I didn't have sign-up sheet.

**Hales:** Then, this passes to second reading. Thank you.

**Novick:** Thank you.

**Item 764.**

**Hales:** Commissioner Fish.

**Fish:** Thank you, Mayor. This ordinance will allow us to convey an easement to Union Pacific to allow the railroad to improve its service between Milwaukie and Troutdale. I'm pleased to introduce the panel from BES, Randy Tomsik; and from PBOT, Dave McEldowney. Gentlemen?

**Hales:** Good morning.

**Randy Tomsik, Bureau of Environmental Services:** Good morning. Randy Tomsik from the Bureau of Environmental Services. As Commissioner Fish mentioned, we've been working on this project for quite some time -- a couple of years. And I would like to acknowledge Bret Winkler, who is an employee in the Bureau of Development Services, that actually coordinated our citywide team's efforts over that entire time and kept us going. Union Pacific Railroad has been all the



July 16, 2014

conditions to inspect and protect our critical infrastructures at this site. That includes pump station structures and pipelines that go underneath the railroad tracks, both new and existing, as well as our improved site and security access. Most of the issues around this ordinance have to deal with easements both to and from the City, and to and from the railroad. And David McEldowney from PBOT'S Right of Way division is here to explain those and answer any questions.

**David McEldowney, Portland Bureau of Transportation:** Good morning, Mayor and Commissioners. I'm Dave McEldowney, the Right of Way acquisition supervisor for the Bureau of Transportation, and I've been coordinating the real estate components of this transaction between the Bureau of Environmental Services and the Union Pacific. You've just heard Randy discuss the functionality of the pump station will remain intact. In a couple minutes, you'll hear from the representatives of Union Pacific who will discuss the benefits of this project not only for the railroad, but also for the general public. I want to reiterate that this will be an exchange of property rights. I've provided you with a map up there, and I will give you a run-through there. You'll see that the streets and the easements are overlaid. That dark blue triangle is what the railroad is seeking -- an easement for railroad purposes. And they will essentially have the surface use. ODOT has the aerial use above it for their ramps, and the City will maintain the subsurface rights for all of the City's pipes that you see going through there in red. The two aqua blue parcels are easements that Union Pacific will be conveying to the City that will allow BES to expand the pump station, it'll allow it to function better, and also allow for a new entrance to come off of NE 2nd through there. The two blue linear parcels represent a roadway license benefiting the City. This will not only benefit BES by allowing them to go between our rights-of-way, but other City bureaus, PBOT folks who need to get out and look at bridges; police; fire; and anyone that needs to be able to get out there in that area. The pink parcel is just a small sewer easement that will allow the railroad to drain their new facility into ODOT's existing facility there. And then the little golden area represents an easement -- or a property right that the railroad is reserving through the area of BES will use for the subsurface pipe to connect those two. So, all these documents have been reviewed by the City Attorney's Office and approved. Bureau of Transportation is prepared to issue encroachment permits for all the crossing through the various rights-of-way on this small segment here. These property rights on the BES parcel are the remaining critical path that we have to get through. So, unless you have any immediate questions of us right now, I think we would like to step aside and let Union Pacific and any members of the public come forward.

**Hales:** OK, thank you. Come on up, please.

**Brock Nelson:** Good morning, Mayor Hales and Commissioners. Thanks for the opportunity to speak with you today. I'm Brock Nelson, director of public affairs for Union Pacific, headquartered here in Portland. With me today I have Peter Fry, who is a local planning consultant that's been working with us on our project. And to my left is Bill Burgel, who is a former chief dispatcher for Union Pacific Railroad and currently a retired consultant who is here on his own time. What I'm here to do today is basically give you an overview of the project. Bill is going to do that, with your permission, and then answer any questions that you might have. But before I turn the floor over to Bill, I, too, would like to give a shout out to City staff. This has been a long process, there's been a lot of moving parts in threading the needle and putting this track, the connection in place. They've been a big help and I appreciate everything they've done. With me today, I dropped off four letters of support for the project -- one from the Oregon Department of Transportation rail division, one from the Port of Portland, one from Amtrak, and then one from the association of rail and transit advocates. With that, I'm going to ask if Bill will give you a brief overview of the needs of this project.

**Hales:** Good morning.

**Bill Burgel:** Good morning. I have in my hands here the report that we use in the area, it's called the I-5 rail capacity study. I was one of the authors back in 2002, 2003. It was commissioned by

July 16, 2014

Governor Kitzhaber and Governor Locke up in the state of Washington to improve fluidity along the I05 corridor. Specific to the project at hand, the connection at East Portland was discussed, if I could talk from the board just --

**Hales:** Just speak loudly enough and then our City Attorney can turn her microphone in her direction. That way the system will pick you up.

**Burgel:** What happens with this connection envisioned when Union Pacific acquired southern pacific back in '97 -- this connection down here at the south leg of the [indistinguishable] at East Portland. What the report focuses on is the fact that the passenger trains that flow along the I-5 corridor are virtually -- they're operated with little, if any, delay. What encourages the delay is all of the freight traffic that operates in this -- what they call the Portland triangle. That was back in 2002, and the forecast of increasing the number of passenger trains by the state of Washington, which did get a -- the high-speed passenger grant of 800 million -- the state of Washington -- those trains will come online -- those additional passenger trains -- in the next couple of years. So, in advance of that, and also to minimize the freight train delay in the area, this connection is needed, if only to keep the passenger trains on time. What happens is most of the freight trains come in along this Kenton line to the north. Without that connection right now, a lot of forest product trains that come from down in California and from Eugene area, Rosenberg area -- they come up through Portland, they make the right hand turn on to this Kenton line and proceed east is what happens. When that occurs, freight trains coming from the Puget Sound area -- mostly container trains -- have to wait up on the passenger main. When that occurs, the passenger trains can incur or possibly could incur delay. If you remove those trains from this mix by building this connection, that will greatly improve the reliability of passenger trains. So, that's basically what this report says specific to this east end connection.

**Nelson:** I would like to add to Bill's comments that this project will improve the overall fluidity of all trains moving through Portland. There is a positive public benefit in that there's 10 fewer grade crossings on our Graham line than on the Kenton line. So, every train that reroutes to the Graham line, where there is capacity available, takes 10 crossings that we don't have to cross on the Kenton line and we don't have to sound the horn, vehicles don't have to wait for the trains to go by. So, there is a positive public benefit to the project. And again, it will just help all commodities move through the Portland area much more efficiently. So, with that, I will answer any questions you have.

**Hales:** I assume there is a fuel efficiency effect as well in terms of not having to go as far?

**Nelson:** Well, it's a shorter distance by about six miles, but I think the best benefit is that with this added flexibility, trains aren't going to have to stop and wait as much as they would currently to get through Albina or to move against the grain on the Kenton line. So, less stopping, less idling, less fuel, fewer emissions.

**Hales:** Yeah, OK.

**Fish:** A couple of comments -- because this is going to go to a second reading. First, I appreciate the comments you made about staff. When I got my first briefing on this, it was mind-bogglingly complicated, and it's a dense area with a lot of stuff going on. And I, too, want to just compliment staff from both PBOT and BES that worked on it. And frankly, I think this also is consistent with one of Commissioner Novick's visions, which is that the utility bureaus work at a very high level together to address just precisely these kinds of things. This has been going on for some time, but I want to thank the senior team that worked hard to make this happen and did a great job. Second, I did ask one question when I got my briefing -- which I shared with my friend from UP -- which was in light of this agreement, can we piggy back this on to a broader discussion about Sullivan's Gulch? For a number of reasons, we decided it's not appropriate to do so. But I'd be remiss with you being here today not to just indicate that there are two parts of our active transportation network where the railroads are the critical partner that we're heavily engaged in today. One is in North

July 16, 2014

Portland. The mayor is directly involved in that and a lot of our friends on Swan Island and there is a critical piece there that we're trying to get right. The second piece is the piece that is the linchpin to connect East Portland with our great system, and that's Sullivan's Gulch. We've done some planning, we have schematics and designs. It could leverage a lot of development, but most importantly, it could provide a safe access route for bicyclists to get from East Portland, downtown, and to our great network. It is a high-priority for the City. It's a high priority for Transportation, for Parks, and for City and we have been opportunistic in trying to seek grants to do little pieces of it. But frankly, we cannot crack this nut without a robust partnership without our friends at UP. So, today we are going to move forward I think with this. It's been cooked, it's the right thing to do and we really appreciate the relationship. But this Council is firmly committed to working out the details of Sullivan's Gulch, and we just would ask that we get a firm commitment to have that dialogue to see how we can make that vision work, because that is an absolutely essential part of our active transportation network.

**Nelson:** And in the six years that I've been up here, I've been point of contact on trail-related issues. I've been involved with City staff on conversations, and talk about the vision for Sullivan's Gulch, and I offer my support going forward. A lot of complexities, obviously, with what the City had characterized what they wanted to accomplish. But again, I am happy to offer my support to facilitate the conversation, and see what can be done, if anything, going forward.

**Hales:** We appreciate that. And I think if you look at this -- if we can solve this kind of complexity, we ought to be able to solve that. Has to be one of the most complex layering of easements in town.

**Fish:** The only one more complicated was orph -- that involved five different jurisdictions --

**Hales:** This is right up there. It is heartening for us figure this stuff out and make it work for the railroad and work for the community. Appreciate the good work. Other questions for the team here. Peter, do you want to add anything at this point? OK.

**Fish:** Again, we're not going to vote today, this goes to a second reading, but I want to thank the team from up and the professionalism and again, really single out the senior staff of PBOT and BES that's been working hard to get to yes on this. This is not easy. It's a very congested area with a lot going on, and this is an elegant and creative solution. I want to thank them for their work.

**Nelson:** Thank you very much for the time.

**Hales:** Thank you very much, this passes to second reading.

**Novick:** Thank you.

**Hales:** It will be on the calendar next week. OK, one item pulled from consent calendar.

#### **Item 752.**

**Hales:** Commissioner Novick.

**Novick:** This was on the consent calendar but it is something we're excited about, so we're happy to talk about it. The Marine Drive path is a significant component of Portland's 40-mile loop, which Portland, Multnomah County, and Gresham resolved to build in 1985 featuring the regional green spaces plan adopted by Metro in 1990. It's in Portland's transportation system plan and Metro's regional transportation plan and will service residents in Portland, Troutdale, Fairview, and Gresham when eastern portions are completed. The path is also designated as regionally significant in the statewide trails plan. Many agencies have contributed to the design, construction, and maintenance over two decades, but the path is still not complete where adjoining properties are underdeveloped. This lack of connectivity severely reduces its usefulness. A continuous Marine Drive trail will help meet growing recreational demands for walking, bicycling, jogging, birdwatching, and day hiking. The trail connects several north-south bikeways, including I-205 bike path and NE 185th bikeway. It will connect the future planned trails for the City of Gresham east of NE 185th and join an existing asphalt path to the west that parallels the Columbia slough. With stations nearby at interstate and airport light rail lines, completing this path offers additional potential for transit by bicycle or foot traffic. Given the missing gaps, the proposed signal crossings

July 16, 2014

and path construction will also increase safety for both pedestrian cyclists and motorists by eliminating the needs to walk a bicycle on existing roadways to reach the next constructed trail segment and providing safer crossings at Marine Drive. ODOT has notified the City that it will award a grant for the Marine Drive path NE 112th Avenue to 185th Avenue section project to PBOT in the amount of \$956,000. Have I left anything out?

**Winston Sandino, Portland Bureau of Transportation:** No, that's pretty good. My name is Winston Sandino and I am a project manager for PBOT. This is a Parks project, as Commissioner Novick said. We're just doing a -- filling up some gaps between the trail, improving crossings at a couple of intersections, and we just got the money and we're ready to go and build. I guess the item was pulled. Anybody has some questions?

**Hales:** Questions? And someone did sign up to testify.

**Moore-Love:** Mr. Lightning asked to pull this.

**Hales:** Good morning.

**Lightning:** Good morning. My name is Lightning, I represent Lightning Think Lab. I don't have any issue with this grant. I think it's great. One of the issues I have on Marine Drive is that on the timing of this project, I want to make it I guess clear in my opinion that there needs to be a moratorium on development in my opinion on Marine Drive. Now, why I say that is that we all know that we need to recertify the levee there. Now, in my opinion, as you know, we have two travel lanes currently. I think we should go to four. I think we need to start planning on bike paths and other forms of transportation on Marine Drive. And why I say that, in my opinion, from the 1996 flood, we were very close on going over the levee. I think when the engineers come out there and they take a look at it, they're going to want to add more height. And I'm thinking they're going to want to do something with Marine Drive on the levee. And for us to build these projects without having an understanding on what they want to do on this levee, we might build something and then have to remove it. So, I'm asking that a moratorium is put into place until we understand the true effects on having to bring this levee up to today's standards and I think we need to look at that because we're talking a lot of money here. If we have these projects go forward, we might have to come back and remove them. I'm just asking that we take that in consideration on any project on Marine Drive, anything that affects the levee -- that this is going to be a much more serious situation than I think people are looking at this time. I'm looking at more height on Marine Drive, more width, and I'm looking at properties from the levee to the river actually being possibly bought in from the private owners. I think to effectively do this levee, they're going to have to design this and -- a lot of properties should not have been sold to the private owners from the levee to the river itself. I think they are going to look at this real close, and there will be serious changes, along the airport, Marine Drive, on some of the properties that I think we're going to see and any construction or development at this time I think is jeopardizing any funding that go to these projects. Thank you.

**Hales:** Thank you. Well, you might want to respond to that, I think that is a legitimate question -- we don't know what the solution on the levees is going to be yet. My impression was -- and I may have this wrong -- is that this section of the levee is less likely to -- from what we know now -- less likely to need physical change than other portions of the levee system. It's a little higher, it has less of some of the property that Lightning described in terms of private parcels between the levee and the river. It seemed like this is a relatively simple --

**Sandino:** It is a very simple project. In fact, I would say 75% of the project is only striping, and 25% we're doing the trail. And we have talked to the Corps of Engineers and Multnomah County district to build this project, and Parks is here to tell a little more about the history, but I don't think we're impacting the levees.

**Travis Ruybal, Portland Parks and Recreation:** My name is Travis Ruybal, I'm a project manager with Parks. What I can tell you is that we've worked very closely with the corps and the drainage district in developing this bike path. Part of the project included actually doing some

July 16, 2014

expanding of the levee to make sure that the levee wasn't compromised prior to us going in and doing this development. So, we feel like we've got a solid approach with the approval of both the corps and the drainage district to move forward with this project.

**Hales:** Great. Thank you. Appreciate you clearing that up. Any further testimony? Then we will take a roll call on the emergency ordinance.

**Item 752 Roll.**

**Saltzman:** Good work. Aye.

**Novick:** Aye.

**Fish:** Tip of the hat to Barbara Walker and those that really once upon a time said we need a 40-mile loop, and here we go. Great job. Aye.

**Hales:** You know, there are bicycle riders who are in spandex on expensive bikes going very fast, and they probably don't need this project. And then, there are the rest of us. Nancy and I actually rode the Marine Drive trail a few weeks ago on a nice, sunny, Sunday afternoon. And we got on at 33rd, and we got to 112th, and being not the boldest of riders, we said, eh, that's a little sketchy, we're going to turn around and go back west. So, I think we're the prototype of the weekend or recreational riders who love this trail. We now will be emboldened to go a little farther and connect to other places at perhaps a slower speed than some of those folks saying, "on your left" as they go past us. Thank you very much. Aye. We're recessed until 2:00 p.m.

At 11:18 a.m. Council recessed.

July 16, 2014  
**Closed Caption File of Portland City Council Meeting**

This file was produced through the closed captioning process for the televised City Council broadcast and should not be considered a verbatim transcript.

Key: \*\*\*\*\* means unidentified speaker.

**JULY 16, 2014      2:00 PM**

**Hales:** Good afternoon, everyone. The City Council will resume our work today, and we expect Commissioner Saltzman shortly. Would you call the roll, please?

**Novick:** Here. **Fish:** Here. **Hales:** Here.

**Item 765.**

**Hales:** Thank you. Council might recall that about two months ago, we adopted the Lents five-year action plan. We are here now with a similar kind of effort aimed at Old Town/Chinatown. Really in this case as well, based in the community's own hopes and dreams for what they want and they also want specific action and targeted actions that we can make happen soon. And I think that's very much the spirit behind this work that we're going to hear about from PDC staff and community leaders this afternoon. Coincidentally, we were talking earlier today at the beginning of the Council meeting this morning about a piece in The Oregonian today written by Betsy Hammond that talks about how Oregon has experienced one of the nation's most severe increases in people living in areas of concentrated poverty between 2000 and 2010. We don't know all of the particulars of that -- how much of it is urban, how much of it is rural -- but it is not so much the poverty rate but the concentration. And one quote from the story kind of stands out -- quote, research shows that living in a community with a concentration of people in poverty adds burdens, particularly to low-income families. People who live in such areas face higher crime rates, poor housing conditions, and fewer job opportunities. Those effects are exacerbated when poor people are clustered in the same neighborhood. That, of course, is one of the conditions in Old Town/Chinatown today, and this plan is designed to ameliorate that not by moving poor people out, but by improving the mixture of the neighborhood by adding more upper and middle income housing. Patrick Quinton and Sarah Harpole are here, followed by community members who have worked on developing this plan. I'm really looking forward to this discussion and to -- again -- a plan that gets things done and an economy that might support activity that we've been looking for a while -- very much like the situation in Lents -- in a very different part of the city where a real common element I think is the community working together very effectively to create a plan and working with PDC to figure out ways to put it into reality. With that, I'll turn it over to Patrick and Sarah. Thank you very much.

**Patrick Quinton, Executive Director, Portland Development Commission:** Thank you. Good afternoon, Mayor Hales. Good afternoon, Commissioners. We are definitely delighted to be here to present the Old Town/Chinatown action plan. I think everybody knows the unique and special place that Old Town/Chinatown has in the history of this city. It's really where the city started, and it's been the home of many cultural communities and so it has a special place I think in all of our hearts, and this plan really wants to make the most of that neighborhood. You know, the neighborhood has been the subject of many plans and revitalization efforts over the years, and I think we all know has received substantial investments over the years, both in the form of investment in social service and affordable housing projects, as well as some very important cultural institutions in our city, like the Lan Su Chinese Garden, and now places like Mercy Corps and OCOM. Despite this significant investment, though, we all recognize that this neighborhood continues to face significant challenges, and Sarah is going to walk through that and our response to it. But just highlighting kind of what the mayor just said, I don't believe there is a neighborhood that has this set of conditions anywhere else

July 16, 2014

in the city where we have asked a neighborhood to bear the burden of so much of the responsibility for distress and disadvantaged populations, and yet, we have not been able to see the completion of a complete neighborhood. And so, this action plan really is designed to create a complete neighborhood. And when we go to different parts of the city, what a complete neighborhood means is very different, and I think the tools that we're trying to bring here are designed to deal with the very specific set of conditions -- the high concentration of poverty, the high concentration of institutional uses in this neighborhood to bring about a complete neighborhood. The conversation probably going to end up talking a lot about the SDC waiver part of this, and I think that's appropriate, but this action point is a comprehensive effort. It is a result of long conversations with stakeholders and cross-bureau collaboration on this. And so, I ask you to view it in its totality. It's not meant to be, are we just waiving a certain SDC for certain outcomes? It really is a combination of all investments and other efforts that we expect to work together to get to the outcome of a complete neighborhood. With that, I'll turn it over to Sarah Harpole -- who really has been point on this effort -- to walk you through the action plan.

**Sarah Harpole, Portland Development Commission:** Thank you. Good afternoon Mayor and Commissioners. My name is Sarah Harpole, and I'm a project manager at the Portland Development Commission. The ordinance before you today accepts the Old Town/Chinatown five year action plan and authorizes modifications to a pilot -- system development charge exemption pilot program. The goal of the action plan is to create a safe, vibrant, and economically healthy Old Town/Chinatown. The focus area for this strategy is shown on the screen. It includes two historic neighborhoods, it encompasses the boundary of the Old Town/Chinatown community association, and it's the same focus area used by the Bureau of Planning in your West Quadrant focus on the neighborhood as well. As Patrick mentioned, it's a new approach for our investment in Old Town/Chinatown. It's intended to be collaborative and comprehensive. It's focused on community development as opposed to large, catalytic moves on singular properties. It leverages investment across multiple partners, including PDC and tax increment financing; significant private investment; and a limited expansion of the system development exemption program. In developing the strategy, we first asked ourselves, what the challenges are keeping this neighborhood from being the safe, vibrant, neighborhood we desire? We developed four key challenge statements that became the starting point for our strategy. The first was imbalance of uses and identity. The neighborhood has a concentration of several uses. This includes affordable housing stock. It also has a number of entertainment uses. It has a strong collection of significant historic buildings. It also has a lack of other uses. It doesn't have a diverse mix of incomes and residential opportunities. It doesn't have strong retail opportunities. It doesn't have a strong reputation. It doesn't have a strong vision, a brand, compared to a number of other areas in the city. It is struggling to establish a positive identity. We also discussed the lack of connectivity both to the district and within the district. Some of these are being addressed currently with improvements to Burnside and Broadway, but there are nodes of activity with the district that are not connected. You don't want to walk around within the district. There's the Lan Su Chinese Garden, there's the area around Mercy Corps and University of Oregon and certain nodes of activity on 5th and Burnside right now -- or 5th and Couch -- but you don't as a tourist want to explore the district. This leads to safety and perceptions of safety. There are a higher percentage of crimes in Old Town/Chinatown compared to the rest of the city. This includes drug offenses and assault crimes. It deters business growth, investment, and tourist activity. The last challenge we addressed was economics of development. The district faces unique challenges due to historic building stock, the need to invest in seismic upgrades, the small building footprints of existing buildings, and there are not large development opportunities where a single property owner owns a large parcel for redevelopment. This is further impacted by the low achievable rents in the neighborhood, and development has been slow compared to other areas of the city. When it does occur, it usually requires large investment from the public sector. When we

July 16, 2014

started this process a year ago, we first convened 14 bureaus across four work groups. These work groups focused on seismic upgrades, public safety, city development process, fees and services, and code enforcement around blighted and hazardous buildings. Together, we discussed current tools and brainstormed new carrots and sticks that we could use to change the status quo in Old Town/Chinatown. We also had extensive public outreach with a number of community partners, including formal organizations such as the community association and convening task force, such as the Portland Business Alliance's Old Town/Chinatown task force. We also had a Chinese American forum with translation services to reach other partners who might not regularly participate in such opportunities, and had numerous one on one meetings. Throughout this outreach, several key themes and priorities arose. The highest priority was public safety and cleanliness and a balanced residential income mix. There was also strong support for preserving historic buildings and redeveloping the neighborhood in a manner that enhanced and embraced the multicultural heritage. There was also a strong emphasis on district connectivity, and circulation, and the need to address long-term parking solution for the neighborhood. There was also focus on street-level activation and district management to the neighborhood. Concurrently, stakeholders also had a forum through the Bureau of Planning and Sustainability's West Quadrant process to provide feedback on other items, such as district heights and the desire for design guidelines. These discusses outside of the scope of the action plan, which can proceed as the Bureau of Planning and the Bureau of Developmental Services continue to focus on these efforts. Changes in district heights, design guidelines, or parking policies may ultimately impact how projects in the neighborhood fall under the umbrella of how the action plan are ultimately implemented. This leads us to the action plan. This diagram is an illustrative summary of the action plan. We identified three key objectives to address our four original challenge statements. This includes neighborhood investment, business vitality, and district livability. From there, we identified 13 key actions intended to achieve these three objectives, and this represented an integrated approach emphasizing place, tenancing of the place, and management of that place. The first objective speaks to the built environment in Old Town/Chinatown and addresses a number of stakeholder priorities, including investing in the rehabilitation of historic buildings and seismic upgrades, acknowledging the community desire for balanced residential income mix, and providing a long-term parking solution to support the neighborhood. The district is currently under-parked, according to a parking study underway, and this will only increase as vacant buildings are reactivated and don't have their own parking supply. There's also recognition that we need to replace the existing surface parking supply as surface parking lots redevelop. The Portland Housing Bureau also identified parking pipeline projects anticipated over the five-year term of the action plan. The second objective addressed the full spectrum of business vitality initiatives. This includes retail and street activation through a partnership with the Portland Business Alliance, similar to our successful efforts in the downtown retail core. Through the second annual Startup PDX Challenge, we are supporting the entrepreneurship ecosystem, and six startup companies will be selected to participate in the program. We've also seen increasing interest in software and technology cluster industries, and we'll work with them and property owners to reactivate currently un-occupy-able spaces. And there is a high concentration of higher education institutions in Old Town/Chinatown, and we want to partner with them to explore program expansion opportunities. The third objective focuses on how the district is used, perceived, and managed. It calls for City, County, and community partners to work together to identify priority initiatives to address safety concerns. A recent example of this is the reallocation of existing police resources to add walking beats to the district. And it also calls on a collection of actions to combine grant funds with community expertise, involvement, and investment to focus on district culture, history, promotion, and activation. The action plan recommends a set of resources to ensure successful implementation. PDC's recently-adopted fiscal year 2014-15 budget includes \$19 million earmarked for Old Town/Chinatown. The action plan recommends a total of \$57 million over the next five years. The



July 16, 2014

adopted PDC fiscal year '14-15 budget also includes an allocation of \$30,000 from the general fund to provide a matching grant for a district manager position, and the action plan recommends funding this position over three years for a total of \$90,000. And lastly, the action plan recommends the pilot SDC exemption program to encourage moderate income housing. The pilot is recommended to be capped at the earlier 500 units or five years, and this is an estimated value of \$7 million.

**Novick:** Sarah, can I just interrupt for a second? \$7 million and what would the break out be bureau by bureau?

**Harpole:** I have a slide, I can come back.

**Novick:** OK.

**Harpole:** This map shows the two urban renewal areas within the focus area and PDC's adopted fiscal year 14-15 budget within those two urban renewal areas. PDC is introducing several new tools within this coming year. This includes the pilot seismic program to fund building assessments, the community livability grants for the first time in Old Town/Chinatown to fund community-initiated projects to support the cultural and historical enhancements in the neighborhood, the retail program, and the district marketing grant. This is in addition to our existing storefront predevelopment grants and our loan programs. The other significant tool in the tool kit is the SDC exemption pilot.

Currently, the SDC exemption program is limited to 60% median family income, which is \$29,160 for a one-person household. The recommended pilot expansion is to increase this to a 100% median family income, which is \$48,580 for a one person household. The program, as I mentioned, is recommended to be limited to 500 units in five years, beginning July 1st, 2014. It will be limited to new construction within the Old Town/Chinatown focus area, and demonstrated financial need would be required through underwriting connected with the Portland Development Commission. The affordability requirements would be in place over 10 years, and other elements to be addressed through administration include desired unit size for the projects and geographic prioritization within the district. The goal of the SDC exemption pilot is to create a more balanced residential mix. In Old Town/Chinatown, 72% of households is restricted to less than 60% of median family income. To translate this, a couple working full-time earning minimum wage would earn too much and could only live in one out of every four units in Old Town/Chinatown. The 50-unit target was determined by tallying the existing housing stock and determining the number and type of units that would increase the balance income diversity of the neighborhood, which is a long-held goal of the Old Town/Chinatown community. This goal is then to increase the housing serving households earning between -- for a single person -- \$29,160 up to \$48,580. So, what would success look like if the action plan is implemented? Under the objective of neighborhood investment, we would see 500 moderate income housing units, give historic buildings rehabilitated, and district parking strategy implemented. We would see four annual neighborhood events underway, marketing collateral used to promote the district, and the community livability grant project implemented. Lastly, we would see five new retail stores successfully opened, and 500 new living-wage jobs created. This shows the financial impact -- to follow up on your question -- of the SDC exemption pilot. It shows an estimate of \$14,000 per unit. This is slightly over the current fees that are shown. So, we have a little allowance for annual increases. For the 500 units, we project this to be approximately \$7 million in total. We've also done an estimate of the potential growth of the neighborhood. There was a question that had been raised of whether this is the full potential. So, we did an evaluation or a modeling of the other existing surface lots, given that this tool is most successful for new development, and it shows the potential collection based on residential development for those bureaus after the waiving of the 500 units.

**Quinton:** Questions? Or, we'll come back after testimony?

**Fish:** Karla, how many people do we have signed up?

July 16, 2014

**Hales:** We have some invited testimony and then we have some -- we have a sign-up sheet. So, why don't you stand by and we'll take the invited testimony and then we'll find out how many we have signed up. Will that work?

**Quinton:** Great, thank you.

**Hales:** I know we have Howard Wiener here from the Old Town/Chinatown community association; Helen Ying as well; Patrick Gortmaker; Jane DeMarco; and Jessie Burke. If you want to come up together -- just pull up a couple of chairs -- or take it in teams. However you would like to proceed. OK, Dana is bringing up another chair or two for you. Thank you, Dana. Working outside of his classification again.

**Howard Weiner:** Doing this for the sympathy vote, I would like you to know. My name is Howard Weiner. I chair the Old Town/Chinatown Community Association, but for 30 years, I've had my business in Old Town/Chinatown, I've been working on the community issues. We all know each other, so I probably don't have to elaborate there. First -- if you don't mind me using first names -- Charlie, I want to thank you on behalf of the community and the association. You've challenged us. At first, I didn't quite get that kind of thinking, to be honest with you. I'm used to coming in and parroting what's been told. But you challenged us in a way that got us to come together. We spent a year in meetings -- arguing, sometimes, lots of different points of view -- and holding a public forum and getting even more information before we made our recommendations -- which you have -- to the PDC. I represent the oldest neighborhood in the city of Portland, the poorest neighborhood in the city of Portland, and the one that needs the most assistance. For decades -- well, actually over 100 years, we've been home to Union Gospel Mission; Portland Rescue Mission; as of late, Sisters of the Road. I mentioned Salvation Army, and gosh they just changed the name, it was the DePaul center. You get my point. We've been accepting of all social services. And in the last year, we accepted the Bud Clark center. And we embrace those social services, but we're looking for equity. We really need to find that balance, and we're not there yet. As we know, we have public safety issues on the streets. There's active drug dealing on any given day, 24/7, that needs to be addressed. We have historic buildings that -- if they come down -- Steve, you can be sitting there with your hat on standing on a pile of rubble. We need to pay attention to that. We have surface parking lots that are owned by a number of developers that, if given the tools, they will develop according to at least my discussions with them and sitting at the table. The reason those developers haven't developed is you can develop anywhere else in the city of Portland and get the rents that you can't get in Old Town. It's as simple as this. I'm a beneficiary of that, quite honestly, and have been. But that's what it's going to take. And I'm cutting to the chase -- it's the SDC waivers. I know they're not a contentious issue. I've had my conversations with Amanda. Nick, I haven't talked to, but folks on the community association have, and we're here to convince you. And I hope we're successful with that. The plan really is an all-encompassing plan. It's more than development, it's really bringing the community together, challenging the community to raise the funds also for our own well-being, but it's a plan that if not implemented, Old Town/Chinatown I believe will languish over the next 10 to 20 years. I just want to say I'm thankful to the mayor and thankful to City Council. Others will chime in here, and I don't want to take all of the time. Thank you very much. Appreciate it.

**Hales:** Thank you.

**Helen Ying:** Mayor Hales and Commissioners, I'm Helen Ying, vice chair of the Old Town/Chinatown Community Association, also chair for the livability subcommittee. Today, I'm here to speak in support of your action to adopt the five-year action plan. I'm beginning my testimony with the question -- why and why now? We know that investment for the vitality and creating a balanced and complete neighborhood in Old Town/Chinatown is long overdue. Its rich history and prime location are tremendous assets for our city. There is a great momentum of energy converging from all sides and all fronts working together in concert, unlike any time in our history to make this happen. The Old Town/Chinatown Community Association board held a second annual

July 16, 2014

retreat on June 21st, and we developed a great tool to guide our work for the next five years consisting of many crossovers with the PDC's five-year action plan. Over 100 people came out to work on beautifying Old Town/Chinatown days. We've had two already since August of 2013, and we're having another one on August 2nd, in just a couple of weeks. And we anticipate another great crowd. As you know, a year ago in March, we had two charrettes that talked about the plan for Old Town/Chinatown. And Lee Fehrenbacher interviewed me from the Daily Journal of Commerce, and I told him at that time that I think all of the challenges that Sarah presented in the five-year action plan can be tackled. And what we need is leadership, vision, funding, and people behind the work. If we get all of these things, we can make it happen. And of course, we need your help, the political will from the City to help to make it happen. So, we have leadership. We're sitting here in front of you. We have vision. As I said, we've come together, as Howard mentioned, we've worked together to find where we meet, where the commonalities are versus the differences. And so, we have people behind the work. So today, I come before you to ask for your support in exercising political will and funding to make Old Town/Chinatown a strand of pearls that adorns our City.

**Hales:** Thank you. Thanks very much. Who's next? Patrick?

**Patrick Gortmaker:** I am. Thank you, Mayor, Commissioners. I appreciate the opportunity to speak in front of you today. I'm the co-chair of the land use committee in Old Town/Chinatown and have been doing that for almost 18 years. And I have to tell you, this plan is different. This plan is first and foremost a community plan. We have spent over a year working on this together. And it is a plan that has significant investment and asks and risk, and that risk won't just be taken by the City. We can't just have our hands out. That risk will be taken by the property owners, the stakeholders, the residents, the visitors, everyone. It's worth it. And it's an action plan. You know, while this package addresses short-term issues -- you know, of course we're working on long-term zoning, height, FAR, other regulatory changes, parking, and transportation issues. We'll be back in front of you in the fall as part of the West Quadrant Central City 2025. This plan doesn't solve everything, but it is much-needed right now. With our two National Register historic districts with fragile resources that are literally falling to the ground, we need resources today. And by moving forward with this action plan, we get the funding from the PDC. If you recall in 2008, this was the whole reason that we moved 40 acres of the most fragile real estate in Old Town/Chinatown into the River District to make sure that we have that funding, continued funding for the successes that we hope to achieve. We haven't reached that tipping point of economic momentum, Mayor, as you alluded to in the beginning. This action plan will get us there. We need to do other things that we haven't done before. We did affordable housing and we've done it well and we've used Portland Housing Bureau set-aside. We will continue to support and preserve the existing affordable housing inventory that we have. We don't want to displace anyone. However, with the opportunities remaining, we are asking -- you saw the slide with the SDC waivers. SDC waivers were used to in fact build the affordable housing that we got in the early 2000s. It proved extremely effective. We want to use that tool for these 500 units to achieve that diverse income. The slide shows 72% of the median family income at 60% below is not sustainable. Using those waivers to achieve that diverse housing will be critical to the neighborhood's success -- very critical. So, between the continued seismic waivers, the [indistinguishable] programs, the new seismic review programs through the PDC, we will shore up our fragile resources and fragile buildings and those historic districts. They can be a true economic driver for the district and for the city, and we have to recognize that and we have to work on achieving its goals. So, as I said, you know, it will take risk by both sides, not just the City and us with our hands out. And I can tell you by the attendance in this gallery today, you have our commitment to the neighborhood's success. Thank you for the opportunity.

**Hales:** Thank you. You know, a couple of you have mentioned the seismic and historic building issue, and it's just interesting to reflect on this. We've all watched the buildings literally crumble, seen the U signs going up in the window meaning they're unsafe for firefighters to enter or for

July 16, 2014

people to use portions at least of those buildings. And yet, none of them has actually been demolished lately. If you look at the backlash that was experienced in the couple of recent cases where somebody started to actually demolish a historic structure, you realize, I think, the latent community concern that's out there. If these buildings fall down or are taken down, this Council will hear about it. But the only reason that it's fairly quiet is that they've been sitting there moldering away -- to put it harshly -- in some cases, and nobody has pushed the button to blow one up. And there aren't necessarily folks -- maybe there are a few in a few cases -- who would come together and write a really big check to buy the building back from the person who proposed to demolish it, which is what the happy ending turned out to be in the latest case in Northwest. But I think we got a preview of what the down side of doing nothing would be in that incident that we just watched with the house in Northwest Portland that Rick Michaelson and a few others wrote the big check to repurchase. Just a reflection on the recent experience versus where we could be on this issue.

**Gortmaker:** Absolutely, Mayor.

**Hales:** Who's next?

**Jane DeMarco:** Thank you, Mayor. Hello.

**Hales:** It will come on in a moment. It takes its time.

**DeMarco:** It is warming up. There we go. I have a big voice anyway, I was a school teacher in a previous life. My name is Jane DeMarco. Thank you, gentlemen, for having us here. I'm an Old Town/Chinatown Community Association board member and I'm executive director of Lan Su Chinese Garden. And it's been my honor to work with a host of city and PDC planners, plus neighbors and businesses for one and a half years to create this Old Town/Chinatown five year action plan. In a previous life, I was the community involvement manager for the Port of Portland. So, I know community involvement processes, and this has been magnificent. This cannot be flawed. So, thank you to your departments and PDC for their great work. In representing the board and staff of Lan Su Garden, as well as in my capacity as a neighborhood board member, I urge you to support this plan for these very few brief reasons. Leading national and international cities are so because they have wisely invested in and developed the sections of their towns that reflect the history and the starting places of their citizens. Visitors to our city -- and we listen to them all because we have 130,000 that come to our garden every year, and we do research of our visitors and we listen to their comments -- they have an expectancy of what to find in a Portland that is touted as being a wonderful city for an old town. And they come, and they are disappointed. And often, they are scared. I quote from social media collected regarding people coming to Lan Su, the entire Chinatown area is supposed to be a tourist attraction. Portland is obviously not putting any money or thought into restoring it. Healthy neighborhoods worldwide offer a mix and balance of living opportunities. From the slide that Sarah showed you, it has been decided and it has justified itself in being a neighborhood, a living neighborhood of the homeless, non-income, or low income. I manage a staff of 20 people, the majority of which are very young, who would love to live in Old Town/Chinatown. We've got Pacific Northwest College of Art moving in. We have Oregon College of Oriental Medicine, we've got the University of Oregon, there's a plethora of young people that would give their back teeth if there was an opportunity to live in the 'hood. And with that mix, that right mix that we know from the other work that's being done in Portland, brings a tremendous amount of energy which manages the sense a non-safety. People feel safer. We work very closely with all of the concierges in town, and we have been told by a couple of concierges -- the Benson is one -- that they don't send people to Lan Su Chinese Garden. They don't send people to Lan Su Chinese Garden because if you walk down 3rd Street, if you are a visitor to Portland or citizen of Portland coming from Beaverton, you could be the only person that is low to middle income on the street. And it is kind of frightening. We want the mix to change. We need the mix to change. We love the Chinese restaurants that are still there and the stores that are there. They cannot survive

July 16, 2014

unless we've got an influx of new development. So, local hotels as I've said, travel sites, social media, visitors to Portland all suggest to people that they not visit Lan Su Chinese Garden, and we really have been the anchor store for a while. People come and then they've looked around and said, well, where should we eat? And we send people to great places to eat. Where should we get a cup of coffee? Go to Floyd's. Where should we get a cup of tea? Go to the Red Row teahouse. We have done that. We are holding our own, but mainly because our members and donors are supporting us, not because we are getting the increase in visitors. Because the word is out that the 'hood is not good. And the 'hood has not been good for quite a while, and I think what we have heard from all of the other folks here is that we are a threshold time and we have this opportunity. We asked Sarah and we had a big meeting to look at SDC funds, because I know if I were you and trying to run a division and I required SDC funds to run my division, I would be squalling about the opportunity to not get SDC funds. But if you look at the minute amount that you presently get from that, it's really small. And there's that adage that you have to spend money to make money. So, if you invest in future investment, then the SDC funds will come. And if you take a look back at the Pearl District, you know, 20 years ago to the funds that you were gathering from that and what you are doing now, you will see a vast difference. And that's just because there has been interesting development. We do not want to be the Pearl. We want to be that area where all kinds of people can mix on the street and get along. But the diversity and the mix is out of whack. This plan is an action plan. It deals with the out-of-whackiness. We ask you to help us get in on this and fix it. We are very excited. We've worked very hard. We are so thankful to the leadership of your staff, and the staff of PDC to get us to this point and we are hoping that you will offer the ultimate leadership by doing two thumbs up all around. Thank you.

**Hales:** Thank you, Jane. Jessie, welcome.

**Jessie Burke:** My name is Jessie Burke. Hello, Mayor Hales and Commissioners. I'm one of the partners with -- hello?

**Hales:** It comes and goes. Ignore it.

**Burke:** OK. I got the good one. I'm one of the partners of the society hotel project on NW 3rd and Davis, and I'm also the newbie board member. So, I don't have the history that everyone sitting here with me does. But one of my tasks as one of the newest board members was to rally a group of business owners that was meeting informally and formalize the group as a subcommittee underneath the community association. In addition to the very active hospitality committee that has been meeting, they serve as a subcommittee under the business group. And having worked in the past with fledgling business associations and groups, the enthusiasm and momentum happening at least within the business community is exciting and has been a real driving source for our hotel team with the potential that could be on the horizon. That being said, there are major concerns that our team knows will hinder progress in the neighborhood if a solution isn't found. We recently -- the community association -- held a community input forum to help inform our recommendations to PDC for the five-year action plan. And neighborhood residents, businesses, property owners, and other vested constituents expressed concern about safety as their primary worry for the neighborhood. As a business owner and property owner, we understand the perception of safety in the neighborhood in particular has more to do with ratios with the people mix than it does of needing more police on the street. And what I mean by ratios is that there are surplus of social service agencies, low income housing, and homelessness in Old Town/Chinatown. And our group totally welcomes these neighbors as part of the community, and have -- with the exception of a few incidents -- have had only good experiences with everybody. However, the perception -- and perhaps the reality, based on crime rates of the neighborhood and based on the feedback we received is one of an unsafe area, which we believe could be mitigated with a more proportionate mix of income levels working and living in the neighborhood. Our team in particular is paying upwards of \$300,000 towards seismic improvements on a 12,000 square foot building, and \$72,000 towards

July 16, 2014

SDC charges already including the credits' we've received. In analyzing the possibilities for this building, we ran the numbers for housing in case the hotel concept was too expensive. And the housing numbers didn't pencil for this type of building, considering all of the fees. As such, I would like request that all members of Council consider this neighborhood and the larger picture of what is possible with a few temporary changes. We would love the support of Council in passing not only the five-year plan, but also the request for SDC waivers to middle-income housing. These waivers are not something that my business nor any other board member's business would benefit from directly. We are asking this for the overall benefit of the neighborhood. We want to see a more diverse mix of folks living and working in Old Town/Chinatown. We want to see a better mix of people working to revitalize what is Portland's most historically significant areas within our city limits. We want to make sure our businesses survive and constituents feel secure, because currently, these businesses are struggling. And we want to preserve our historic buildings. We know from experience that one of the major hindrances to the progress in this neighborhood are property owners and their ability to make such a comprehensive project pencil for both their investment and the benefit of Old Town/Chinatown. Thank you for your consideration.

**Hales:** Thank you. Commissioner Fish?

**Fish:** So, I just want to say at the outset that I am 90% supportive of what you're presenting to Council. But this is a very sharp panel, so I'm going to ask you to help me with my problem. And first, I want to ask you a philosophical question, and then I will present the problem and ask your advice. So, let me start with the philosophical problem. Howard, the value of the SDC exemption that has been proposed as it relates to water, sewer, stormwater is about \$3 million. That's usually general fund. Do you care whether it's in the form of an exemption, or if the council were to appropriate \$3 million, put it in a fund, and allocate it as an SDC exemption, are you equally OK with that as long as there is \$3 million on the table?

**Weiner:** You know, I would defer to Patrick.

**Fish:** Either one.

**Weiner:** Patrick, go ahead. [laughter]

**Hales:** He's actually going to defer to Patrick.

**Weiner:** Well, Patrick is our wonk. But I will answer it. My answer would be, whatever it takes.

The same thing I posed to John Russell, to Greg Goodman, to other developers in the room -- what is it going to take for you to develop in Old Town/Chinatown? I'm not -- I don't really personally don't care what the tool is, what I care about is the results.

**Fish:** That's the answer I was hoping to hear. We use a short hand for that, which is color of money. The money can come out of 100 pockets and pots. But you want to see the money available to create the subsidy which then incentivizes a certain kind of housing. Is that fair?

**Weiner:** Absolutely. It's about funding the gap, Commissioner.

**Fish:** So, let me now just share with you -- I will be transparent about my problem, because it's probably easy to caricature it. I spent the last year with the mayor defending a ballot measure which was designed to take control of our utilities. You might have heard of it, the water district fight. What you may not also know is I am a defendant in a lawsuit saying that our SDC waiver program is unlawful. So, that's a second piece of my dilemma. A group of business leaders came in to see me the other day, and they, said we want to sell you on the idea of having ratepayers subsidize development. And I said, well, I'm just going to tell you that I'm a little gun shy on this because I spent a year defending a ballot measure and I'm a defendant in a lawsuit, but tell me your pitch. And they said, through this program, we're going to create a mixed use community, vitality, economic activity, a more safe community -- all of the values which you so well articulate. And so I posed the following question, and this is where I'm asking your help. Why is that a concern of ratepayers? You're asking the city's rate payers whose sole concern is with water, sewer, and stormwater services, and they pay a separate bill outside of the general fund to subsidize development. And I'm

July 16, 2014

asking this sincerely, because I have had this discussion with a number of my colleagues and with staff and I've just gone through one of the worst years of my life, and the election is not even certified. And the first big issue we're taking up is we are going to decide on behalf of ratepayers that they're going to subsidize development in Old Town/Chinatown for all of the good reasons you have articulated. But here is the question I'm going to ask you: why should the ratepayers subsidize that housing? And if there are other pockets the money can come from and you don't care, shouldn't we explore those other pockets before we get sideways with our ratepayers again? That's my question.

**Weiner:** Well, each of us might have a different answer, but my answer would be this -- that all of the rate payers in the city of Portland have benefited by the conditions in Old Town/Chinatown. But by accepting the social services that we have -- the density of social services that no other community has -- that this is a bit of a pay-back. That this community -- like no other in the city of Portland -- deserves that attention. Now, I know that isn't a direct answer. And if, again, there are other ways -- but I don't know how this City Council cannot vote for these waivers and then if, in fact, there are changes that are made, then to reconsider. I'm not sure how you go about that. But I don't want to lose the opportunity -- the maybe -- for something that is already a tool that is out there.

**Fish:** But you offered a potential path forward for me earlier when you and Patrick said, this tool is not the only tool which you would embrace.

**Weiner:** No.

**Fish:** What would you'd like to see is the resources to create the incentive.

**Weiner:** Mh-hmm.

**Fish:** And what I'm going to respectfully tell you is that I have a series of concerns -- some of which I don't want to speak about in an open public forum -- about the consequence of having ratepayers subsidize development. And here 's the other piece that makes me different than Steve Novick. My SDCs fund a system we have already built. His SDCs fund future improvements. My ratepayers don't care whether we develop Old Town/Chinatown. In fact, if you polled my ratepayers, they would say what they would like to see in Old Town/Chinatown is the largest water user in America come locate there, because if we sold more water, we would lower everyone's rates. They're agnostic as to whether we put commercial uses, condos, or apartments. I'm not trying to sell you --

**Weiner:** I have a comment, but I'll wait.

**Fish:** I'm trying to say that the ratepayer view of this is different than the taxpayer view. And so, when I asked you at the beginning if you cared where the money came from, I was asking for you for me the question. Not that I am opposed finding the money, but that I have extreme heartburn by using the SDC programs of our utilities, and particularly in light of recent history. I would also caution my friend that every time we come up with a new and worthy use of ratepayer dollars for forgone revenue for ratepayers, we're right back in the situation that has caused a lot of headaches around here. Because it turns out that there were people that didn't think it was appropriate to use ratepayer dollars on voter-owned election. And yet, I'm guessing there are some in this room that say we all have an interest in democracy. And a judge ruled that was illegal. I'm guessing there may be some people in this room who have all kinds of ideas of what's an appropriate expenditure, but on this one, I'm going to confess that I'm going to err a little on the conservative side. And when PDC comes back up, I'm going to ask them, what alternative funding mechanisms can we consider to fund this that doesn't involve the ratepayers?

**Hales:** While the panel ponders your question, Commissioner Fish, let me respond as well. First of all, as a former member of my college debating club, I've gotta react when somebody states a proposition as fact six times, which is that the ratepayers are subsidizing development. Not necessarily so. I mean, for example, in Parks, we are sitting on \$32 million in the Parks SDC fund. \$63,000 of that in the last five years came from Old Town/Chinatown, the equivalent of about one

July 16, 2014

housing unit per year. So, you know, 10 times zero is still zero. There's very little happening here in terms of development. Secondly, as the guy who co-wrote the state system development charge legislation with the then-Portland lobbyist Marge Kafoury, I can tell you that the intent and construction of that statute gives cities broad authority to do public policy as well as have a rational basis for how we charge system development charge, which is why we have I believe an SDC waiver that you support for affordable housing. If we're so vulnerable, perhaps we should repeal that until further notice. But I don't think you're going to advocate for that. Again, we're not collecting very much. We've collected one five-hundredths of the available funds in the Parks SDC account from this district. And the other 499 five-hundredths from everywhere else. So, there's not much going on, there hasn't been much going on, and what we're hearing from this panel who worked on this plan is we don't think there is much that is going to go on even in a much better real estate market. So, we're foregoing revenue that isn't coming to us.

**Fish:** But you know what, Charlie, in all due respect, I never mentioned Parks. So, you are a skilled debater in shifting the subject.

**Hales:** [laughs]

**Fish:** I never once mentioned Parks. And as you know, Parks SDC revenues are prospective. Utility revenues for SDCs are retrospective. They're fundamentally different. And here's the difference: ratepayers don't care whether there's development in Old Town/Chinatown. Ratepayers are agnostic on the question of development. Their concern is quality water, quality services, and sewer and stormwater. If you want to actually look at the subsidy component, then here's how it works. We do a five-year forecast -- and I made this presentation to Council not long ago -- of SDCs. We project that we will collect them through good times and bad times. We make assumptions. We underperformed during the recession, and we're over-performing now. We hope that we hit sort of a median somewhere along the line. And if we do, we don't have to raise rates to cover the shortfall. Because SDCs goes into our rate calculations. Now, if there is development -- and I hope there is -- and we're not getting an SDC payment from that, then it throws off our five-year forecast and it could result in us raising our rates to compensate. It could. Which is why, for some time now, I have said if it's just a question of the color of money -- and I'm going to ask PDC this question because I've identified five alternative sources -- let's agree on an alternative source that gets the same bang for the buck and keeps the ratepayers out of this discussion.

**Hales:** Right. But how much are we forecasting from this district? We can't be forecasting very much --

**Fish:** And Mayor, as to your point about the low-income discount -- which again is an issue I'm not particularly interested in hearing in this forum, but you raised it -- we have a claim in the lawsuit saying that we can't do it. I'm prepared to take the risk on that, because I don't think that claim has merit. I didn't think any of the claims in the recent summary judgment motion had merit, and we lost two. So, at least it hangs there as a claim. And I'm not God, I cannot prejudge that. I think there is a hell of an argument under the charter that we can do it. To me, it's less about the legal and political -- to me, it's about the optics. And if there's an alternative way to fund this by keeping ratepayers out of it, all I'm saying is our esteemed panel doesn't care, and I do because I think it creates unintended consequences for us. And I have a respectful disagreement about the source of the funding, that's all I'm saying. Not about the goals of the plan. Even the concerns I have about middle income housing -- which I'll share later, because we do not have a study that has been completed yet that Dan has asked for to show the market need. Even if there was a market need, I'm willing to do a pilot. And by the way, your entry level workers and PNCA workers cannot afford the housing we're talking about here today. That said, I'd like to keep the ratepayers out of this conversation.

**DeMarco:** I would like to make a comment that we all like any color of money, and how cities choose to jump start development in the interest of its city and its citizens and its future growth is



July 16, 2014

the responsibility of its leadership. PDC and City planners use SDC because that's been traditionally the vehicle to do this. We are not locked into that, and I encourage you to work with SDC and the City planners in alternatives and to look at other buckets of funds. And I think that if I were you and I had had this sort of like burning issues, political issues with my constituency -- like you, Commissioner Fish, I would be extremely wary. But I think that I would encourage you not to be -- scared would be the way that I would put it. I think the plan is so doable and fabulous that there has to be a doable and fabulous way to find the pink money, the puce money, the lime green money. Whatever the money is, I think there is a way. And I don't think that we want to sort of burn bridges and annoy each other by talking about where that source might be. This is what I sort of feel I pay you for, is to sort of like come up with -- to come up with that. You know, you're really smart and over the years -- I have lived here for 39 years -- City Commissioners have done amazingly wonderful things for terrible neighborhoods. I mean, I was with here before you had light rail downtown and Pioneer Place -- I mean, you've all done wonderful things, and not to be frightened of the fact that, you know, as a citizen, I'm going to get nasty about my water rate. You know, think about it, and you've got such great talent on your staffs. That's what we have discovered in working with them. So, if you have ideas, work with them. We'll take your lavender money. Go for it, yeah.

**Fish:** This is why you are held in very high esteem on this panel. [laughter]

**Weiner:** These are the wonderful folks I work with, and Jane amazing me every day. I do have a philosophical response, and really comes all the way back to my time working under Mayor Potter when he chose to push forward a strong mayor proposal. Each of you -- each of you, Commissioners and Mayor elected citywide -- you're not elected as the commissioner of water. You are not elected as the commissioner of PBOT, so forth and so forth. We need our city leaders to look at the big picture and what is doable -- really that you can help us help ourselves. When you get caught up in -- and you were the commissioner of housing. You weren't talking water. I've worked under Erik Sten, and the guy -- you know, water was not good for him, it was not good for Randy Leonard. I understand, the Water Bureau is a tough cookie. But it is not about the Water Bureau. It is not about Parks. I know the letter that was written by the Parks director. Charlie's argument is the argument I would make, that right now, you get nothing. Nothing for nothing. If you pass this, either developers will come or they won't, but I believe that this is the best opportunity to give equity to -- again -- the one community that has been left to its own devices, and that's my pitch. So, as long as you all brought it up --

**Fish:** Howard, let me just throw one other curve ball at you.

**Weiner:** Be my guest.

**Fish:** Because I agree with you. I think the utilities should be run -- the spirit of how we run the utilities should actually involve more than me. It should be the five. And we do that at rate making, it's the five. Capital spending, it's the five. So, I don't relish the idea of being the one guy in the utilities silo. This is an area where, actually, uniquely it is the five.

**Weiner:** That's why it's your worst year.

**Fish:** Should PGE and Northwest Natural waive all of their fees for this construction for the greater good?

**Weiner:** I don't know how to answer that --

**Fish:** I run a utility. I'm a utility, I happen to be a public utility, they're a private utility.

**Weiner:** I think the argument is what's already been well-made, which is that there are no fees, very little fees that are coming out, and there are very little development that will occur. You also have surface parking lots that pay very little in property tax, they take very little to keep up, they are very profitable just as they are, but they do not build communities.

**Fish:** And the only last thought I am going to leave you with -- because I'm going to go back to color of money, because I'm encouraged by that exchange -- Parks and Transportation SDCs fund the impact on future infrastructure. Utility SDCs fund what we've already built and put into the pot

July 16, 2014

for what's come before. My ratepayers don't care whether there is development or not, but my ratepayers want to make sure when there is development, people pay their fair share back into the system that they are benefiting from.

**Weiner:** Well, you're not voting for your ratepayers. 500 units. We're only talking 500 units, and then it's cut off.

**Fish:** I love the optimism. We are up here -- interesting thing is -- and I think I've finally cracked the code on the utility debate, and that is, people yell at us if they don't think it's an expenditure they approve of and say we're out of our lane, and they yell at us if they do think it is an expenditure we should pay for. And I'm actually forced and bound to follow the Charter. The Charter says reasonably related to the provision of utility services. And so, someone is going to have to explain to me how, in this instance, my ratepayers should support this, and that's separate from whether we find another source. I think having a debate about the color of money is fine in the abstract; I'm hoping we can find another pot on put this issue aside and have a respectful disagreement about whether it is something we should or shouldn't do --

**Ying:** Commissioner Fish, want to reiterate what Jane and Howard already said -- and I think Charlie also said it -- right now there is zero SDC coming in to support the water rates. And so, zero times anything is still zero. So, right now, what we're asking is to look at how we bring in funding. And the action plan that is presented before you today is a tool kit to help make that happen. And so, the ratepayers -- we include it being ratepayers -- would say if we are going to get more funds with this ball rolling to make a bigger snowball, yeah, this is the way to go.

**Fish:** I appreciate the conversation because it points to the absolute no-win situation that we're cast in. Spend the money when people think it has a larger value, don't spend if it is outside of the Charter. But what it really illustrates -- with all due respect -- is that there are no boundaries, and we just say that on this, we like it. On this, we don't. And actually, I give the council a lot of credit in the last year for working to get back into our lanes and treat the ratepayers as different than taxpayers. And I think this conversation illustrates -- where they converge and overlap, there is confusion. And when we talk as if one is the other, there is confusion. And I'm simply suggesting that we are all better off -- you, because you're paying taxpayer dollars to defend lawsuits because uncertainty about our utilities is not good for anybody; and us, because we're in the middle of that fight. And it is not a fight about courage. It's literally a fight about whether it is an appropriate use of ratepayer dollars or not. And that's something we out to grapple with and we ought to struggle with, particularly if there is an alternative funding scheme. And that's the only point I want to make.

**DeMarco:** One solution might be is when SDCs were created and thought about and applied even handedly to different divisions would be to say maybe the utility district would be one that wouldn't -- you don't leverage SDC -- you don't use SDC dollars on investment because of the politics that's right now. And you have to deal with the politics of right now. We understand the politics. You know, we know what has gone on. We feel your pain. And that would be great. Step one side, find another pot, use some SDC -- not yours, whatever. Get creative. You guys are so smart, you'll crack this.

**Hales:** Well, same to you. What I take away from this discussion is one, all of us on the council want to make this plan real and make it work. Two, I think this discussion just illustrates that we have some smart and passionate leaders in the community. So, we appreciate you. So, maybe we can continue this debate later, or not, but I think if no good deed goes unpunished, maybe we ought to go ahead and do something. You know, at the zoo a long time ago before one of their remodel, there was a piece of public art, which was a bronze plaque embedded in one of the retaining wall. And it was just for fun, it said, on this spot in 1884, nothing happened. And I don't know what happened to that, because they've remodeled the zoo a couple of times and I don't see it there anymore. But I don't think any of us wants to reinstall a plaque with a different date on it in Old Town/Chinatown.

July 16, 2014

So, the goal is to make something happen, and that's very much the spirit of this plan. So, our counsel is good. We shouldn't get mired in a debate about how. The what is what matters.

**Novick:** Mr. Mayor, I'd like to asking a question to the panel, playing off actually something that Helen said, which is, how many of you are Portland water and sewer ratepayers? I thought it probably did apply to more than one of you.

**Weiner:** And property taxpayers.

**Novick:** Another observation I just want to make before we close this part of the discussion is I do think that historically, politicians and citizens tend to make a distinction -- in fact, maybe we make it more often than we should, but it does tend to be made -- between spending money on something and agreeing not to collect money. I think that there is generally more of a tendency to accept a decision to forgo the collection of possible money than to spend money. And for example, when it came to the Convention Center hotel, I voted against giving a tax break to that project. I was outvoted not just 4-1, whatever it was, like 15-1, because I was the sole no vote in three governments. I mean, obviously, I thought that my position is the right position. I suspect, though, if the question had not been foregoing possible tax revenue but writing a check to Hyatt, there would have been more than one no vote. So, I do think that -- I mean, again, I think that distinction is probably made more often than it should be, but I think it's a distinction that at least sometimes has a difference, especially when you're talking about revenue which is some reason to believe you might never get otherwise. Also, I wanted to say I'm somewhat disappointed, although maybe it is not exactly on point, but I think somebody should have quoted Billy Preston and pointed out nothing from nothing leaves nothing, you've got to have something. [laughter]

**Ying:** There you go.

**DeMarco:** Thanks again.

**Hales:** Thank you all very much. Great work. So, I think that's our formal panel from the community association that put this plan together. Now, we'll take public testimony. How many people do we have signed up?

**Moore-Love:** I have 13. Was Lynnae Berg speaking?

**Hales:** Yes, I'm sorry, think we did have Lynnae set up for testimony. Sorry, Lynnae, to leave you out. Clean and Safe District herself.

**Lynnae Berg:** Good afternoon, Mayor Hales and Commissioners. I won't reiterate the Billy Preston quote, since Commissioner Novick has already articulated it. [laughter] Again, my name is Lynnae Berg, and I'm the executive director of Downtown Clean and Safe, and I'm here today to voice my organization's support for the Portland Development Commission's Old Town/Chinatown five-year action plan. Our Clean and Safe operational headquarters are located in Old Town/Chinatown. We are pleased to be a leading partner in promoting public safety and retail activity in the district. We have partnered with social service agencies in the neighborhood for many years, we contract with Central City Concern create jobs and provide cleaning services throughout the ESD. Clean and Safe coordinates patrol schedules with businesses near the Burnside Bridge, including Mercy Corps, University of Oregon, and Oregon College of Oriental Medicine to address undesirable behaviors, and we also support the continued funding for police walking beats in Old Town/Chinatown. We are happy to provide daily janitorial services and biohazard clean-up; private security patrols with our partner, Portland Patrol Incorporated; and support special neighborhood events like the neighborhood clean-up day and upcoming national night out events. In addition to our security and cleaning programs, our team of sidewalk ambassadors regularly circulate Old Town/Chinatown, providing directions and information to locals and tourists at Union Station, Lan Su garden, and Portland Saturday Market. We are lending our retail expertise to help attract new neighborhood investments to activate key properties and promote business vitality. In partnership with PDC and the Old Town/Chinatown Community Association, we are developing and will execute a neighborhood retail strategy, similar in scope to the successful downtown retail strategy. Over the

July 16, 2014

past five years, the downtown retail strategy has improved the retail vacancy rate from 12.5% to below 5%, as many new local and independently owned businesses have opened downtown. And we hope to achieve similar if not greater successes in Old Town/Chinatown. Key components of the retail strategy for Old Town/Chinatown include aggregating data on vacant spaces; reaching out to real estate professionals to publicize development opportunities; collect market research data, including pedestrian counts, employment information, and transit ridership; and preparing and disseminating marketing materials about the neighborhood and retail opportunities therein. The Old Town/Chinatown retail strategy will focus on recruiting local and independent retailers and restaurants to the district, with an emphasis on businesses that reflect the district's heritage and creative class. Our pop-up shop program will be a key part of the recruitment efforts, and once more housing is built in the district, we will target basic neighborhood services, including grocery, pharmacy, and service retail. Finally, in partnership with Portland State University's business outreach program, we will work to support existing businesses in the area by funding hours of business consulting assistance to five Chinese-owned businesses in the neighborhood. PSU's business outreach program specializes in working with minority and women-owned businesses, bringing professional business expertise and the assistance of students from various disciplines ranging from accounting to marketing and social media. Your support of PDC's five-year action plan for Old Town/Chinatown, including the SDC waivers for moderate income housing, will ensure that the neighborhood's future is safe, vibrant, and a diverse community. Thank you.

**Hales:** Thank you. Questions for Lynnae? Thanks very much.

**Fish:** Mayor, do we have any invited testimony from either for-profit or non-profit developer?

**Hales:** I don't believe so. I think that was the panel, that was the neighborhood -- obviously, Mr. Gortmaker is a developer, but he's here on behalf of the community association. We'll see if we have any in the audience. Let's take the sign-up sheet.

**Moore-Love:** We have 13 more people to speak. The first three, please come on up.

**Hales:** Good afternoon. Go ahead, Dan, while the others are coming up.

**Dan Lenzen:** Hi, Mayor and Council. My name is Dan Lenzen and I guess I can be considered a for-profit. Today, I'm representing over 50 businesses, 20 plus of the business entities are under my umbrella with Concept entertainment, hospitality, management, foresight development and real estate, venture hospitality and real estate. I'm also here as chair of the Old Town hospitality group representing 30 of the 55 OLCC liquor licensees in Old Town, employing approximately one thousand people; and as a board member of the Old Town/ Chinatown Community Association. Our development group on the for-profit side is in support of the PDC five-year plan. Recently, we were unable to make a property we owned pencil for development. When we initially looked at it, if we had SDC waivers it could have -- we have unfortunately since sold the building, and that was recently within the last month. Also, rental rates in Old Town are suppressed by many factors within the neighborhood. With portions of the PDC plan, it could help with the rates and allow landlords such as us to attract and develop additional office, retail, and hospitality businesses. As a long-time employer in Old Town, I am in support of the PDC plan as well. We've seen some growth in the retail and hospitality, yet it's been slow, as we've said in other testimony. Many of the components of the plan could be a catalyst for more businesses and employment. One component of the recommendations of the Old Town/Chinatown Community Association for the PDC plan calls for the Third street closure to sunset with inclusive streetscape modifications. The Old Town hospitality group is in unanimous favor of this, as the closure has affected all the businesses in and around it. We've got recommendations for alternatives to this closure that could help keep businesses, as well as positively affect the daytime population, allow for storefront activation, and influence crime. And personally, as a retrospective ratepayer, I am in support of this. So, thank you for your time today.

**Hales:** Thank you. Welcome.

July 16, 2014

**Ronald Peterson:** My name is Ron Peterson. Hello, Commissioners, and hello, Mayor Hales. From what I've read -- and I can't say that I've read everything, but from what I have read -- I have to agree. I think that Howard should probably run it, and I think you should probably approve it. You may disagree, and understand why, it has to boil down to the color of money. But I do believe that the Old Town/Chinatown area is improving. And I see where it has improved. So, I believe it should be a viable resource for the City itself. Thank you for your time.

**Hales:** Thank you.

**Joe Walsh:** My name is Joe Walsh, I represent individuals for justice. I agree with Commissioner Fish, ratepayers should not have anything to do with this. Ratepayers have been stung, and it's going to take a little while for them to calm down. So, if there's any indication that ratepayers are involved in this, there will be backlash. Two of you are now being recalled. Could be a third. We object to language of the threats on page five, if the five-year plan in front of you. And it says, threats -- what could harm OT/CT? And on the third item, it says, increase in social services. That indicates to us an attitude. Didn't say anything about decreasing social services. It said about increasing social services. That tells us that this neighborhood, this group, does not want to do anything about the homeless that sleep on their doors. Nothing. They see it as a threat. Increase in homelessness. One of the things that you hear over and over again from a friend of mine, Mr. Lightning, is, why is it that our corporations, our companies, our business alliance don't help with the homeless problem? Why is that? Why don't they get out front on this because it's to their advantage? You talk about the violence in the area, and you talk about data. Well, that data are human beings. And there's a reason for this. There's a reason for the violent crime in this area. And we can have solutions to it, but we have to do it together. And not say, decrease social services. They should be talking about celebrating social services because the religious people have stood up and done a lot. And this business community under the Business Alliance has done nothing. If you accept this as is without taking those words out, it will come back to haunt you. And you're already all in trouble. Don't do anything stupid. Take those words out and say, this is a progressive city. I don't like those words. Thank you.

**Hales:** Thank you. OK. Thanks very much, appreciate you. Thanks. Next three, please. Welcome, good afternoon.

**Sarah Stevenson:** Thank you. Good afternoon. I'm Sarah Stevenson, executive director of Innovative Housing, which is a nonprofit affordable housing developer based in Old Town. IHI has completed two -- soon to be three -- multifamily apartment projects in Old Town for a total of 191 living units in the neighborhood. Each project involves the preservation and restoration of a historic building and seismic upgrades. I'd like to use the three projects to illustrate why I think the PDC five-year action plan is so important to restore and vitalize the many beautiful buildings in our neighborhood. Historic renovation and seismic upgrades come with a high price tag. In fact, two of our three projects could not have been completed without public subsidy in large part because the cost of historic preservation and seismic upgrades drive development expenses beyond what the market can support. The seismic work at [indistinguishable] for example cost \$1.7 million or 17% of hard cost. At Erickson Fritz, it will be \$1.1 million, or 12% of hard costs. Preserving historic elements is very costly. Fortunately, at Erikson and Fritz, they were all eligible for historic tax credits that help to offset the increased costs. Unfortunately, historic tax credits only cover 20% of eligible expenses. It does not cover all the costs of preservation, and they are not feasible on a lot of small projects because of their high transaction costs. That's one reason we didn't use them on another project, the Modern Rich. The PDC five-year action plan is critical to our neighborhood because it commits TIF funds to the preservation and restoration of Old Town's unique historic assets, many of which are small, family-owned properties. Based on IHI's experience, I am especially excited about low-interest or forgivable loans for seismic work, which are critical to preserving many of these buildings, and the fact that PDC funds can now be used to support mixed

July 16, 2014

income projects as opposed to solely commercial projects, because so many of our important historic assets were built with commercial storefronts and housing above. So, we really need access to mixed use funds. I urge you to support the PDC five-year plan, and I applaud your commitment to helping us revitalize Old Town while simultaneously keeping it a critical historic center that celebrates so many cultures and helps continue to tell Portland's many stories for future generations. Thank you.

**Fish:** Sarah, can I ask you a question since you're something of an expert here on housing? One of the details we got in the original briefing was the affordability covenant on the housing that we would incentivize with SDC waivers would come with a 10-year covenant in terms of affordability. Now, you've had a lot of success competing for funding from the Housing Bureau through NOFAs. And what's the typical covenant that you're bound by when you get a City subsidy for housing zero to 60?

**Stevenson:** Every dollar that we receive, including SDC waivers, come with a 60-year affordability requirement.

**Fish:** 60 years.

**Stevenson:** 60, six zero.

**Fish:** And do you have an opinion about the proposal as to the 10-year duration of the covenant?

**Stevenson:** I am a bit concerned, personally, about what happens in 10 years. However, it would be unfeasible to expect a for-profit developer to commit to 60 years. They wouldn't do it, which would make the waiver impractical and un-useful. So, I'm trying to deal what you do in what happens in 10 years when maybe the affordability goes away with creating a tool that might stimulate development. And since it's a limited time frame -- we're talking really about five years -- up to a certain money cap for a certain number of units. I support the SDC waivers.

**Fish:** What if in the tenth year --

**Stevenson:** Or another pot. I'm also totally open to another pot.

**Fish:** I think we have consensus on that. Sarah, if at the end of the 10 years, no longer bound by the covenant, the landlord wanted to turn it into either luxury condos or high-end rentals or whatever, do you think it would be appropriate at that point for the council to recapture the SDCs?

**Stevenson:** I don't, not if the bargain that is struck is that the waivers are in place in exchange for 10 years of affordability at a certain level.

**Fish:** Let me tweak that and just offer you another scenario. What if we deferred the SDCs for as long as they stayed affordable?

**Stevenson:** I would be -- I am not a for-profit developer, so I am not someone that would be using the particular tool that we're talking about. Me, personally? That makes some sense. I would think that you should talk to someone who might actually be using it, you know, as you explore that.

**Fish:** Thank you.

**Hales:** Yeah, you know, there's an echo of this debate -- having been here before when we debated a bunch of FAR bonuses that we have in the zoning code -- and what the council will shortly hear in the Planning and Sustainability Bureau's work on the comp plan is we're going to propose to get rid of most of those and only keep a few. Because the council had long and concerned debates about tuning these prospectively. Most of them have never been used. So again, the spirit of this effort is to do something, please, now. Actually, I think it would be useful -- if you're willing to share the information -- to see the more detailed financial performance for your projects, assuming that those are something that you would disclose.

**Stevenson:** I would be happy to.

**Hales:** Just so that the council can see how the subsidies have worked in practice on those buildings. I think the other statistic that I haven't seen but that you're -- you've done more in this district probably than anybody --

**Stevenson:** Probably not as much as Central City Concern.

July 16, 2014

**Hales:** That's fair.

**Fish:** Citywide, they have been a distinguished developer.

**Hales:** The rate of renovation versus the number of yet un-renovated historic buildings? It would be interesting to know that. Have we have done six out of 150? It would just be interesting to see -- at the current rate of activity, i.e. not much, how many more years is it going to be until we get around to the buildings that are crumbling? I think that might help heighten the urgency of above all, try something. Because these buildings are not going to last another 10 years while we debate whether or not we've tuned the subsidy right.

**Fish:** Well, Mayor, in all due respect, since these were hard-fought battles that occurred largely when you were not on the council, the 60-year affordability covenant at zero to 60 is designed to make sure that the public gets a benefit for its investment. And this City and Council decided that a 60-year return is valid. Bumping it to 80% and saying we only get a 10 year return is a major policy shift. It may even be the right policy shift. It may even be good policy. But it represents a drastic change of what we do at zero to 60, and I think it's worthy of ventilating and discussing. It may be appropriate, but for those who say the goal is to create a supply of middle-income housing, let's be clear -- after 10 years, that is not the deal we're striking. And in 10 years, the housing can revert to whatever the landlord wants, which is why we slapped a 60-year affordability covenant on the same kind of public financing for people at zero to 60. We're bumping it up to 80 and now saying it's a 10-year covenant. I think that's something we need to debate. It may be appropriate, it may be the right slice. It is not an insignificant detail, and it's a 50-year decrease off of what we currently require.

**Hales:** Sure. And what Sarah's pro forma will show is that the SDC waiver was actually a small part of the total subsidy that those very affordable units had to have in order to work. They had to have tax credits, they had to have a lot of other things to make those projects pencil. Again, the question before us is, what will it take to make projects pencil in a healthy real estate market in a part of town where not much is happening without subsidy? And that's -- the color of money is an interesting debate, but the bottom line is buildings with crumbling brick mortar and U signs in them -- we don't want to leave in that condition much longer. We appreciate you. Thank you.

**Stevenson:** Sure. Would you like me to send a pro formas?

**Hales:** That would be great.

**Stevenson:** I'll do that. It would be interesting to prepare them to the pro forma of a for-profit.

**Hales:** Yeah, we've seen a couple of those -- at least, hypothetical pro formas of what a building on a parking lot might require in order to actually happen. So, it'll be interesting to compare those two and see how close we are to closing that gap. I appreciate you doing that, thank you. Good afternoon.

**Raihana Ansary:** Good afternoon, Mayor Hales, Commissioners. My name is Raihana Ansary, government relations manager for the Portland Business Alliance. I'm here to express our support of the PDC's five-year action plan for Old Town/Chinatown. Old Town/Chinatown, including the historic Skidmore District, presents unique challenges and opportunities for redevelopment, and we are pleased that there is a renewed focus in this neglected part of downtown. We applaud PDC for developing strategies to promote private sector investment, job growth, and retail activity, as well as to address neighborhood livability in the area. PBA convened a diverse group of property owners, business, and community members to create the Skidmore, Old Town/Chinatown task force report, which you have received. Though not all of the recommendations are relevant to the five-year action plan before you today, those that are support the plan's goals for neighborhood investment, business vitality, and district livability such as facilitating historic renovation, improving safety, maintaining the cultural heritage and identity of the area. In particular, we appreciate the proposal to waive system development charges for moderate income housing in the area. Doing so would promote a healthy and vibrant 24-hour community that is mixed income. In our view, to be most effective, our

July 16, 2014

preference is for the waiver to extend for 10 years with a cap of 1000 units. A longer time period will more closely follow development cycles. Waiving SDCs will jump start private sector investment, and will lead to more revenue for the City in the future. Additionally, the waiver supports our City's land use planning goals to accommodate growth by redeveloping an existing built environment rather than pushing the edges out. We look forward to working with all of you as well as our partners at the PDC for a reinvigorated Old Town/Chinatown. Thank you.

**Hales:** Thank you. Good afternoon.

**Kathleen Bushman:** Hi, I'm Kathy Bushman. And my fear is that Portland could well be on its way to becoming like another San Francisco or New York City, where the working-class and the middle-class cannot afford to live. The average price of real estate in New York sells for over \$1 million, the average real estate sale price in San Francisco is \$800,000, and the median income of people living in those two cities is well over the national average by at least 20 to 25,000, \$30,000 more than what the rest of us make in median income. And Oregon is not at the top of that median income scale. So, I fear that ---that's my fear. Because I have lived in Seattle and I've lived in Portland, and Seattle was gentrified -- went through all of these gentrification programs long before Portland. That's one of the reasons that I had to relocate; I couldn't afford to live in Seattle. And I knew a guy that was making \$35 an hour in the '90s, and he couldn't afford any longer to live in Seattle. And he moved -- he didn't feel like he could, and he moved to the San Juan Islands and put up with a two-hour commute to get to work. I know that these gentrification programs always come with promises to deliver affordable units -- a certain amount -- but they never seem to materialize. And call me cynical. I saw this happen in Northeast Portland, where I used to live. And it's been pretty well white-washed. And I mean literally. It seems like a lot of the former historic residents of Northeast Portland have been relocated and concentrated in a poverty pocket in Gresham. This is why I'm cynical. And I hope -- with very faint hope -- that this won't be any different. The average rental price in Portland went up 25% -- more than 25% by your own figures, somebody calculated this -- between 2006 and 2013, while wages remained stagnant. And I recently read on the internet where actually on a business site that the average median wage went down since 2007 by over 8%. If that's true -- and I know it's true -- more than 50% of most middle class Americans do not have more than a couple of months savings to see them if they should lose a job or encounter a medical health issue or any other emergency. So, I don't see that we need to -- I heard somebody say that we should be worried because out-of-state travelers come here and have to look at Portland poverty. Well, if they're wealthy enough to travel, they're doing a lot better -- I went 20 years without taking a vacation as a single mother. I have no sympathy for people wealthy enough to travel or even take a vacation. My heart doesn't quite reach out to them. [laughs] If you're gonna criminalize the poor and the homeless in order to cleanse the Portland area of the undesirables, this doesn't sound good to me. Is Oregon for Oregonians or is it for out-of-state travelers? Is Portland policy for us or for somebody who is going to visit here from out of state? I don't care what they think. Don't come if they don't like it, don't come back. I would like to see a policy that will not increase the number of homeless. I know that between 2011 and 2013, the homeless population grew by 10%. I'm going to prophesize that the homeless population -- given the inflationary rate of housing in the Portland area, the average rate of rentals -- if this continues to increase the way it has for the last few years, the homeless rate will increase by at least 15% to 20% in the last year. I'm certain of it, I have no doubt.

**Hales:** Thank you, thank you very much. Thank you all. Good afternoon. Welcome.

**Jackie Peterson:** Good afternoon, Mayor Hales and Commissioners. Some of you have seen me before. My name is Jackie Peterson, I am a professor emerita of American History. I've lived in Portland -- in Northeast Portland for 23 years, and I have been working in Old Town as a student of Old Town doing oral history, doing installations, exhibitions, walking tours for almost that same amount of time. And I am now a member of the board of the Old Town/Chinatown Community



July 16, 2014

Association. I'm also the only non-Chinese member of the board of a new nonprofit -- which you'll hear about from Terry Chung shortly -- called the Portland Chinatown History and Museum Foundation. And in collaboration -- this is an historic collaboration with the Oregon Nikkei Legacy Center -- Lynn Longfellow unfortunately had to depart. We are working and hoping very much to be able in the next few years to develop a multiethnic heritage museum archive center in Old Town to reflect this very complex history of the neighborhood. I've often used the analogy of the lower eastside of New York and this neighborhood and what we could make of it. I don't think any of us are under any illusions that we're not going to -- we're not going to kick out the social services, we're not going to eliminate the homeless, we're not going to turn this into a Pearl. Even those developers who build 100 or 200 units of housing with SDC waivers and after 10 years decide that they want to turn them into condos, I'm not certain they're going to find people who are going to pay those rents, even in 10 years. I think it's a gamble. So, I'm here -- even after a year of very intense discussion with my fellow board members and other leaders of the neighborhood -- to support the five-year plan. There are aspects to it that are not perfect. However, I think there's no question that PDC has come a very long way after the results of those discussions in the last year. They've listened hard, and so for the first time -- a year ago, there was not much in the plan that talked about those buildings that you have expressed concern about, those crumbling buildings. We're still not quite there and I was actually pleased to hear the Portland Business Alliance outline another scenario for the SDC waivers, because there is a piece that is not included. And when you talk about saving those crumbling buildings, these are the buildings that are small, privately owned -- many of them are still Chinese owners -- and those buildings are one, two, and three stories high. Most of them still have unutilized housing above, they are mixed use, and they are not eligible for the waivers at this time. It's all new construction. Even though if we were there, almost there, I would like you to think in your wisdom how we can -- with the other color of money -- how we in fact can save this part of Old Town/Chinatown -- two national historic districts. If you're talking about the buildings that look bad that you think are at risk, those buildings are not exactly eligible for everything that this tool kit is offering. We'd like to extend it so that it does. And we want to thank you very much for considering this entire plan -- the livability grants, the seismic, even the continuation of older programs aimed now at these smaller buildings I think can turn the neighborhood's historic properties around and become an asset that will be a source of pride for all citizens of Portland. Thank you.

**Hales:** Thank you. Lightning, welcome.

**Lightning:** My name's Lightning, I represent Lightning Think Lab. I do agree with this plan, I think it should be passed. I think there is necessary money for development that's needed, and I think this plan will provide that in getting more development. Now, I was born at Good Samaritan, and I watched closely what happened in Northwest Portland where people didn't think people would invest. And we had a lot of people out of California who were buying up everything they could. One of their things they would say -- I can sell something in California and buy two buildings in Portland, that's a great deal to me. So, they must see opportunity to invest the dollars. I mean, their investors -- they want to get a reasonable return. There must be incentives provided. You saw that happen in Northwest. We saw everybody move to the Pearl. The direction of the investment and the investors are going to be placing their money in this location. They need the incentives. A lot of problems we had in Northwest -- and I hate to say this, and some people would disagree -- that great historic tax preservation sometimes deters a lot of people wanting to invest dollars because it's so restrictive. And some people may disagree with me on that, but a lot of people putting money into Northwest Portland, they wanted to stay away from that because they could do with their property what it is they wanted to do. As far as on new development, we have to look at some of these old buildings, they're dinosaurs. They're ready to be demolished. But you know, let's not get too upset about what I'm saying because in Northwest, they were able to build buildings with the same type of

July 16, 2014

character, the same type of look, and they were beautiful brand-new buildings that the tenants loved all brought up to code and the property values went through the ceiling. Saving some of these old buildings -- we have to be a little bit less sensitive and understand, we want to improve the area, but if it doesn't make sense, demolishing the buildings sometimes is the answer. Look around, and if we stay within a certain character -- and a lot of these buildings can be built very similar to what you have there but a brand-new building. And let's face it, some of these old buildings will cost so much it just doesn't make sense. So, to get a lot of that money coming in, we need to be less sensitive on those old historic structures and understand that this is in the path of opportunity, the investment dollars are going to follow, it's being watched very close. And let's face it, when they are done developing out most of the Pearl they will be jumping right next door, and this is where they are going to place their money. But they want the best deals and the best return on their dollars, and that's what it comes down to at the end of the day for these developers. Thank you.

**Hales:** Thank you.

**Steven Entwistle, Sr.:** Good afternoon, City Council, my name is Steven Entwistle and I am representing individuals for justice, and we disagree with this proposal completely. Let me tell you why. Number one is you're overlooking an entire community that lives there. You've badmouthed them, you called them threats. People that live that are already existing, living in these buildings that are mostly dilapidated. And I'll agree with Lightning on that. But you're overlooking. I haven't heard anybody talk about where these folks are going to go. Are we going line them up on the bridge and shoot them into the river? I mean, I don't know. I just hear a lot of threats, threats, threats. I'll tell you what the threat is. The threat is a capitalist threat, a big capitalist threat. And this capitalist threat has no heart, all it has is talk of stakeholders. I've heard a lot of talk about stakeholders, I have never heard anything about the residents that live there, people that are struggling very hard living on the streets. You badmouth them, they're problems, they're somebody that needs to be disposed of. You guys just really, really have a hard time -- this is the biggest anti-community project that I've ever seen Portland ever do. This is as biggest anti-community I've ever seen. Whose house, Mr. Hales, whose house? So, a whole section of citizenry that are going through the hardest times, the most vulnerable people in this city are a threat. Thank you very much, appreciate that. And I'm sure they do, too. By the way, I'm going to announce my candidacy to run for Mayor on this day of July 16th, 2014, and I'm going to run as an openly socialist Mayor. Let that be put on record, openly socialist. Why? This is why. This is why. And by the way, you guys got reelected again. Like Lightning said, you deserved it. I think you deserve -- I think dual Nixons deserve to be kicked around a little more. That's all I have to say. Thank you.

**Hales:** Thank you.

**Betty Jean Lee:** Good afternoon, Mayor Hales and Commissioners. My name is Betty Jean Lee, I represent the national Chinese American Citizens Alliance and the Portland chapter here in Portland. I am very fond of the Old Town/Chinatown, mainly because my grandfather and my father passed out rice during the Depression in the neighborhood to the underprivileged and those that were in need. Many of us, my peers, want to make sure this five-year plan so that we can pass this heritage on to our children and grandchildren. We appreciate your help and your support. And personally, I have served on many, many studies for the City. And many of these studies have sat on somebody's desk and nothing happened. Hopefully, this will not happen with this five-year plan. I appreciate your help. Thank you.

**Hales:** Thank you. Good afternoon.

**Terry Chung:** Good afternoon, Mayor Hales, persons of the Council. My name is Terry Chung. I think at one point or another, you've actually received a letter from me addressed to our Mayor. I am the president of the Portland Chinatown History and Museum Foundation which was created about four months ago in an effort to bring awareness to the fact that the history of Chinatown -- there were actually two Chinatowns -- is being lost. It's also the cultural sites of our ancestors are also

July 16, 2014

being lost there. Being a native Portlander born in Emanuel Hospital, my grandfather had a market on 3rd Avenue, a meat market there. I've seen a lot of changes. As far as the two gentlemen sitting here before me, they forget that Chinatown in the 1950s and 1960s had its own problems with homeless. It had a lower income individuals at that time. It had housing of mixed use, older Chinese who were basically living out their last days upstairs in some of these buildings. And what they refer to their neighborhood -- before them, this was the neighborhood of the Chinese and the Japanese. And they need to remember that and also respect that. I would like to recognize Mayor Hales and PDC for having come so far in the last four months. I read your letter about wanting to move some funds from PDC or having PDC move it from new developments to revitalizing the area for seismic upgrades. Those are desperately needed for those areas. I would point out many of the developers are looking at places to develop. They're looking at the easy ones to do. Those are the ones with the 50, 60, 100 units they can pencil out. But unfortunately, many of the buildings that we're really looking at that have the most structural defects are those that maybe had maybe 15, 20 units above them and street mixed use. And those are the ones that have the longest history, really, for us in the Chinese community and are very -- have a deep sense of urgency for their preservation. But they're also the hardest to work with, and I realize that. I'd like to also recognize the PDC for having come so far from where they were four months ago in terms of recognizing that some of the funds have to be used for mixed use, because that's key to the redevelopment of this area. Big box developments don't make it down there. This was an area that's always been smaller units making a successful transition. I point out Mississippi, I appoint out Alberta -- those are not developments by the PDC. Those are developments by smaller units being coming in. Those are vibrant areas. And unfortunately, many of the property owners are the Chinese property owners -- they have a different mentality in terms of preserving the property and developing the property then I'll say the modern businessmen. Their idea was rent out the place, have a steady stream of income. But they never looked at the idea of oh, hey, the City is going to go ahead and make us put in sprinkler systems. The City's going to make us come in and redo the stairways. The City's going to make us come in and do whatever the new developments had to be. They were never in it to make the profits to be able to upgrade properties as change went by. So, many of these buildings owned by the Chinese -- they don't have the deep pockets to go ahead and do this development. So, I would say thank you, Mayor Hales, PDC, for creating some tools that will help -- potentially help -- in this area of seismic upgrades. For me, I have five main things I'd like to emphasize here. One, I would like to maintain the historic nature and cultural nature of this district. It's the only one we have left. There is no other district that has a cultural feel to it. We've lost all the others. The Pearl -- you could say, well, why don't we create another Pearl? You create another Pearl, you have no cultural setting left. People say the Skidmore. Well, look at the Skidmore. There's no cultural feeling there. You've got a bunch of buildings, but there's no feeling. People come and go. There's nobody living down there. Two, seismic upgrades. This tool for the long term owners of historic buildings is desperately needed, and if there's some way to be found to helping them with no cost loans or some tool that's in your toolbox to help them pay back but at the same time give them the tool to help upgrade their properties. That would be wonderful. I also still have a concern here with the PDC in terms of the height limitations within this national historic district. I mean, the pushing of the heights up to 100-and-some-high feet or higher is of great concern to me. I know the national district said 75 feet, but the Portland Planning bureau has on the table 100 feet within that district. And to me, you go from a three-story building and you have a 17-story building right next door -- just decimates the feel, the cultural feel of that area. Mixed use housing, affordable housing to maintain the historical appearance of this area is important. I mean, why can't we have buildings that do integrate within them facades? Those facades that will create the feeling of a tenement building that had four stories, but you had the windows spaces there that look like that. Why can't we have more of those in there? Why can't developers find the tools? Of course, you are the critical component there that will help

July 16, 2014

these individuals do it. And again, pardon my organization, we feel like we need to at the time history of the area, because it is the only area in Portland that still has a history to tell. Thank you very much.

**Hales:** Thank you.

**Lee:** I'd like to thank Terry, but I would like to add to the fact that I agree with most everything that he said. However, with the restrictions on the height of the buildings I think we need to consider the economic development of the area, and the height restrictions I think should be considered but also the fact that the economic factor should be considered as well. But I think there should be a compromise to make it a viable area and economically viable.

**Chung:** I would like to say one thing. Please remember the historical designation sets a height limit on that, and are we going to lose that historical designation if we go ahead and move beyond that height limitation? Thank you very much.

**Hales:** Thank you both, thanks very much. So, we know that debate's coming too, yeah. [laughter] Anyone else signed up? I do want to call Sarah and Patrick back. I have some questions, I imagine some other members have questions as well.

**Susan Carter:** Susan Carter. I didn't come here prepared. I read about it just this morning, called down at City hall and everybody surprisingly was busy. I wanted to come down here and learn about it. I don't blame you for staying away from raising the rates on the water bill. I mean, I've heard lots of people that I think -- I don't blame you for not wanting to touch it. Anyway, for our retirement, we do rental property, and that was what caught my eye. We have 31 units. Westmoreland, Woodstock right near Reed College, over by Multnomah off of Barbur, we have a place that's between lair hill and John's Landing so it has a view of the mountains, windows floor to ceiling. And I see the lowest rent was going to be \$1157 for a one-bedroom. The one with the nice view is a two-bedroom. I don't have anything that is that high. And that was a one-bedroom. These are two-bedrooms I'm talking about. I even have a one-bedroom that is \$695. So, I'm wondering, how can you call this affordable housing? I mean, at \$1175 who -- so is Ssection 8, the housing authority, are they paying the fees? How are you going call this -- I'm renting to people going Oregon Health Sciences, I'm renting to people who are working. I'm renting to people who I see what their student loans are, I see how much they are making. By the time they pay everything, how is this going work out for the average person? When I have these kind of places and not one of them is \$1157. How are you going to get people to be doing this that are low income? That is sort of one of the questions I would like to hear some feedback about. You're talking about putting a lot of money into one neighborhood. We have a lot of parks in Portland that aren't really doing much. I don't think Errol Heights, which has been renamed Brentwood=Darlington to give it -- but it's still the same neighborhood. They don't have much up there and they could certainly use it. So, I'm just sort of curious and would like to find out more about this. Where is this money going to be coming from? You can't keep putting these kinds of fees and this kind of thing, there are a lot of people that have small businesses. They are already hit with a lot of money with TriMet, with everything else. I know someone who is starting a business and has not made one penny and had to pay over a thousand dollars with fees and different things. So, I think maybe some of this should be thought out a little bit more. I will be doing more of my homework on it. But I wanted to come down and be involved. I'm just the ordinary citizen.

**Hales:** OK, thank you, we appreciate you doing that. Thank you.

**Fish:** My daughter may be talking to you soon about a rental, they sound very nice.

**Carter::** And also it'll take a month to rent them.

**Fish:** They sound very nice and very affordable.

**Hales:** So there's one detail I want to make sure I understand, and that is the proposal for the SDC waivers. If I take a parking lot and build housing project on that parking lot, I am eligible, right?

**Harpole:** Correct, assuming the project meets the income requirements underwriting standards.

July 16, 2014

**Hales:** Right, they meet the other specifications. If I take an old mixed use -- a building that originally built as a mixed use building with a store on the ground floor and housing units above, and I want to do a renovation of that, maybe those housing units haven't been housing units in a while. Am I eligible for an SDC waiver in that situation? I'm not sure if I'd pay SDCs to start with. So, if I am simply renovating a building, would I be paying SDCs in the first place? And then if I am paying them, would I be able to seek the waiver --

**Harpole:** No, the pilot is recommended to be limited to new construction only. Based on our prototypes, we found was not an effective tool for rehabilitation projects because of prior credits.

**Hales:** But yet, we are proposing to use some tax increment money to support the renovation of seismically-challenged buildings.

**Harpole:** Correct. It was a more effective tool in that scenario.

**Hales:** But could they be combined?

**Quinton:** Could they be combined on existing buildings or new buildings?

**Hales:** If we allowed the use of the SDC waiver for buildings that were being reused rather than built anew, could we also use some of the seismic funds to support the extraordinary seismic repair costs or renovation costs of this building? I'm just trying to see -- it sounds like we may have worked an imbalance here in making this renovation possible -- good idea, because we haven't had much -- but we're trying to preserve those historic buildings, thus, the commitment of the seismic funds. We also want to succeed at that goal of renovating the old buildings that are now underutilized. So, I'm trying to --

**Quinton:** We have \$57 million forecasted over five years to invest in what we assume will be the existing building stock of Old Town. That's really what we expect those dollars will be used for. And as was mentioned, it's certainly possible that some of those projects could be mixed use projects. So it is -- it's already an intended use. I think as Sarah mentioned, we view the existing building projects as having bigger gaps because in addition to whatever economics exist on rents versus what it costs to just do a building, you typically have a seismic piece that makes the gap even bigger so the TIF dollars have been set aside in such a large quantity for the existing buildings. A new construction building for housing has a much smaller gap. So, the piece that's missing is just getting over the hump of where rents are versus where new construction rents would need to be if there's not a seismic issue. So, that's why the tools were differentiated in that way.

**Hales:** I get it, OK. And I guess, again, in terms of outcomes, I think we're all clear about what we want. We want new construction where we haven't had much, and we want a much faster rate of renovation of great old buildings that we're in danger of losing. And what color of money -- again, going back to our -- is less important I suspect to any of us than making sure we're succeeding at both of those outcomes.

**Quinton:** Right. We believe the hill to climb to get new construction going in the neighborhood is much smaller than it is for the existing building stock just because the existing building stock is -- obviously there's a lot of buildings and we have a lot of work to do. And the gap on every project is so much bigger. So, we think the SDC piece is the seed investment that then triggers -- as Sarah showed her presentation, we have a 500 unit goal. We estimate 1900 addition or total, what was it --

**Harpole:** Developed every surface parking lot [inaudible] [speaking simultaneously] --

**Quinton:** Right, so we think that gets us kick-started and you push up rents -- or you create the possibility of charging market rate rents is the better way to think about it, because rents are for the most part controls in the neighborhood. But you actually then generate new construction on its own. I think we'll be financing the rehabilitation of existing buildings for quite a while in the neighborhood, and that's why the TIF dollars are reserved for that purpose.

**Fish:** And Mayor, some of us have argued for a long time that the 30% should not be seen as a hard cap. But I think we've all agreed that above the 30% TIF can be used as a tool. And in fact, that mixed use development you're talking about in a preservation play with an older building with an

July 16, 2014

eye towards housing and business might be right in the wheelhouse of the PDC, which has 70% of the pie in terms of economic development and revitalization. So, it's always been something I've supported.

**Hales:** Good. Other questions, comments?

**Saltzman:** So, the income requirements for eligible new construction are what?

**Harpole:** 60% to 100%.

**Saltzman:** OK. Of median family income.

**Quinton:** And just also to highlight something that Sarah also presented, which I don't know if it's different than the current zero to 60, but we will underwrite every deal that applies for the SDC waiver to verify the funding gap in the pro forma so that it's not simply that they are providing a unit in that price range, that they actually do have a funding gap as well. So, you don't simply get it because you're providing a unit in that price range.

**Novick:** A couple of questions. One, I was told recently that PDC has used TIF funds for Parks construction in the amount of about \$19 million citywide and about \$5 million in the River District in the past five years. That is more or less accurate?

**Quinton:** Yeah, I mean, I've seen the same figures. We pulled those together.

**Novick:** OK. And the other thing is I am rather concerned about the 10-year issue. The idea that -- I mean, I understand the point is to get a diversity of income in the neighborhood, and that maybe -- well, scratch what I was going to say. But I do have a concern about the possibility -- although it might be a small possibility -- that after 10 years suddenly everybody is kicked out and people are challenging rents that only people in the top 1% can pay. Do you think that -- and I apologize for not bringing this up earlier, because I realized we're supposed to have a second reading next week and I don't have an amendment prepared, so this might push us back a bit. But do you think that it's feasible to explore some options which would put some kind of parameters on that possibility?

**Quinton:** Yeah, I think we can look at it. I think we can look at it. I think the fundamental issue that was raised earlier is, at what point it is just a tool that nobody uses? So, the gap is small enough that -- provided a 10-year limit, could push a project over the edge. But if it's locked into that for a long period of time, it might just be something, well, we'll take the dollars elsewhere. I just think it's useful to keep in mind, the issue isn't whether projects will happen or not happen within Old Town. I think we're seeing the largest housing boom if not the largest housing boom in the history of the city, and nothing is being built in Old Town. So, it's most likely the case if we do nothing that the new construction boom will pass this neighborhood by. And all it means is capital just goes elsewhere. It doesn't mean that somebody decides, well, I'll do the project in Old Town anyway. It means they will do a project somewhere else and it won't happen. So, I think we're just trying to figure out what's the right balance, and I think we can take a look at this and maybe have some more conversations about where we reach that point. Then I think the other thing that's useful to point out -- which the mayor highlighted, and we should validate this -- I don't think on the zero to 60% SDC waiver, it ever really happens that it's alone. The 60-year requirement is never just because you got a little sliver of SDC waiver, it's because all of your funding has come from sources that's required a long-term kind of permanent affordability on it. So, we're talking about a very small amount of money per project. And so, how long we need to maintain of the affordability, that's where it becomes, ahh, I'm not going to deal with that.

**Novick:** And, I mean -- at least I'm not suggesting that it would be below 100% for 60 years. But I would like to see if there's something we can do, like, for example, somewhere between year 10 and year 20 where maybe you can't have 200% rent increases in year 11.

**Quinton:** Right, right. I mean, I think we can look at this.

**Fish:** Patrick, I hesitate to ever qualify anything you say publicly because you're one of the smartest people I know. But I will say that just looking at preservation in the thousand units we preserved downtown, our -- the City's skin in the game, the percentage of public dollars to private dollars to

July 16, 2014

other dollars was very, very modest. And as you know, it varied by project. But it was a dollar that triggered 60 years, it wasn't 10%, 20%, whatever. If we put a dollar in it and we were sometimes the gap financing, we were sometimes TIF depending on the tool, we were whatever, it triggered the 60 years. I for one don't think it has to be 60 years. I don't know for example what in Manhattan or New York City they put on Mitchell Lama. But I do know that Mitch Lama, and a lot of other middle income housing is no longer middle income because the covenants expired and the market changed and it was all converted. So, I'd be interested to know what somewhere between 10 and 60 is the experience of other cities to maintain the affordability.

**Quinton:** OK.

**Hales:** And the other thing we might want to think about -- because one of my concerns about these debates is again thinking back to the density bonuses. Council has these big debates, we put these things in place, and 10 or 20 years later a bureau shows up in front of us, whether it's Planning Bureau or PDC and says, in effect, well, that didn't work. And we remember that we have 14 different incentives in the zoning code, only two or three of which have been used. So, it might be useful to have PDC report back annually on how this is working. Did we get the first hundred units, did we get the second hundred, how are we doing?

**Quinton:** Of course.

**Hales:** Rather than have this all --

**Quinton:** We can report project by project, seriously, I do think this is enough of a pilot that we really -- and we're going to look at every pro forma, so it's going to be something we can talk about as we go. I definitely think we should make that part of this because this is what -- we're trying to learn, we're trying to activate the market here as opposed to what I think on the seismic side is we're dealing with real reason vacation of existing building issues, which is a different challenge. So, we want to see when we're tipping the market.

**Hales:** I think we should do that more often in a lot of things. Commissioner Novick's been talking about ways to get people to strap their houses down to the foundations. Same kind of thing. Let's put some incentives in place and try them for a year and see if we get 100 houses or 500 houses or a thousand houses.

**Fish:** Mayor, I'm going to text Commissioner Fritz after this meeting and say you've been channeling her vibe, because she's often the person at this time of our debate who says, can we get an annual report?

**Hales:** Happy to represent -- because this is a pilot project.

**Fish:** I think that's a wonderful idea.

**Hales:** I think we should monitor more often than less, because then we won't be frustrated and say, gosh, we did that great plan 10 years ago and it turned out to be a shelf study. And I hate it when that happens.

**Fish:** Can I put a few questions in the record? And I don't expect to get answers to these now, but given the time -- and the mayor and I will be leaving soon for another event.

**Quinton:** I think I'm at the same event.

**Hales:** You paid for it, you should be there.

**Quinton:** That's right. [laughter]

**Fish:** And not only did they pay for it, but the City shifted the PDC project management to get a higher MWESB, and your agency performed brilliantly.

**Quinton:** Well, thanks. That's another part we paid for, too --

**Fish:** And you are to be commended for it. Commissioner Novick has raised the question of why 10 -- is 10 years enough? I guess one of my questions is, just learning more about how did you settle on 10 and how flexible is that? Because the goal is to preserve affordable middle income housing. The second question on my list was -- any analysis that you've done that tells us that the package before us is the "but for" package. Presumably -- you don't have a study, but you've talked to some

July 16, 2014

developers who have said with this mix they're going to do something. I'd like to know a little more about that. And this conversation has been going on for a while -- in fact, Ed McNamara is no longer here. At some point in the discussion, did you give us a map of opportunity sites? Did you give us a map of places that would be in play with -- that could be in play?

**Harpole:** Not specifically the SDC pilot program, but with the action plan as a whole, we have identified sites where we have had conversations with property owners.

**Fish:** Is that public or is it private or --

**Quinton:** No, it's public. It's something we can easily share.

**Fish:** So, we're saying we're hoping something happens. And I'd be interested in looking at a map of just color coded saying --

**Quinton:** Any surface parking lot -- you can start with that.

**Fish:** That also helps us with the follow-up oversight. I raised the question earlier about alternatives to the SDC waiver. And maybe I'm completely out of touch on this issue -- it wouldn't be the first one, and I hear that from my wife and my daughter on a regular basis -- but did you consider other tools, including TIF, a deferral not a waiver, property taxes, general fund, social impact bonds? Did you consider any other tool other than an SDC waiver for that component?

**Quinton:** I think we can get you a more definitive answer on that. I think we considered some of those, I don't think we considered that whole list. I've already walked through why we created a separate tool than just doing it with TIF. Let me just say for a second that -- just because you talked about this a lot with the first panel -- the main difference between this just being different colors of money is the opportunity cost. The opportunity cost is the main difference. We're talking about a pot of money that doesn't exist right now. So you're not making a choice not to fund something else if you general fund or TIF or whatever, right? You could issue bonds, but once again, that service is an opportunity costs. There's no opportunity costs because this money doesn't exist right now. So, I think that was the leading rationale on that. If we take it from TIF, whatever pot, whether it's affordable housing or PDC dollars, we're not doing something else. Right?

**Fish::** But are TIF dollars eligible?

**Quinton:** Sure, yeah, TIF dollars are eligible. You can build a building with TIF, yeah.

**Fish:** We could fund a little pot of money that we use to offset SDC exceptions and just reimburse bureaus for whatever that portion of that cost is.

**Hales:** It's still a cash subsidy coming from something else as opposed to noncash deferred --

**Quinton:** The difference in my mind between the enterprise zone and TIF. We use the enterprise zone quite effectively to leverage significant investment that we would never get through TIF. Because what we're doing is we're using property tax revenue that never existed --

**Fish:** I understand --

**Quinton:** We're waiting for it for five years, and in the process we've leveraged it 25 times.

**Fish:** Every two years, we have to go back to Salem and have to defend tax expenditures that are being put under a microscope. I understand the difference, I just want to make sure I know what the alternative ways of funding federal funding are, and front door and back door. I guess I get the difference. You've put four different SDC exceptions into the pot. Is that because they get to the dollar amount that the developers have said they have to have at least that much subsidy? Is that is your best bet, or is there is an argument that you can take two of four and still get a bang for the buck?

**Harpole:** Two answers. One, we looked at four different prototypes or models of development based on lot size, development potential. Some of these models did require all four bureaus. We also wanted to look at how do we most closely follow the existing SDC exemption program making as few tweaks and possible while putting a couple safe guards in place, such as underwriting process and a unit cap -- to put some safeguards in place to limit impacts to those bureaus.



July 16, 2014

**Fish:** A couple other questions. Do we have a market study or its equivalent as to what we think the market will be in Old Town/Chinatown for this kind of housing? I know you've done those in other urban renewal districts to look at what's the market.

**Harpole:** We didn't look at market demand so much as the lack of existing.

**Quinton:** So, one of your first questions -- we'll make sure you have the analysis -- we did an analysis of where the gap is on different prototypes. So, that was third-party analysis done but not on market demand.

**Fish:** A big topic the conversation recently is about displacement. The premise of this plan is we're adding capacity and we're building capacity where there isn't any. We've done that in other parts of the city and still generated some momentum towards displacement. So, how might displacement occur if this plan is successful and we begin to introduce not only middle income housing but a hotter market for commercial and residential? Could it lead to any displacement of existing people, and could it put any pressure on buildings that currently house low-income people?

**Harpole:** Most of the social service providers in Old Town Chinatown own their properties, so that gives greater protection than if they were renters. The affordable housing developers, as well. And those have income restrictions in place for 60 years, as we discussed. That gives them greater certainty towards their long-term future.

**Quinton:** I would think this neighborhood is about as well protected from that as you can imagine. I don't think there's anything that's -- so, I would say the commercial retail spaces, I think you might see more pressure on rents and that as you fill up the retail environment, it might be more attractive from a retail standpoint. I still think there's a lot of capacity for office use, but it'll push up rents in that regard. Anybody who might be leasing space because it's really affordable might find that dynamic to change. But the main -- the bulk of the housing units are restricted, so that dynamic's not going to change. So many of the property owners are institutions that aren't going anywhere.

**Fish:** In 2001, Commissioner Saltzman sponsors something called the no net loss policy, and it was supported by then-Commissioner Hales and other members of the council. It actually requires an annual report to Council on the inventory of downtown housing, and we have to have an affirmative strategy to replace lost units or preserve existing units. So, I don't know to what extent you've been coordinating this discussion with the Housing Bureau, but if we're going to do an annual report on the impact of these tools and what we're getting, I'd like to couple that with a record on no net loss to find out if there's been a displacement and particularly in light of experience of this Council that we've been dealing with issues in inner Northeast Portland and other places, I'd like to be a little more ahead of the curve. If there is displacement -- and that could be a result of many factors -- we have a policy that says we have to be engaged in mitigating that. That could be replacement housing or whatever. I guess the final -- well, those with the lists of opportunity areas, those are the questions I have for now.

**Quinton:** OK, great.

**Hales:** Other questions, requests? Well, thank you, Patrick and Sarah, and thanks to the community association for the great work on preparing this plan that will come back next week for second reading.

**Quinton:** Thank you very much, appreciate your time.

**Hales:** And we're adjourned.

At 4:22 p.m. Council adjourned.