



CITY OF
PORTLAND, OREGON

OFFICIAL
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 27TH DAY OF FEBRUARY, 2013 AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fish, Fritz, Novick and Saltzman, 5.

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

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

COMMUNICATIONS	Disposition:
160 Request of Timothy O. Youker to address Council regarding Printing and Distribution (Communication)	PLACED ON FILE
161 Request of Jason Kersten to address Council regarding homeless proposal (Communication)	PLACED ON FILE
162 Request of Wade Varner to address Council regarding homeless proposal (Communication)	PLACED ON FILE
163 Request of Karl Schave to address Council regarding homeless proposal (Communication)	PLACED ON FILE
164 Request of George T. Nicola to address Council regarding neighborhood safety meeting (Communication)	PLACED ON FILE
TIMES CERTAIN	
165 TIME CERTAIN: 9:30 AM – Amend Title 33, Planning and Zoning to make it easier for property owners to do minor home improvements in the City’s historic and conservation districts (Ordinance introduced by Mayor Hales; amend Title 33) 1 hour requested	PASSED TO SECOND READING MARCH 6, 2013 AT 9:30 AM
CONSENT AGENDA – NO DISCUSSION	

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Mayor Charlie Hales

Bureau of Environmental Services		PASSED TO SECOND READING MARCH 6, 2013 AT 9:30 AM
166	Authorize a contract with the lowest responsible bidder for the SW 86th Ave Pump Station and Appurtenances Project No. E09051 (Ordinance)	
Bureau of Planning & Sustainability		
*167	Accept and appropriate an Intergovernmental Grant Agreement with Metro to accept funding of \$8,000 for the Build It Green! Home Tour and Deconstruction Demonstration Project for FY 2012-2013 (Ordinance) (Y-5)	185902
Bureau of Transportation		
168	Set a hearing date, 9:30 a.m. Wednesday, April 10, 2013, to vacate a portion of SW Moody Dr north of Ross Island Bridge (Report; VAC-10084) (Y-5)	ACCEPTED
*169	Accept a grant in the amount of \$2,097,888 from the Oregon Department of Transportation and authorize an Intergovernmental Agreement for planning, design and construction of the NE/SE 20s Bikeway Project (Ordinance) (Y-5)	185903
City Attorney		
*170	Amend Legal Services Agreement with Cascadia Law Group for outside counsel (Ordinance; amend Contract No. 34620) (Y-5)	185904
Office of Management and Finance		
171	Accept bid of Emery and Sons Construction, Inc. for the South Airport Basin Phase IV - Pump Stations and NE 47th Ave Frontage Improvements Project for \$2,784,718 (Procurement Report - Bid No. 114593) (Y-5)	ACCEPTED PREPARE CONTRACT
172	Accept bid of Emery and Sons Construction, Inc. for the Division St Reconstruction Project: SE 6th - SE 39th for \$6,350,600 (Procurement Report - Bid No. 114711) (Y-5)	ACCEPTED PREPARE CONTRACT
173	Accept bid of Emery & Sons Construction, Inc. for the Overlook Sewer Replacement Project for \$6,437,755 (Procurement Report - Bid No. 115102) (Y-5)	ACCEPTED PREPARE CONTRACT
174	Grant a franchise to Tata Communications (America) Inc. for telecommunications services for a period of ten years (Second Reading Agenda 64) (Y-5)	185905
Portland Housing Bureau		

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<p>175 Authorize Third Amendment to the Agreement for Disposition and Development of the Jefferson West Apartments (Second Reading Agenda 156) (Y-5)</p>	<p>185906</p>
<p>City Auditor LaVonne Griffin-Valade</p>	
<p>*176 Assess property for system development charge contracts, private plumbing loan contracts and safety net loan deferral contracts (Ordinance; Z0792, K0140, T0150, W0023, Z0793, K0141, T0151, W0024, Z1191, P0118, P0119, Z0794, W0025) (Y-5)</p>	<p>185907</p>
<p>REGULAR AGENDA</p> <p>Mayor Charlie Hales</p> <p>Bureau of Transportation</p>	
<p>177 Declare intent to initiate local improvement district formation proceedings to construct street, sidewalk and stormwater improvements in the NE 52nd Ave and Alberta St Local Improvement District (Resolution; C-10045) (Y-5)</p>	<p>37003</p>
<p>Office of Management and Finance</p>	
<p>178 Authorize water revenue bonds to refund outstanding bonds and finance water system capital improvements (Ordinance)</p>	<p>PASSED TO SECOND READING MARCH 6, 2013 AT 9:30 AM</p>

At 11:38 a.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.

WEDNESDAY, 2:00 PM, FEBRUARY 27, 2013

179 TIME CERTAIN: 2:00 PM – Authorize changes to the City Code to require Protected Sick Time for employees of businesses working in the City of Portland and enter into a contract with Oregon State Bureau of Labor and Industries for enforcement (Previous Agenda 98; Ordinance introduced by Commissioner Fritz; add Code Title 9) 3 hours requested

**RESCHEDULED TO
MARCH 7, 2013
AT 3:00 PM
TIME CERTAIN**

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Closed Caption File of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

FEBRUARY 27, 2013 9:30 AM

[Roll taken]

Hales: Good morning and welcome to the city council meeting february 27th. We have some communication items up front, and we'll call the folks in turn, and you have three minutes as is the custom. And if you represent an organization, please let us know what organization you represent.

Karla, call the first one.

Item 160.

Hales: Good morning.

*****: Sit here?

Hales: Please. State your name for the record. And proceed.

Timothy O. Youker: Commissioner, I am timmy youker. I was born in Portland 57 years ago, been in the graphic arts field for 30 years, as a printing press operate e-printing, sales, and management. And I have a commercial print shop southeast 89th and stark for 18 years. I was hired as a journeyman press operator 2, at p&d for the city of Portland for three years. I went on medical leave in 2010. I was at, while at p&d, I noticed many things that could be changed to increase business to help the public and the city. I did go through the chain of Command and recommend all these, everything that i'm mentioning here, and nothing has been done. And i'm asking the city council to make the necessary changes in the policy and the way that every department within the city of Portland orders all of its printing, printed materials. They should be going through printing and distribution. Management did inform me that, that, that the departments are able to order printing to vendors without going through p&d. I would like to also see, open up p&d to all nonprofit businesses in the metro area. Long-term, or even success months to a year test.

Retail advertising can be very expensive. In getting the word out to the public with all the programs and help available to the general public. Nonprofit businesses, able to use the city print shop would be able to help more people, you know, actually help everybody, probably and, and p&d do not have an active sales force going out and visiting all their customers. And that would also increase the business in a big way. 31 seconds. Anyway, that's just about it. I have everything that I gave for a list of everything over there. And I am hoping this will give you a push to make things a bit better.

Hales: Thanks very much. I appreciate your suggestion. Make sure that the guy standing by the window has your contact information because we're in the Process of doing our budget and ways to do things differently are very much timely, so thank you.

Youker: Thank you.

Hales: Karla, next one, please.

Item 161.

Hales: Come on up, just in time. State your name for the record and if you are representing an organization, let us know.

Jason Kersten: Good morning, city council, mayor, I am jason kersten. I am the executive director for homeless against homeless in america or ha-ha. Today I come before you not only as a house veteran but formerly, a former gentleman that has gone through the system. We come before you today to, for [inaudible] the proposal that's been put in front of you right now is, is what we

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would like to do come with our own time and money and create another right to survive, not take away from the work that they have done, but to add to it. They do great work, and we feel that we can do, we can help the process. By getting more people off the streets. On an average we have 1500 people that sleep on the streets every night. And we feel that we can help cut that number down. The declaration of human rights says people have the right to human safety, and we feel that we can help that. The only thing we're asking from the city is a place. You know. All we need is a place to set up. And once that happens, we can do more for, for our community. Portland continually reminds us that it's a city of the people. We want to be part of this solution, to help the people of this community, whether [inaudible] or unhoused. We are willing to work with everybody in the unhoused community. There was several unhoused organizations here represented today. The right to dream two, right to survive, and ha-ha, sisters of their own, and people from dignity village and others. So, once again, I am excited to come before you and ask for a place. That's all we want from the city. So we can take care of things. Thank you.

Hales: Thanks for your willingness to help. Appreciate it. And obviously, you have got your contact information so we will, thank you. Ok. Next one, please, karla.

Item 162.

Wade Varner: Good morning, mayor and council. By the way, congratulations to you and miss Fritz, I am the founding director and the president of homeless against homelessness in america, or - - ha-ha. I came here to tell, it just depends on how big after spot you could give us, we can house as many people as the fire department and people will allow. I put away 5,000 of my own cash from my settlement from being a disabled veteran that gave me my back pay to pay for this. So we can be, within 48 hours, housing up to as many people as you will allow on size of the block. It's the civil rights. It's the human rights that we need to look at because you know, you go out there and talk to them every day like I do, and see how they are treated, especially by the, the, by the armed division and the enforcement division of clean and safe. I mean, clean and safe does the best job keeping the city clean. Plus, it takes care of people that are doing that. Our rest area will include areas for specific areas for like women. The new dignity village, the second one was authorized by the state. And is, is -- you are not able to take families. So, we have place like join, who have said that they would come onboard, and we have 50 plus organizations that say that they will come and help us. We have the time. We have the money, and we have the people. And there is no reason why we don't. And mr. Mayor, I will call you. Twice I asked you if you would allow me to do this, and you said yes. So, now, it is time to do this. We have people, it's cold outside. And it would give them a safe, secure place to put their stuff. We'll have phones there so People call in for work. We're going to have a work center. We're going to have a working kitchen that will feed the place, and all of this will be at no cost to the city. You are talking about cutting money, well, I am showing how to house 500, 600 people at no cost to the city. If we can, if we can do that, we can set a, a precedence for people up and down the west coast, because both seattle and eugene have done this by allowing nonprofits. And we have our nonprofits status now. We are official. So, if we could just change the law or give us something to, to have the nonprofits that want to do this, it's like, there is several churches that want to bring car campers in, but it was a not in my backyard situation. People said we cannot do that. And you know, the idea of putting us out next to a dump, under a freeway, or, or, you know, next to the jail and everything, I mean, that's fine for them but we would like a place closer so we could, actually, have services for those people. We'll have people coming in from different organization, and to, to help people do the service and stuff. All i'm asking you for is, is time to help people help themselves, and that's the whole idea behind ha-ha, is giving a hand up, not a handout. Thank you very much.

Hales: Thanks very much. Appreciate your willingness to help. Thank you. Ok. Next one, please.

Item 163.

Hales: Good morning.

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Karl Schave: Good morning, council. Good morning, mayor. The reason I am here today, I am karl schave, I am with ha-ha and I also want to say thank you. The main purpose i'm here today is because there is a lack of student housing. And my family and i, we actually had to camp out at highland, Washington park and forest park. And what I want to be able to do provide a place of services, we've been able to get equipment from free geeks, so set up a work station and, and a wireless router for people to gain services, search for work. And be able to productively go on and move on. It really hurts me to be able to see this, this amount of loss of human capital. And this is a stagnation. And for people to have no place to go. And, and little direction. There is a lot of support to be able to do this because there is a great need for, for this, this humanitarian project. To help people. To help people help themselves find service. And locate help. The, the first is just a proposal. Ideally there would like to be something on the west side or the east side. Something comparably closer, so people gain services in old town. And on the, the east side, as well. Because travel is, is, as I found, is a great issue if everything has to be carried, you know, on a person. And then, and then, for the people to be able to have to run from place-to-place, it's not a productive use of, of their time, also the services time and the city's time. We need to be able to quickly get these people and get everybody to be able to get these services so they can, they can move on. And I want to say thank you, and I really appreciate your time.

Hales: Thank you. Thanks for coming. Appreciate it. Karla. [applause]

Item 164.

Hales: Good morning.

George T. Nicola: My name is george t. Nicola. I live in Portland, the tabor neighborhood.

Hales: Folks, let's let this man speak, please. Folks, let's let there man speak. Everybody else got their chance. Good morning, hangs on a minute, folks are leaving while chanting. Welcome, and proceed, thanks.

Nicola: My name is george t. Nicola. I live in the south tabor neighborhood. The most important service the government is public safety. Delivering that service is most effective when emphasis is put on preventing crime, rather than punishing it after the fact. The preferred approach requires citizen input and participation. And in that respect I would like to praise the effectiveness of The crime prevention program, conducted by Portland's office of neighborhood involvement. And their budget is money well spent. And in the past year, residents in my neighborhood have experienced numerous home and gar break-ins. Although, these did not involve a tax direct on people, confrontations over property crime often lead to violence. So, even prevention of property crime should be a city priority. For this, our neighborhood has received considerable assistance from our current crime prevention program coordinator, brad taylor. Brad got word of the crime spree. Through our neighborhood association, e-mailed us, brad initiated communications and suggested that he conduct a crime prevention meeting in our neighborhood. And at first, brad got little response, but he kept trying. And eventually, a number of people agreed to attend a meeting, which for their convenience, brad scheduled in the evening, about 30 people attended. Brad provided tips for crime prevention, he offered further assistance, including help in establishing foot patrols. He also stated a willingness to attend other meetings and to accept the phone calls during a wide range times. Public servants such as brad and the crime prevention program demonstrate how good citizens are the riches of the city, thank you.

Hales: Thanks for coming. All right. We are, we are to the consent calender. If there are none, we can take a role call, please.

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

Hales: Aye. Time certain, 165.

Item 165.

Hales: Let me take a minute to start, and issue commissioner Saltzman has some comments, as well. First I want to start by thanking you for your leadership on this issue, and for pushing for a

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solution, and I want to also thank and recognize a couple of bureau, the bureau of development services and the bureau of planning and sustaining, to work with folks in the community as volunteers to take on these issues. And we have had a lot of active involvement from the historic landmarks commission, from planning and sustainability commission, and from, from organizations that are advocates for historic preservation in the city, and we have representation and testimony from some of them here today. And I just appreciate the good and collaborative work that's been done to, to address both, both the practicalities of permits and remodeling for people who own historic homes and the passionate desire on the city to maintain the wonderful historic fabric that we have. So, just want to commend the good work, and yours, especially, and turn it over to you, commissioner.

Saltzman: Thank you, mayor. I just wanted to sort of join in on the thank you's. I think this is a great example of, of our government, our city government being responsive to concerns raised by neighbors, primarily, in the irvington neighborhood, but these issues are also raised in the buckman area, and around the cost and expense and, and the scope of, of the design review, and how it relates to home improvements. So, I think that the product before us is a great product. I think it responds to those concerns. So, I want to say, thanks to all of people who worked on this. And I know a lot of you won't be here next week when we vote so I want to get my comments out now, so when the controversies in the irvington district and the buckman neighborhood surfaced last spring, we really -- the bureau development services and the bureau of planning and sustainability worked hard to come up with solutions, and they did so quickly. And so, those solutions are before us today. So, first off, a big thank you to the two bureau directors. Paul scarlet with the bureau development services and susan anderson, the bureau of planning and sustainability. And this project was a team effort between the two bureaus and would not have happened if susan and paul not rolled up their sleeves and provided the critical leadership to, to move the project through the system this fast. And also, of course, there is the tag team duo of tim heron with the bureau development Services and jay with the bureau of planning and sustainability. And a great team, these two made with very, very complimentary personalities, and but, they are down to, they are professionals that also get it. And whenever a project, a code writing project happens in the city, you know that, that joe has been working overtime on that, too, so thanks to, to joe as well. And, and I must admit, I am very excited about the creation of the Portland coalition for historic resources. For coming together, coming together around this issue, and your advocacy, your passion and demeanor and are what make it a pleasure to, to keep my job and to keep it up. So, thank you, and I look forward to your continued advocacy to preserve our resources. And a big final thank you to the landmarks commission, and the planning and sustainability commission. Landmarks chair, carrie richter, and planning and sustainability chair andre boss, a special thanks to them. These two bodies were, are incredibly dedicated volunteers and were critical to making this project work on the accelerated time line. So, again, thank you all for the great work, and I am really pleased this project is here before us on such a fast time line.

Hales: Thank you, I think the bureaus are here and ready to make a presentation so susan and paul. Kick it off. Thank you.

Susan Anderson, Director of Bureau of Planning and Sustainability: Good morning. Susan anderson, director of the bureau planning and sustainability. And as others have sat with me here, paul scarlett and diane hale, from my office who will do the presentation, and also, tim heron from bds and jay are here to help answer any questions. Also here are don hanson, who is a past chair of the planning and sustainability commission, and also a current member, and carrie richter, the chair of the historic landmarks commission, and they will make a couple of comments. I, too, want to thank commissioner Saltzman for his leadership on this. He pushed us to say, can't you get together and do this quickly, and we looked at each other, and said, we should start, we should start doing more of this, is what we said, and I think this is a good first example of us pushing forward on these

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things, and the problem to be solved was that homeowners in historic and conservation districts often faced relatively high fees for relatively small projects. And a process that could take from six to eight weeks just to get done. And so, a team from Paul and my office worked together to make changes to the process, providing for exemptions and also providing more clarity so we created, a quicker, easier to understand, more predictable process, and for minor projects, while insuring that, that the process helps to continue to preserve Portland's historic Character. We started the project, I think, in the middle of the summer. And the planning and sustainability commission, the, the historic landmarks commission and the Portland coalition for historic resources, the three groups together really brought different perspectives, which was really important. And they also brought different kinds of expertise and worked together. So, the result is a package of amendments that you have before you today, and that will provide much needed relief to homeowners, and especially the homeowners just making small improvements to their homes. And Paul would also like to say a few words before we go into the presentation.

Paul Scarlett, Director Bureau of Development Services: Good morning, and thank you, Susan. Paul Scarlett, the development services director. Commissioner Saltzman and, covered the points I was going to make, but it reinforces the excitement I had about being able to -- thank you. This happened to me last week. Being able to work together collaboratively. A solid partnership. The bureau of development services, we are responsive for administering and enforcing the zoning code, which BPS writes through the legislative process, so, as things come through the review, the development review process, we identify what's working and what's not, and we communicate closely. This was one that was a pressing issue, as Susan stated, the time line, the cost. We had a one size fit all, and certainly, not relevant, not appropriate, so we identified ways and solutions to, to make this more, more practical, more reasonable, and that's what we have in front of today. A number of exemptions created, a number of reduced -- it reduced the timeline from six to eight weeks to three weeks, that's, that's amazing. And costs, a year ago, was about 1300, and that was too much, we did some work through our fee process and got it down to 900 with this new code, we're looking at somewhere around 500 or so, we have a fee ordinance coming to fine tune that some more, and so I'm excited about the ability to bring it down. And but, without staff, Tim and Jay and Diane, and our partnership, we would not be here, and it comes as a result of responding to neighbors, to employees, and to, to stakeholders, to council, and I think, like Susan said, we have a really great template, and it's like a pilot, and we can look forward as to how to make this work some more, certainly, I say that with some caution because we did partner up financially, as well, with BPS, and this is, this is the legislative process, so we will do what we can, but certainly, on the financial side, certainly we have no limits on helping out with the time and the energy and sort of being collaborative. But, this is exciting and, and hopeful that, that this will work, and we look forward to administering and implementing and working with the residents and customers coming in for, for the changes.

Hales: Thank you.

Scarlett: Thank you.

Hales: Go ahead.

Diane Hale, Bureau of Planning and Sustainability: Good morning. Good morning. I am Diane Hale. I work at the bureau planning and sustainability. And I would like to mention that public record for this project is in the room and available for review. Today we will briefly review this recommended code amendment package, and then you will take testimony from community members. As Susan mentioned, this came about because of concerns about, about the, the time and cost associated with this direct design review. So with that in mind, the goals were to improve the review process, and to preserve historic character, and to create a quicker, easier, and more predictable process for proposals with minor impacts. This is a map of, of the historic and conservation districts within Portland. That, the historic districts are shown in gray, and the

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conservation districts are shown with the hatching. And Portland has 20 districts, and approximately 700 individual landmarks. Individual landmarks can be located within the districts or they can be on their own properties like, like the ladd carriage house or pittock mansion. And we began this project last summer working with community members, to identify their Concerns. And in the fall of 2012, we worked with folks to develop alternative concepts. In november we released a discussion draft with the first draft of the specific code amendments, and the landmarks commission held a hearing on that draft in december. Last month, the planning and sustainability commission reviewed a proposed, proposed amendments and also took testimony. And today we are here to present their recommendations for your review and, and to listen to the additional testimony. Throughout the project, we have been working with a variety of different individuals and community groups, including the neighborhood associations. And district coalitions, and the development review advisory committee, the Oregon remodeler's association, and the Portland coalition for historic resources, which as many people have mentioned was formed to, to help participate in this, in this project. And that group includes representatives from, from neighborhoods, the bosco milligan foundation, the history preservation league of Oregon, the american institute of architects historic resources committee, and a variety of independent professionals. We have also held hearings with the landmarks and planning sustainability commissions and have been in contact with the state historic preservation office. In general, we have heard support for the project goals And the draft code amendments, but we have also heard that there are several other issues related to regulating historic resources that people would like addressed. And we recognize, and they recognize that, that those issues cannot be addressed with this project, but we are hoping that the city in future projects address more of those issues. This proposal has three main components. New definitions. New exemptions. And a new review of procedure. Although the amendments in general, they are also listed in a summary table on page 7 of the report if you would like to follow along and look at the detailed descriptions. According to a review of past applications, conducted by bds staff at the beginning of the project, we think that, that these amendments could make the process faster or easier for, for approximately 50% of the applications. That come into the development. Services. Base on that analysis. The first component of the amendment package are clarifying the definitions. Repair and maintenance are currently exempt from staff review and will continue to be so. And these are things like reroofing, or repainting. And we have heard that there has been confusion in the past on the part of property owners and staff around the terms as well as other terms such as restoration. And I have some examples to Illustrate the potential confusion. If you remove a small section of siding, that is deteriorating, and you mend it with similar materials, that is considered repair. If you remove all the siding and replace it with vinyl siding, that is considered an exterior alteration and would require review. And if you remove vinyl siding added to the home after it was built, and you reveal the original side, that is considered restoration. This proposal helps address the potential confusion by providing definitions. The second component is a set of new exemptions for minor alterations that staff feel will not have a major impact on the significance of the resources. The alterations go through a land use review procedure. The newer exemptions include installation of the accessibility structures that comply with federal ada requirements. And removal of fire escapes that have been deemed dangerous by the fire marshall. And alterations to interior light walls. Other new exemptions include the installation or alterations to skylights and roof hatches, and installation and removal of storm windows. Replacement of the existing basement windows, and installation of new egress basement windows in certain circumstances. And in this project, we tried to balance the need to preserve and protect historic resources with The regulatory burden that protection can place on homeowners. Windows are a good example of, of the balance. And, and original windows, on the homes are often made of wood. And they are considered to be a central part of the, of the building's historic character. And however, homeowners often want to switch them out for vinyl

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windows for a variety of reasons. And with this proposal we are allowing that switch to occur to basement windows while we are maintaining the staff review for windows that are above grade and much more visible than the basement ones. The third component of the amendment package, is a new type one procedure. That would be used to process minor historic design review cases in residential zones. There are currently three procedure types that are used for historic reviews. Type one, type two, and type three. The complexity of the project, the cost of the fees associate and the time involved with the decisions generally increases as you move from a type one to a type three procedure. Currently most of the historic review activities go through a type 2 or 3. We are proposing a new type that shortens the review time, especially in half. And as the director mentioned, we are anticipating the fee will be lower, as well. This new procedure type will have the same notification Procedures of the existing type one, and there will be no local appeal with the new procedure. And the decision would still be appealable to the state land use board of appeals. We have heard some concerns from neighborhood representatives about losing the local appeal feature. And we have tried to take that into account when identifying which specific projects or activities should fall under the category of the new procedure. The savings in time, and potentially the fees comes in part by dropping that, that local appeal. One of the applications of the new procedure type, is for new construction of accessory structures. Accessory structures include things like garages and retaining walls. And currently, new construction of accessory structures less than 300 square feet in size, and is exempt. We are proposing to tighten the regulations a bit because accessory structures certainly contribute to, to the, to the historic significance of a resource. And therefore, we believe that the staff review merited in more cases than currently occurs. In this proposal, new accessory structures in residential zones that are less than 200 square feet, would be exempt. And the accessory structures greater than that would go through the new shorter procedure. Another application of the new procedure for restoration. Restoration is an activity that We would like to encourage because it helps the city meet the preservation goals. Currently, all restoration activities go through review. The amendment package proposes that, that restoration applications in residential zones would go through the new shortened procedure. The last application of the new procedure that I would like to cover today how we regulate the alteration and is residential zones. When we talk about the facade alterations, we mean anything that affects exterior walls of the building, such as removing siding. Replacing a door or adding or moving a window. Currently, these activities go through a type 2 or 3, depending on the project value. And this amendment package proposes that the facade alterations that total less than 1250 square feet would go through the new procedure in general. And there are some narrow circumstances when a project could also be exempt. This provision allows for multiple alterations, as long as the cumulative impact is less than 150 square feet. So, somebody could replace a door and add two new windows as you could see in the example, or four, four new windows. And as long as that total area of impact of the, of the discreet alteration is less than 150 square feet, it would be allowed. So that covers it for, for the amendments. Today, we are requesting you Amend the zoning code, that you adopt the commentary, the legislative intent, and indicate that these amendments would be effective on may 1st. And I would like to, to introduce, introduce two others that would like to make quick comments. Don hansen, former chair, and current member of the planning and sustainability commission, and kari richter, the chair of the landmarks commission.

Hales: And you and tim stay here for questions if we have any, and -- good.

Don Hanson, Bureau of Planning and Sustainability Commission: I'm glad tim is here, he can answer the tough questions.

Hale: Ok.

Hanson,: I am don hanson from the planning and sustainability commission. André baugh couldn't make it today. I am sitting in on his behalf. And we, we had a hearing on, on january 22nd, and submitted a letter to the city council recommending the approval. And rather than read that, I will

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just highlight a few minutes. We thought it would be a good idea to do a user friendly handout that explains this when people come in and they want to make improvement to their house, and also, available on the web, the web. And I think if there are fee reductions, it would be great to state that real clearly, also, and one thing that we recommend, it is a third point, is after one year, perhaps, we evaluate this process and see how it is going, and the two bureaus that, that have done an excellent job of collaborating could come and Report to the commission and let us know how it's going. So, like commissioner Saltzman, I really admire the collaborative nature of this. And it's just worked beautifully between the two bureaus, and it's also a tangible quick implementation project, especially by comparison to a number of the other activities as a commission, so, I really appreciate that my take away from this, after reading the permit statistics, over the last few years, and also, hearing excellent testimony from, from people, from great Portlanders that live in the neighborhoods, and is that people like their neighborhoods, and their historic neighborhoods, and they like living in their houses, and they are investing significant money to improve those houses. I think that bodes well for all of our historic districts and our inner city neighborhoods. So, I look forward to this being approved because I think that it facilitates those improvements for people, and, in the historic districts and the neighborhood. Thank you.

Hales: Thanks.

Carrie Richter, Chair, Portland Landmarks Committee: My name is Carrie Richter, the chair of the Portland landmarks commission, and really quickly, I want to join in the big kumbaya session, that's happening right now, and thank everyone, for, for their, their hard work and, and two quick points following on what Mr. Hansen said, the landmarks commission is committed and identified a goal for 2013 to, to provide the link of handouts and matrices and things that make the code easier.

And updating the, the landmark commission website, with those materials, we're working on a window and doors, sort of, advice sheet, I know the historic coalition is doing the same thing and, and, you know, just making this information available, how to, to guide, if you will, and so, I am, I am privileged to be a part of this, and I also want to, to say that it was great fun working with, with the, the planning and sustainability staff along with the development services staff because we got to, actually, draw out what, what 150 square feet cumulatively could be on a 45-degree roof. Or, you know, how that looks on the back of a building, and it's fantastic when, when you have the folks on the ground, who deal with these all the time, weighing in on how this code language will work. And so, you know, it was fantastic, and the landmarks commission is committed to continuing the oversight on how this new procedure works. And every year during the retreat, which we just two days ago, we talk about the, the cases that came the year before. And so, we're going to be able to see if, if 150 square feet is exactly right or if we can go up to 200 square feet or how we can jigger the system, who, who make it easier and promote the, the use of, of the resources. So, thank you.

Hales: Questions. Anyone? Great. Thanks, a good presentation, thanks very much. I think we're ready for public testimony, and any other invited testimony? Ok. Public testimony, Karla, thank you.

Moore-Love: We have 14 people signed up. The first four, please come up.

Hales: Good morning.

*******:** Good morning.

Paul Falsetto: I will kick it off, I am Paul, I work at 322 Northwest 8th Avenue. And I am a proud member of the Portland coalition for historic resources. I want to welcome new members to the city council. And I guess the returning member in a new position. And a new role. And the coalition as mentioned earlier is a unified effort of community members with the goal of protecting our historic resources. Now, the greatest amount of historic resources in the city are contained within our 14 national historic districts, and our six conservation districts, and believe it or not that comprises 8,800 properties. So, on one fell swoop, you make life better for the districts, you have done a

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tremendous amount of work to, to further the efforts of historic preservation in the city. And these properties keep Portland's history and storyline alive. And they do it in real-time. And the folks that own these properties, the majority of them are as dedicated as the folks that built the properties initially. So, we want to make sure that any process that they have to go through to bear the maintenance work is simple, easy, clear, and we're going to ask that it be cheap, as well. The cost that it was before the recession hit. And that makes sense to us, and to, to homeowners, as well. The historic code improvement process that was outlined by Diane and the bureau chiefs, we thought was, was an excellent process, in the manner that it was quick and it was surgical, it was like orthopedic surgery to go right in, and we both had it recently, so we know. And fix the meniscus to get to the heart of the matter, and really the heart of the matter is understanding what are the basic items you don't need to talk to the city about. And what are those items that are so minor that, that you can create this new type one, which comes with a quicker process. We had to give up the appeal, the local appeal but we thought that there is a balance there, and ideally, it's cheaper, so you are containing a good majority of the simple things that people do every spring, and you are doing it in a manner that they can get it done quick, and easy with greater understandability of what they are trying to do and at less cost. I think that, that this entire process is a win-win. This is a good Portland success story, and the coalition is pleased, too, that the two bureaus have worked so well together. And the two commissions have worked so well together. And we would like to work well with both of them and create this, this tripod, if you will, of efforts to further historic resource preservation in the city, and now and in the future. Thank you.

Cathy Galbraith: Good morning, I am Cathy, the director of the Boston Milligan Foundation. We operate the Architectural Heritage Center at 701 Southeast Grand Avenue, and we are in the Grand Avenue East Portland Local and National Register Historic District. I am revealing my longevity when I say this is the fourth code amendments and procedures that I participated in. All of the previous ones were supposed to make the process better. But I think that this is truly the first time that the broad and diverse presentation community, both of the bureaus with responsibility for the historic resources, Landmarks Commission and the Planning and Sustainability Commission, all came together and worked to make the process better. And most important, in response to the concerns raised last spring by homeowners, potential applicants, throughout the city who are concerned about the process and fees, and those you on the council, I was told to fix it, and that's what we have gone off and worked together to do. And when private property owners take on the added responsibility additional reviews for the work that all of us do on the houses that we own, they should know that they are adding value not only to their buildings but to their neighborhood and the city as a whole. The amendment package provides for four benefits, which Diane Hale outlined the small and simple projects. A new type one for quicker and more direct process review for the simple projects. And where the currency is now cost more than the actual work itself. A simplified review process for what those of us in our field call non-contributing properties, the buildings and districts built after the historic period, and we expanded the definition section to get rid of all of the jargon and make sure that it's something that regular folks understand. Our proposal has a short list of recommendations for a resolution for you to consider today, and you will hear some testimony from people about each of those, and we ask for your endorsement and your speedy adoption. You will be supporting the hard work of your bureaus, and your public boards and commissions, and most importantly, you will be acknowledging the support and the interest of, of the ongoing work of thousands of historic homeowners and building owners in the city. Also I want to assure you that all of us that have formed as the coalition, for historic resources is not going anywhere. We're in this the long haul, and you will be seeing us as the issues arise as we try to make Portland's preservation program better and stronger. Thank you.

Barb Christopher: I am Barb Christopher, and as a member of the Portland Coalition for Historic Resources, and the Irvington Historic Preservation Committee, I am proud to be one of the citizens

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who pushed to see this code revision come through. We are here to push for the restructuring of the historic design review fees that must work hand in hand with this language. And in two-hit, when irvington volunteers were going door-to-door surveying the properties in our neighborhood to create the city's newest and largest historic district, the minimum fees for historic design review for a type two project stood at 574. Additionally fees from other bureaus were tacked on bringing the total to roughly \$800. The same project could be faced with fees of 1700 and up. The cost recovery has been in the driver's seat, and historic preservation has been taken for quite a ride. Our research has shown that Portland has the dubious honor of the design review places in the nation. Staring down fees 100% higher than a few years ago, even the most preservation minded citizens within our districts are questioning the benefits of these districts. Others are outright ignoring the design review. Leaving the city with uncollected design review fee, and projects trying to go under the radar and time consuming code compliance cases. And last year at this time, we came before you to press for new code language and revised fee schedules schedule. The new review presented to you Today is a great start. We will, it will clearly identify a range of minor projects and fastrack them through the system. And the preservation community has made real concessions in the language proposed for the reviews. And most significantly as you have heard giving up the appeal, but also, exemptions to work less than 150 square feet. And with fewer costs to recover, property owners have a right to inspect lower fees, and it's tough to explain to our bds, dps dual system to a lot of folks delaying the restructuring at this point will only make it difficult for the average citizen to think, not to think that one hand didn't know what the other hand was doing. And for this new type one review to have real impact and in preserving our neighborhoods, a reduced fee comments ratted with the reduced review process must occur. And we urge to you ask bds to move swift toll adopt the single bureau flat fee for the new type one reviews to bring property, relief to property owners right now before the construction season really gets up and going. Thank you.

*****: Good morning, I am tim. I am here as the --

Hales: Push the button in the center there.

Tim Askin: Good morning, I am tim askin, and I am the co-chair of the buckman community association's land use committee and a member of the Portland coalition for historic resources. I have much to add to ms christopher's comments about the Free structure for the design reviews. The fees are the highest in both the state and the nation by several orders of magnitude are simply an equity issue. Historic preservation is not and should not be forced to be an enclave and a hobby of the rich, but the city's fee are, forces it to be so, and as I am sure you know buckman, which is proposing a historic district right now is, not a wealthy neighborhood. As of the 2010 census, the median income was 38,000. Even excluding the high poverty areas west of 11th. And substantial portions of the alphabet district, historic district have median incomes lower than buckman. And further, our friends in irvington do not deserve the wealthy reputation, irvington and buckman have the exact same rate of 40% of their children in poverty as of dps's 2011 data. And the historic preservation should be an option for everyone. The collective history of the poor and the middle class matters more than, than any individual landmarked house because it is more truly the city's history. The history of the masses. We believe that we should be able to afford to protect our modest neighborhoods, built and lived in by average people 100 years ago, without the constant threat of development pressure, upzoning, and the system's development charge waivers that incentivize teardowns of structures over the development of the lots and parking by tens Of thousands of dollars. We want to be able to protect our homes and neighborhoods and be able to keep this already high density and affordable housing stock that the city needs so desperately. The current fee structures are causing people to choose to take their chances with the developers and the teardowns and maintaining their beautiful neighborhoods. In conclusion, I beg you to, to pass this code reform package and direct the bureau of development services to, to immediately implement fee reforms effective on the same date the code reforms go into effect. The reforms must be in

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place for the spring and summer building system, that will be underway long before the July 1st fee date. Thank you.

Linda Nettekoven: Good morning, Mayor Hales and City Council. My name is Linda, and for the past 14 years I have lived in the historic district. As some of you know I serve on the Hosford Abernathy or Hand Board and on the Hand Historic Resources Subcommittee but I'm not speaking on behalf of either those organizations this morning. Merely as a member of the Historic Resources Coalition. And I do want to, to express my support for these much needed code improvements. And we are talking about need for changes to code language and procedures and fees, and other things to come. And I want to focus for a minute on the other side of the Equation and what folks like those who have been part of the coalition and other community members will bring to the effort to the long haul. So I would like to highlight some of the things that, that folks have been and will be contributing. In addition, the countless hours that volunteers devote to the creation of a historic or conservation district, and in many of the districts, we have small cadres of people with extensive historic preservation knowledge. And they serve as consultants with their neighborhood land use committees, in my area, for many years they have been willing to share what a historic district means, work with neighbors on the review process, and offer advice or suggestions if asked. And in fact, that is how I first got involved in this process. And having my young type 2 review denied by BDCs and the land use committee at my first meeting. Since I had no idea I was a contributing structure in the historic district. And helpful neighbors came with suggestions of other ways to accomplish what we were trying to do with our remodel. And this story repeats itself again and again in many neighborhoods. And it would be helpful if we could establish, perhaps, stronger linkages between BDC reviewers and knowledgeable neighbors who are willing to play this role in an ongoing way. And in addition, for several years, speaking of my situation, we have talked about how to create a 21st century version of a welcomed kit that would alert neighbors to the, to the special things that are happening in and around their area. And we, of course, would include in this kit, for the historic district, neighbors, some information about what, what that, that particular system will bring to them. And the Irvington neighborhood has a brochure and a relationship with a realtor who can alert them when neighbors move in. And most recently we met with folks from BDCs and planning to explore ways to improve the outcomes for historic structures on our commercial corridors where infill is occurring. And we hope to continue that conversation. So, these are just a few of the things that we're looking forward to in the future, and are looking at, at not only ways to help individual property owners, but ways to preserve that entire historic fabric of the community. So thank you.

Tanya March: I am Tanya March, and I am on the Portland Coalition for Historic Resources, and I am the NWDA rep, I would like to discuss my idea of the user friendly cliff notes or handouts, we need to have, as a critical part of the effort to reduce staff cost by preparing the applicant for the system. And to be able to address frequently asked questions through the cliff notes. Things to help people coming in for the permits to know whether a permit is required, and to help them understand the, the project's time line, and an estimation of fees. And some, some frequently asked and needed cliff notes would be historic homes, 101 guide, so that people know that paint is not something that need to get a permit for. Something that also would explain the purpose of being in a recognized historic building and historic district. So understand and recognize the clamor and the asset that, that your home or your building is providing. We need a window guide. There's been one created. It would need to be updated to meet the code. And we would need a cliff note for porch and decks, for new additions, new technology and requirements of old buildings which would include solar panels, and radon preventing, the gas, and HVAC systems and ADA ramps, and we would need one for garages and outbuildings. Thank you.

Richard DeWolf: Excuse me. I am a proud member of the Portland Coalition for Historic Resources. I am Richard DeWolf, and I would like to speak to you as somebody who works in the

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city of the, as a contractor. I own and run a company, Arciform Contractors. We have 45 employees. We work throughout the state of Oregon, and the state of Washington, with hundreds of projects in both states. That being said, working with the city of Portland and these, we have the most complicated and expensive rules in all the different jurisdictions, that, That my company works in. I also served on the board for the construction contractor's board for two terms. And its purpose is to protect the public's interest to improvements to real property. And that's all property but today we're speaking about historic properties, and I feel like that's the same goal for the Portland coalition. And so, my job, as the owner, i'm an advocate for the property owner. Firms like mine could benefit from, from overregulated and complex systems, but that's not something that I see as a good business model. The expenses that the clients, my clients would have to pay for don't give any value to the property, they don't give any value to the homeowner, and so, it's not a, not an expense when i'm figuring out fees for my clients. So, we have reviewed some of the different changes that we want to see, and that's, that's the, the user's guides, some changing of the language to, to better define what a street facing facade is, and, the fees and the and the type one fees not to exceed \$250, and when we go ahead from year to year and we look at changes, I would like to push that, that down to, to zero for people actually going through the historic restoration because that's what the goal, the goal is, is to do, you know, to say our resources. So, in conclusion, I support the changes outlined by the Portland coalition for historic resources. And I know my employees do, and I am sure that, that most and all my clients would also support these changes. Thank you.

Brandon Spencer Hartle: I am brandon spencer hartle. I am the field programs manager for the historic preservation league of Oregon, and I am here today to support the historic resource code improvement project. For the last year the historic preservation league of Oregon has participated in the coalition for historic resources, and I want to give a get of statewide contacts for the work they have been doing here. In 2010 our organization went statewide it talk about healthy historic districts, and we came up with four characteristics of a healthy historic district, and I want to read one of those to you. The healthiest district has clear and consistent regulations that protect the district's history but don't prevent positive change. The situation in Portland today is that our design review process does prevent positive change. From a statewide perspective the issue here in Portland is the most critical preservation issue in the city, the package in front of you would help to remedy that and would allow us to move on to other concerns here in Portland and statewide. We know that this historic resource code improvement project would positively effect 8800 historic properties, that's one-third of the state's designated historic properties, so it's a lot of properties. And I wanted to mention three reasons why preservation has tangible benefits and this is information that comes from regional and national research. And rehabilitating a historic building allows 75% of the economic benefits to stay within the community. And rehabilitating a historic building creates more jobs per dollar spent than new construction. And also, rehabilitating and maintaining a historic building can conserve energy and keep valuable materials from going to the landfill. We think it will accomplish all three of those here in the city of Portland. We know that the Portland's design review fees, as you heard and the process, is inconsistent with other jurisdictions around the state. And Portland often sets the tone for historic preservation efforts in the metro area and statewide. And the last couple of weeks our organization has received calls from people in beaverton and around the state who are concerned about the design review fees, not because they are a community, their community has them but because this information about what's going on in Portland has gotten out around the state, and people are going to, getting concerned for their own neighborhoods and historic districts, so in conclusion, the historic preservation league of Oregon supports the resource code improvement project, and is excited to continue working with the coalition for historic Resources, and the great staff here in the city of Portland. Thank you.

Hales: Thank you.

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Fish: I was struck by one of the statistics, and may have heard them correctly, but about the value, the economic impact of preservation versus new construction, could you state that again?

Hartle: Sure. So the historic preservation, rehabilitating a historic building creates more jobs per dollar spent than the new construction. And it's also true for manufacturing and mining.

Fish: I would like to, to know more about that. That runs somewhat counter intuitive to -- because of another area of the work, which is affordable housing. And we always say that, that preservation is a cost per square foot is less than new construction when it comes to preserving existing buildings versus new, excuse me, new construction. So, I would be interested in what the formula is on that, I mean, I am sure it's right, but it's -- we save money when we preserve buildings affordable. But this is, obviously, with a historic overlay, this is a different formula so --

Hales: I thought it was intuitive, and he's not talking about total cost. He's talking about the proportion of, jobs to dollars spent.

Hartle: Right.

Hales: So historic preservation involves more hands-on craftsmanship, and There is more labor going into the project.

Hartle: I would be happy to send your office information.

Fish: I did see that. Yes.

Hales: Makes sense to me as someone who owns a 1930 house and spends a lot of time with a paint scraper. [laughter] thank you. It's not in the historic district, but it's beautiful and old and needs a lot of work.

Hales: You may be intimidating other people but come on up anyway.

*******:** Am I first?

Hales: You are, go ahead, please.

Dean Gisvold: Ok. My name is dean, live at 2225 northeast 15th and irvington, and this is a report from someone who is working in the trenches on a daily basis. I am on the ica board and been the chair of the land use committee for the last five years. And I have personally reviewed every application that's been submitted to the land use committee in terms of the urban historic district. There's been 100, and I am here today, since its formation in october 2010. 2.5 years of experience in dealing with applications and a lot of people who tried to do restoration without first applying. And went through the code, the complaint process. And i'm here today to make two recommendations, one in particular. And I strongly recommend that You consider restoring local review appeal to the type one reviews. And in other words, the neighborhood or the applicant should have the right to appeal a staff decision in a type one to the landmarks commission. Which is the case with type 2, there is an appeal, and with the type 3, there is a hearing in front of the landmarks commission. The landmarks commission, of course, is full of experts who know more about the historic matters than I do. During the 2.5 years that we've been wrestling with this matter in irvington, and i've been involved with all those, we have had over 100 applications, we have had two appeals. At the ica is, has undertaken, and i'm just telling that first appeal was a disagreement with the staff interpretation of the particular historic district regulation. We appealed to the commission, and the commission sided with the neighborhood thus change that go interpretation on an ongoing basis. Without local appeal, i'm not sure what our remedy would be, complain to the bds or the city council. Going to luba is not a sufficient remedy whatsoever. The second appeal involved the compromise solution agreed to by the staff, and by the way, there is a lot of discussion with the staff. And I have to commend the bds staff as, as highly educated on these issues, and really citizen involved in working with the people, and working with the Neighborhoods and trying to reach a compromised solution, which in many case, were done. And in one case, it was not done, we appealed it, and the commission sided with the neighborhood, and there was one other appeal, by an applicant, who appealed to the commission, and the commission sided with the neighborhood. So, two appeals, 100 cases, and I don't think that the appeal process has been portrayed as costing a

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lot of money, costing a lot of staff time. That's not been our experience. And, and the neighborhood has developed a process to review these quickly, I call it the rapid response team and, and we can do it in a week. And we can participate effectively in this process as we have in the others, and I think that if you ask the, the folks at the bds who I work with that they consider us a partner. Not, not a hindrance.

Hales: Thank you very much.

Gisvold: Thank you very much.

Nancy Oberschmidt: I am nancy, I live at 1507 southeast alder. Buckman neighbor, neighborhood for, for 35 years now, and my house is on the historical register individual, and I took it through a, a long, a long, arduous historic review process a few years back, and to, to replace a crumbling foundation. And, and this allowed us to, to convert the house into a duplex, and my cousin lives in the basement apartment. Which is legal, you know. There is a lot in the neighborhood that are not. And I volunteer for, for the buckman historic association, and I worked a lot in the last three years, and on this, this process for historic district, and for the part of buckman that has the highest concentration of historic buildings. And without this protection, we feel like, like the character of buckman would be lost. It is one of the oldest remaining historical residential, residential neighborhoods in the city. And we feel it's threatened. Those that are opposed to the district fight the high design review fee, and the cumbersome process so i, I -- I urge you to pass this, the amendments to the historic design review.

Hales: There, thank you. Push the button in the center of the console there.

Susan Lindsay: I can do that. Good morning mayor and commissioners, I am susan lindsay, and I am chair of the buckman community association. I want to echo what nancy said, we recently at our february meeting, we had 60 people there to talk specifically about the proposal to put new national historic district into a portion of, of residential buckman. And what I have heard since this whole idea has come up it, has been going on for a number of years, and it really was generated because of the, of a great deal of concern that's happened with this close in low income historic neighborhood that has no protections and, and has earmarked as a lot of southeast Portland has been. For a great deal of, of rapid Density. That, that backed off when the recession hit, but since the recession has, you know, eased up, here we are again with towers starting to go up as you well know, and because there is, there is a great deal of, in southeast Portland a lot of streets that are recognized as this, as this high transit street, and we have got, this additional issue of a great deal of density coming in and the houses being threatened with demolitions. And we did have a number of demolitions that is have taken place, so the neighborhood association has not taken up a position on the, the historic district, however, what we tried to do facilitate the process. And in facilitating process, what we hear from both sides, the proponents and those in opposition, is that they love buckman, and what everybody is concerned about, is the process, the onerous process of design review as well as the fees. And this feeling of the lack of equity that wealthier neighborhoods are able to try to afford to be and put together a, a historic district and, and the low income districts cannot do that. So, i'm here to, to say, first, thank you, commissioner Saltzman, for recognizing when we came to you last year, and we said this is a great concern, and putting together, and getting the help that you did from jay and from tim, and from, both, all the staff at bds and planning who came together To make the changes. We absolutely support the changes. And we like the fact that there is going to be review on the changes, on a yearly basis, and anything that we can do to get those fees down, and in particular, to get them, you know, waived in situations where we have got, you know, working people, homeowners who are simply trying to improve their homes would help. And I have made commitment to, to the folks in buckman on both sides that I will speak up about this concern that we have about the fees and the process. People continuously, that's what they talk about, that they want to be able to make small changes and they want to love their houses and they simply can't afford it. So, thank you for listening. I also have a letter that I will submit into the, the

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record from, from Christine yun, she is the president of the buckman historic association, and asked me -- she could not be here today, but asked me to bring this letter, and she supports the changes. Thank you.

Hales: Thanks very much.

Fritz: I have a question for susan, we have heard that the buckman community association's residents, are generally lower income than, than say irvington. And I am wondering if your community association would have the capacity to establish a rapid response like we just heard from dean in irvington.

Lindsay: You know, I love listening to that. You know, to tell the truth, we have to do rapid response for all sorts of issues, so far, it hasn't been anything related to the historic design, but, you know, oftentimes it has to do with, you know, rapid response with the crisis that has come up, so, I think that we would but I was very interested in hearing that, and, and of course, that's a lot because, because folks in buckman, we're working people, so, even the fact that i'm here today, I had to, you know, to don't tell anybody and I know it's televised, but --

Hales: It may be out of the bag there.

Lindsay: I had to step away from my day job to be here.

Fish: Thank you for coming in and representing susan.

Fritz: We really appreciate it. And potentially there might be some collaboration between the neighborhoods, perhaps, since irvington is one of our most involved neighborhoods regarding historic districts.

Gisvold: We would be happy to help. Anyone who wants to learn how to do a rapid response team.

Fritz: Lending some expertise should buckman have an application that they cannot get to.

Hales: Thanks.

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

Hales: So maybe, I know I have a question for staff, others might, as well. So, if you could come back up, tim and diane. So the question I want to pose is the one that dean's testimony raised, and that is, if, and I was wondering about this, if Appeals are fairly rare, and at least in their experience in irvington, they have been, why is the, the appeal to luba a significant cost savings versus the local appeal given their relative rarity? So.

Tim Heron, Bureau of Development Services: Thank you. I wanted to talk, this is tim with the bds, thank you, mayor and welcome aboard again. And commissioner novick, we got a chance to talk but nice to see you in person. And of course, the rest. I think the quick answer is, with the appeal period added at time to the review, I would add two weeks minimum to the process, and effectively, would make it, would put us back into our type 2 category. So, the, the strategy was two fold, not only to push towards a faster, slicker process. That could potentially have a lower fee, by virtue of the proportionally smaller scope of work, was also to have a time line. So, when you have, a window restoration or small scale restoration, those types of work usual turned around very, very fast, and by adding that additional time line, we felt that we could save time in get that go approval back out the door, and which was the, allows the permit to get out, and work to get done faster. And I think that, that the only other added, and I would turn it on its head, relative to the low number of appeals, is, is that, is that they are low because we do it so well. So, why add two weeks to the time line for something that I Think that we have nailed down very effectively. And from an issue of checks and balances, we, bds staff meets with the landmark commission yearly prescription. And they will also present to you their findings of the last year, the state of the city preservation report, which we have yet to schedule, which will be in april. And what we will do is review and already do is review the, so the commission doesn't see it directly, and those are current type two reviews not appealed. And we talk about what staff has been doing and what we have heard in the community, and check in with them and relative to our review process and how well

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are we doing it, and did we miss something? And are we not following good preservation direction? From the landmarks commission.

Hales: Let me ask you, this is partially a refresher course for me, is it that the new type one appeal is relying on the state statute safe harbor of clear and objective standards, and therefore, is not a quazi-judicial land use decision or is it routing question, of where these appeals are routed, are they routed to the local appeal or routed to luba?

Heron: I would love to, and I am so glad you asked. Where we first headed with this, my goal was, is essentially, to try and deal with the small scale reviews, have a historic confirmation letter, where it's just two weeks, it's the lowest fee possible, a memo from staff that says, this meets the criteria, and we felt like we could get to something that was not discretionary, meaning clear and objective. And would not need noticing and could just be that fastrack quick review. The lower fee and time line. And on advice of, of council, our city attorney's council, it was clear that involves the discretion. And because it involves discretion and because we are, we are in this great state Oregon, and because we are trying to find the, a faster review process for the discretionary reviews and what is, that is what not just the largest historic district, particularly irvington, but is the clean, that within the faster type one review, we do apply the discretion, and in these districts given so many are in the same period of significance, there is not too many ways to do it right. And so, that said, it's, it still allows discretion, and we are moving towards building in templates to allow the processes to meet our cost recovery concerns, and so, we're charging into this with a lot of excitement and, and being able to deliver a cost effective process that's faster.

Fish: Could you address the second part of dean's comment, though. That was a great exchange, and I think that I understood your thinking. The second part that he said, though, was without local appeal, he's not sure what the remedy would be. And so, whether he comes here and takes a spot in our public Session, goes to someone at bds, what, in fact, would be the resource if, in the unlikely event that it was not resolved at the staff level?

Heron: I am glad you asked that too commissioner, because it allows me to say something, I have said at every hearing about the neighborhood associations, they are relentless. And they have my phone number, and they have my email. And I say it as a positive word and they are relentlessly active. Dean's comment about the fast response has had code enforcement officers in our bureau scratching their heads on how quickly violations are coming in, and so, we are working that relationship together, and if there is an opportunity to agree to disagree on issues, what we can do is the neighborhood could, the landmarks commission, when it comes to an issue or a concern that comes up directly, I think that, that they hold onto that, and we address it at a future date.

Fish: Is this an issue that, that you would be able to track and report to us at the one-year review process? So that if there is some, some experience here, you could tell us how is that, in the unlikely event of a disagreement, how does that informal opt out?

Heron: Yeah, I would point out, appeals are always tricky as dean mentioned, in irvington we have had two. One of them was incredibly helpful for staff. And, and it had to deal with a Rare addition, something you cannot see from the right way, helped to inform this process, it added the discussion to, to, to, I think, to refine this document even better. The other one is just more complicated and frankly, it is being appealed to luba and a very, very contentious, and like we come back to the landmarks commission because, because it was a mess. And, and sometimes, that happens. So my point is, the feedback loop that we have from the landmarks commission and the neighborhood is built into the process by eliminating the appeal, and does not mean that we are, we are going to take a different direction. It does not mean that we are not going to listen to the neighborhood. If there are concerns. And also, doesn't mean we're not going to have an audience which would be the landmarks commission, to discuss these issues again, and in one year, when we come back, I would imagine, if this is adopted we'll have a list of the type ones, and we're going to list out what was

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approved or how it was approved or denied. And have a discussion on, on maybe the sticky ones, and see where we can make it better.

Novick: As the new guy, I was less enlightened with your exchange with the mayor. If you have got an appeal process rarely used, how does the continued existence of that process, add time and resources constraints? It seems to me if somebody Decides not to appeal, the fact that they would have time to appeal is irrelevant, they can go ahead and abide by the decision, but is it that if there would be an appeal, what you write up in your decision would be, would be different and more elaborate than if there was no appeal? What adds time and, and difficulty?

Heron: That's a fair question, and I appreciate being the new guy. I hope to work more often with you on this stuff so please call me if you have questions. The shorted version is, is when there is an appeal period present, we cannot honor that appeal period, which means we cannot release the building permits for the work that we approved. And that appeal period takes two weeks. So it was a matter, in these small scale reviews, two weeks means something. Right now, our process is six to eight weeks for type two, that's what they go through now, and if it was appealed, it would add a month.

Novick: Could the property owner just say i'm not going to appeal and give it now?

Heron: It's not just from them but from the neighborhood.

Novick: Ok. Sorry.

Heron: And, and again, what we're doing is not trying to, to take away something that the neighborhood has had practice of exercising. And my point is, saying, well, you know, I think we're doing really well. It's been done twice out of 100 times, and of them was incredibly contentious, with the number of issues and is an active issue, and the other one, you know, it's a learning curve, and we learned, and we're doing better by it, and it informed this process, and it's why we narrow the scope of this review to 150, and it's why we added the new terms for exemptions, and why there is a plethora of support before you today and well organized testimony. And it's why we feel very confident that we can do it well and, and if we drop the ball on one I have no doubt we'll hear about it. And we'll, we'll work that problem if it happens.

Fritz: We don't issue a permit until the end of the appeal period?

Heron: Right.

Fritz: And the procedure for type one is going to go from, from 30 to 45 days, to 14 to 21, why is it and how is it being shortened.

Heron: Great. I may need a little help on this one but, essentially, it's 14 days shorter because there is no appeal period from the type two process. It is 14 days, two weeks shorter than the current type two, which also --

Fritz: I'm talking about the table on page 8. It says that the current existing type one, it is 30 to 45.

Heron: Yes.

Fritz: And the revised type 1 is 14 to 21, and why?

Heron: Oh, check. I have scratched my head ever Since we changed the type one several months ago, and I think, excuse me, several years ago, to extend the incompleteness review period from what we typically do is 14 days to 21 days. And that means staff has 21 days to review an application before they need to send out public notice. And after that, the public notice is 30 days, and I think that, that generally gets us up to the minimums, and at the end of the public notice, the decision can be issued right away, and the appeal, no local appeal would go to luba, so where we shortened that is in the public response period to which i'm glad to say the neighborhood has mentioned the rapid response system is working with that, and we shortened the completeness review window for that. To be honest, I am, I always scratch my head on why they were so long but now that we have defined the scope of this new type one to be 150 square feet or less, they are very small-scale issues. It's in the historic districts where, as I mentioned, there is really not too

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many ways to do it right. So the answers are clear, at least in our minds, and we're very convincing and educative when we talk with homeowners that need to understand why it needs to be one way or the other, and that's how we compress that timeline.

Fritz: This is for historic review so why are you calling the existing procedure 1x and the new procedure 1?

Heron: Good question. The existing type one, which will become a 1x, goes above and beyond just --

Fritz: Won't that be confusing for type ones in other types of land use reviews?

Heron: That's a fair question. We scratched our head on it on how to deal with it. There may be an overlap in the first part where it may be but we feel like because the original type one, will simply have an x added to it, changing the typology is consistent --

Fritz: But for other environmental reviews that are type one that will be a type one, not a type 1x.

Heron: For new environmental reviews, it will be a 1x, and we will reach out and let people know.

Fritz: So this is changing it for all type 1s?

Heron: For the original type 1s, right.

Fritz: Are we changing the time lines for all type 1 reviews including environmental reviews?

Heron: No. They stay the same.

Fritz: So you are going to change the name of the type 1 reviews, why change all the others rather than having it 1x for this one?

Heron: The process is, the way the hierarchy of our code is, leaving xs out of it, type 1, 2, 3, 4. We have already a type 2x. And it is longer than the type 2 process. But it is shorter than the type 3. So, that x is an extension of a review. So by creating a new shorter review process, it is shorter than the existing 1.

Fritz: I think that's going to be confusing in other situations, and maybe we can have a discussion on that. Minor detail, of course. The other question is does landmarks commission have a public comment period at the end of every, at the beginning or end or sometime during every landmark commission hearing?

Heron: If it's before landmarks, absolutely.

Fritz: At every meeting the landmark commission meets at is there an open comment period from the public?

Heron: They have not typically done that but they certainly can, and it is at their discretion to open that door.

Fritz: I would suggest it since there is not a formal appeal to them, because otherwise, the appeal is, as commissioner Fish and the mayor pointed out, will be to the commissioner in charge, and that, you know, might work well in some instances, but there is also going to be public perception that the commissioner in charge putting pressure one way or the other on the staff, so I am concerned about there being some route for getting an issue like this, which is going to be approved in 21 days max in front of the commission in a timely manner for them to run it up the flag pole from their perspective. Rather than from multiple emails to the member of the council who is assigned to be the commissioner in charge of bds. So that would make me more comfortable if the commission could add that to their procedure.

Hales: It doesn't have to be put in the code but I think it's a good suggestion. I think I hear the underlying concern, does and that is going to be the nuclear option, it's expensive. You know. There is no free right of appeal as there is in the associations and the city process. So there has to be a door that the neighborhoods can go through to say this isn't working and this case illustrates it. I think if that door is there, even if it isn't case specific, it would assure that we're looking at quality control on this from the beginning.

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Heron: Yes, absolutely. The commission meets twice a month. Sometimes they have a less than busy schedule. This will potentially add to the schedule. I think it would be interested though, whether we need to notice, or if it was a public hearing on a type 1 hearing.

Hales: You could add a public comment period I think without having to trigger the whole land use review process.

Heron: I could see her nodding.

Saltzman: Nodding, let the record show.

Fritz: My final comment, the public involvement briefing in the code packet is exemplary. If and when I'm assigned bureaus in May, I will direct my bureau to make this a template and I particularly like not only that you put the dates of who you met with but also how many people participated at each of those meetings. Thank you very much. The other piece that I like is you gave details about what was changed in response to the public comment. From looking through it seems like you hit every single stakeholder group you could think of. Thank you very much.

Saltzman: Question about the fees. Two questions, is there any reason why we can't get a new fee in place by the scheduled effective date of this ordinance, May 1st? Secondly, can the fee be something like \$300, \$350, rather than the \$500, think, that is being proposed now?

Heron: That is a good question for those above my pay grade. However, that said, when Paul kind of nubbed me as he was walking out, I know that's what we are targeting for and I believe we are going to be back before you in a couple of weeks to look at fees.

Saltzman: Get the fees in place.

Heron: Absolutely, and shooting for half of that is the minimum we're shooting for. That is why I mentioned we are gearing up internally with templates so that we can hit a cost recovery as low as possible.

Jay Sugnet, Bureau of Planning and Sustainability: Just to be clear, the fee would be in place effective date of the regulations.

Hales: Other questions? If not, again, we are going to vote on -- this is going to come back for second reading. There might be comments at this point from council members. I will start out. Compliment again, this process that has been thoughtful and collaborative and swift, and that's a great combination. It is hard to achieve. Credit for good work done by everybody from commissioner that led the effort to all of you that did it. It certainly is a model. I will be thinking about the work that is underway right now on parking requirements for infill apartment projects, that same standard is holding in this case. Being collaborative and moving quickly. Like the model, as Susan and Paul suggested, let's keep using it. Just a personal comment. A couple of anecdotes. I spent the last 10 years working all over the country and then I spent the last year and a half running for this office. Couple of combinations from that, two profound impressions. Three, actually. One is other cities have historic districts. You know, the avenues in Salt Lake City and over the Rhine in Cincinnati. And there's county club village in Kansas City. Those are nice historic districts. Thanks to the uniqueness of Portland and our history the decades before and after the 1905 Columbia Exposition, was this amazing flowering of high-quality residential construction over a huge area. And nobody has got this. Nobody has got half of this in the rest of the country. Walking door to door, running for office is a great way to check up on the condition of a lot of the houses and I had a very strong impression over the last year that people really are putting a lot of effort and sweat equity and money into putting those great old buildings in better condition. And that's certainly heartening. And then third, nobody else has got this civic infrastructure of people that care and volunteer their time, whether as a member of a commission or a member of a coalition, that so often bring us good public policy in Portland. So, those three experiences really highlighted what we've got going for us here, that we do have this amazing resource that we rely on private property owners to take care of it for us, therefore, the need to

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give them an easy path to do so and that we have a lot of activists that have advanced the cause. So, really impressed by this whole piece of work. Other comments?

Saltzman: Thank you, everybody, model -- adequate protections for our historic resources. I forgot to single out -- I want to thank Diane and all of the other staff, besides just Jerry and Tim. And Matt of my office, the man behind the curtain in my office. He really helped shepherd this whole thing through to the point where it is here today. When I met with Susan and Paul originally to talk about this and they came back with this schedule of actually having something done this quickly, I was skeptical and I wondered, okay, that February date, are we really going to meet that. February 27th, you got it in on time, and it is a good example and good work. Thank you.

Fritz: Could you have one more comment, since you've have more time to look through things, a question, concerning the proposed code changes for the type one and type 1x, you are proposing to strike the date and time will be at least 30 days of the mailing of notice if five days before the decision must be rendered for all type 1 decisions, not just for historic review. So, for this type of type 1, well organized -- page 56 of the proposed code amendments. So, for this particular issue, there are well organized neighborhood groups who can respond within a week but for type 1 environmental reviews, for example, I don't think there are. So, I'm wondering, and concerned about that particular amendment.

Hales: I will take some further look at that in the intervening week here.

Fritz: It might be better to have a type 1-h for these historic reviews rather than for trying to -- we have it noticed that we're changing the process for all type 1s.

Heron: Keep in mind, this is what is required to be in the notice. Not what the notice requirements are. This is what the notice that gets mailed must contain.

Fritz: It is changing whatever the requirements are for all type one's, not just for historic review.

Hales: Is that right?

Heron: I don't -- I don't believe so. Looking at type one, should be the identical language that was there before.

Fritz: We will look into that. Unless we can get that clarified, there might need to be an amendment on that.

Hales: Let's look at that and see. Yeah, I hear your point.

Fritz: And I do appreciate all of the good work that has happened with the community members, planning commission, landmarks commission, developmental review advisory committee reviewed it. As I said, all of the stakeholder groups and I appreciate the good work.

Novick: I want to say it has been encouraging as a private citizen to watch this over the last year sort of bubble up as a controversial issue and see people work towards a resolution. Some of the same people need to work on the apartment building, parking issue, and come to a consensus resolution as you have in this one.

Hales: This will move to second reading. Given this discussion, I think it is fair to predict that it might pass. We will in the meantime look at the point that commissioner Fritz rightly raised and if there is a need to amend we will do so, but not change the schedule. Thank you very much, moves to second reading.

Hales: We have two more remaining regular agenda items.

Item 177.

Hales: Good morning, Andrew, how are you?

Andrew Aebi, Bureau of Transportation: Good morning. This was my first lid item of 2013, privileged to have you, Mayor Hales, and you Commissioner Novick -- I just have two quick slides to show you. Parks is planning to build a new park facility at 52nd and Alberta. I understand that that park does not yet have a name. But Bureau of Transportation and Bureau of Parks have

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been coordinating the infrastructure improvement around this new park to be built next year. And what we're -- what we're planning to do is to coordinate very closely so that when parks is designing the park improvements, transportation is designing the street improvements next to the park. So, in the past couple of years, I have had two street projects near parks where the parks were both improved with Portland development commission funding and then transportation came in a couple of years later to build street improvements, and we had to tear out some of the irrigation, lighting, new street trees, etc. What we are really trying to do here is work more smartly to avoid the tear-out costs. To give you an example, we are wrapping up a street project near Raymond park, and we budgeted about -- over \$80,000 to tear out irrigation, landscaping, street trees and move everything back to get the street frontage improvement. We are trying to work more smartly here. This is a continuation in effect of what council approved three weeks ago on February 6th when you approved the master plan for the Werbin property. Council gave its approval to the scope of the park improvement. Fair amount of outreach done by the parks bureau on the development of the new park and street improvements that we're planning are fully consistent with the outreach done. Specifically what transportation is planning is to widen the pavement by five feet on both 52nd and Alberta. To provide for off-street parking because that park will not have any off-street parking facility. There will not be a parking lot for the park. And from my experience, my colleagues in parks do a very good job of designing parks. They have become very attractive. As much as we want everybody to walk their bike to parks, there is always a certain number of people driving who need a place to park. So by widening the street, we will provide on the street parking for people coming to the park. We are also planning a more robust storm water drainage system than what exists now. Lastly, certainly not leastly, planning to build sidewalks along the entirety of the park frontage because we want to have a much safer route for people to walk to the school just a few blocks away. So, I'm going to hand out copies of the two slides that I'm showing you here, and I have a couple of emails I wanted to hand out as well. So, now that we, PBOT and parks, have already entered into an agreement to do the street frontage improvements, then the question is do we want to give property owners nearby the option, if they wish to voluntarily, to also improve their frontage as well. And I was contacted by a resident who lives across the street from Holly Farm park southwest Portland who had complained about gravel on the frontage. Gee, I like the park across the street, you did a great job on the street improvements but nobody came to me and gave me the option of improving my frontage at the same time. That and the other two projects I've worked with parks on gave me the idea of asking folks across the street if they also wanted to improve their frontage, they could do that. We're not here to obligate anybody to be part of the lid that doesn't want to be part of the lid. If council approves this, we will go through the design process. Inviting all of the neighborhood residents to the street design meeting to show them what we are planning to build, even if they are not part of the lid. My experience on a street I should be paving in the next couple of weeks near Sacajawea park is property owners come to me during the design process, see what we have planned and like what we have planned and in some cases they say I would like you to take care of my frontage at the same time. Without the lid mechanism I have no way to accommodate that request. And the other email that I wanted to distribute out to you here is from neighbor who lives close to the future park. She expressed some real concerns about storm water drainage and she is very pleased at the scope of this project includes a more robust storm water solution. I will hand that out to Karla. And I think that pretty much recaps it all. I have Travis here from the parks bureau if you have any specific questions about the park improvements which this resolution does not address. If council does approve this, we will be back in four weeks to formally approve the ordinance to form the lid, and, as mentioned, that ordinance will then give the lid administrator, myself the authority to negotiate agreements with property owners who may wish to opt into the improvements as we go through the design. And then finally park did a lot of

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outreach during the design of the project, and they had very clear feedback from the neighborhood that they wanted parks along -- excuse me, sidewalks along the street frontage, to provide that safe route to the elementary school. I would be happy to answer any questions you might have. By the way, here is a slide of what the new park is going to look like. That will be Travis's job to make sure that that gets designed and built.

Hales: Just to clarify, Andrew, if the process moves forward as you just described and the property owner does not want to participate in the lid, they are not in danger of being involuntarily added to the lid and assessed.

Aebi: That's correct. Everybody in effect will be part of the lid and be assessed, but they will be zero assessed. So when we close out the lid, have not opted in, they get a bill for zero, nothing for them to pay. Only way they pay anything is if they affirmatively sign up for the lid.

Fritz: Would they get the frontage improvements?

Aebi: They would not get their frontage improvement. We would widen the street and add the on-street parking on the park side but not widen the street on the other side or add additional storm water drainage or additional pavement widening or sidewalk.

Fritz: I appreciate that you are giving the option for this. Under the lid rules, if the majority of the property owners want in, then they're in whether they like it or not. Here parks by itself is the majority property owner. Are you going to consider a process where the majority of the rest want in, then everybody has to be in?

Aebi: Well, we could do that. If we are looking at bringing anybody in who doesn't want to be in, I would bring that back to council. Obviously I would not have the administrative authority to just do that. My sense of this is that it would be kind of like a development review process happens where somebody is remodeling their house or doing something and they may have a requirement to do their frontage improvement, in which case the lid could be a really good option for them. One of the community folks with whom I spoke, was thinking about redeveloping their property. This might be a good example of how she might opt in. But no, the intent would not be to force the majority of the folks on the other side of the street to be part of the lid if they didn't want to.

Fritz: One property owner could say no and then all of that side of the street would not get done?

Aebi: We would only build the frontage for those property owners who wanted to opt in. Keep in mind we're rebuilding the street on the park side. It would simply be a matter of extending the pavement, adding the curb and drainage on the other side. It is a piecemeal approach. We would only build the frontage for those who opted in.

Fritz: You might have one house with the property frontage and one not and another one with?

Aebi: Yeah.

Fritz: Wow, okay.

Aebi: It is really a policy question that we are trying to avoid forcing anyone. And we might have a property owner who has a real drainage issue they want us to deal with and maybe the person next door doesn't have as much of a drainage issue. On a final note, I would say we are trying to balance the expenditure of park side funds, because it is not uncommon for neighborhood to say we would like to expand this project. We just need a way to pay for it. It wasn't reasonable to ask parks to build their frontage and deal with the infrastructure deficiencies in the neighborhood --

Fish: You're just asking us to adopt this ordinance to give the green light to move forward?

Aebi: Yes. There will be another ordinance coming back to you in four weeks that will formally do that by ordinance.

Hales: Resolution today.

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Aebi: It is really been a pleasure to be able to coordinate with parks on this and avoid -- and work more smartly on these joint projects.

Fish: I move the resolution.

Saltzman: Second.

Hales: Let's take a roll call.

Moore-Love: No one signed up to testify.

Fritz: Thank you for bringing this forward, Andrew, and indeed, if any of the residents do want to see an example of a street that isn't necessarily optimal for the current residents, it would be southwest corner by the Holly Farm Park. I do think I would be open to looking at a modification whereby if the vast majority wants to do it, that you do the whole thing. I think it would be really difficult to engineer a partial storm water system, for example, or putting curbs in some places and not others would create more problems for the property owners, which I'm sure you are aware of. I appreciate this new process recognizing that the city is majority property owner and I look forward to having the hearing. Aye.

Fish: Andrew, thank you. Earlier we saw a wonderful example of collaboration between planning and bureau of development services. This reflects good solid collaboration between parks and transportation and I really appreciate you're looking upstream and thinking creatively about how to use this tool. I am, you know, sort of superficially inclined towards commissioner Fritz's view about looking at this more holistically but I'm also reminding that it is an underserved area that has waited a long time to get their park. I think -- I think the voluntary nature here is keeping faith with what we're trying to do more generally in the neighborhood. Thank you for your good work, aye.

Saltzman: Good work. Aye.

Novick: Aye.

Hales: Experimentation should continue. Thank you, aye. We have one more item on the calendar.

Item 178.

Hales: Good morning.

Jonas Biery: Good morning, Mr. Mayor, commissioners. Jonas Biery, debt manager, I will provide a brief summary of the ordinance. This nonemergency ordinance authorizes water bonds that accomplishes two objectives. First the ordinance authorizes issuance of water bonds that will finance up to \$161.5 million of expenditures water bureau capital improvement program over the next 18 months. Water bureau staff is here to talk about that in a minute. The portion of the bonds for the CIP projects will mature over no more than 25 years. Will be payable from revenues of the water system and it will increase annual debt expenditures by approximately \$10.5 million a year as reflected in the current requested budget. Second objective, ordinance authorizes refunding approximately \$100 million of outstanding water revenue bonds. The funding reduces the interest rates on the bonds and allows us to reduce the size of the legally required debt reserve by revising the master declaration for water revenue bonds. The refunding results in a total reduction of debt service of minimum \$6 to \$6.5 million. I mentioned the master declaration, included as Exhibit A to the ordinance. Declaration details specific requirements related to this series of bonds and future series of second lien bonds, include standard provisions such as requirement to produce annual revenues to pay the debt, coverage requirements, financial tests that must be met before additional bonds can be issued. It also includes a number of administrative updates. I want to provide some comfort to you that it is a big document. It is materially consistent with the exception of the reduction to the reserve, with the water revenue bond declaration that we've been operating under for many years. I would be happy to answer questions about the financing, but I think it makes sense to have the water bureau director talk a little bit.

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Saltzman: Could you explain what a second lien bond is?

Biery: Good question. We also have first lien bonds which means the first use of net revenues is pledged to pay that first lien bond. Secondly, means this is a secondary pledge. We pay the first lien and then the second lien and the revenues that are left over fall out for other purposes.

Saltzman: It is all water bureau -- water revenue. No general fund.

Biery: Correct.

Fritz: \$161.5 million in the new bond issuance reflects \$66.5 million less because of the refinancing?

Biery: So the \$161 million is just the proceeds that are going to just the new money portion. When we issue the bonds, it will be 160 for the new money plus the 100 for the refunding.

Fritz: What happens again to that 6 to 6.5 million that we're saving on the previous bonds? Has that reduced the amount that we are now going out for new debt?

Biery: To the extent that the reserve is reduced. For example, if we had the sort of full reserve requirement, that we've had historically, that would require about \$12 million of additional funding. The way this is structured with the lesser reserve, only about \$6 million. It does reflect that reduction. The savings that I talked about as a result of the refunding is really savings on the annual payments and the 161 reflects the amount we're borrowing -- if we think about the \$10.5 million annual over 25 years, 6.5 in aggregate would be a reduction to that annual amount. So let's say it is a quarter of a million dollars a year less that we will be paying for the 25-year term of the bonds.

Fritz: Thank you.

David Shaff, Director Water Bureau: Good morning, I'm the director of the Portland water bureau. Cecelia is with me, finance director for the water bureau. Usually at this point we would describe what we plan on doing with the proceeds of the bond. I have shared with your staff what our current plan is for the use of 2013 revenue bonds. They will be used primarily for the four big projects that are currently under construction now that you have approved over the last several years. The interstate facility project, bull run dam to power project, powell butte 2 and Kelley butte, and in addition they also funds over the next 18 months other portions of our cip. And they're in the mains program, pumps and tanks program, meter, services hydrant program. Two stand-alone projects. Head work flow meters project and ecc, emergency coordination center. Mains vary from very large project mains to very small one block long type of mains. Some are done by our crews. Water bureau crews. Those that are under \$125,000. Some are done -- those that are above \$125,000 are done by contractors. We expect to do about 50 distribution mains over the next fiscal year. Some of the larger ones that we have planned for this coming fiscal year include the bertha service area improvements, the raymond tank supply improvements, division street piping, carolina pump main extension. Phase two -- on the pump stations and tanks -- fulton pump station, which we talked about a number of times, just about at 90% design and we will look at starting construction in this coming fiscal year. Forest park low tank currently under construction, meter services the hydrants. We replace about 5,000 small meters, the sort of meters that serve our homes. About 30 large meters. They can be as big as the table. And then service renewals. We replace or renew about -- we do about 1,500 last year. We have done about 700 this year so far. And hydrants. Last year we did about 100. We have 150 done so far. We will be doing that -- about that much next year. And then we have talked, I think, the last time when -- when I was here last week about our budget, talked a little bit about the ecc and headwork flow meter projects. I would be glad to answer questions about any of those.

Fish: David, since you preferred to the budget presentation, the question that I had is to the extent that council is going through a budget process which is going to lead to a rate, and that rate may cause the bureau to defer or delay any of the capital improvement projects in the pipeline,

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would a decision that we make over the next few months have an impact on the authority you are seeking from us today?

Shaff: No. What it would mean is that it might push out our next bond sale. So, for instance, we're proposing to sell bonds \$173 million in bonds to produce the \$161 million that Jonas is talking about in March. We anticipate doing in August, 2014 sale. If some of the CIP projects that we are proposing in this coming fiscal year and the out years are projects that the council says let's hold off. Let's defer those. Let's push those out. What that would mean is we would delay our bonds sale in 2014.

Fish: Would that come back to us for a further discussion, who how does that work?

Shaff: Would which come back to you?

Fish: Any deferral of a bond application.

Shaff: Well, we're not going to -- we don't come to you for authority to sell bonds until we're at the point where we need the revenues. So, the question that you're asking --

Fish: You are free to re-frame the question, councillor. What's the question that I should have asked and would you give me the answer that is responsive, please.

Shaff: You will have the ability -- you are required to weigh in on our budget, and on our CIP, and then on individual projects, over the course of the next year, we will be coming to you with contracts, that sort of thing, to move forward on actual construction of contracts. This is that time of year where you as the executive board of city of Portland, are telling bureaus such as mine which projects that you want us to move forward on. Which projects that you have questions about. And what is the impact on the rates and how are we going to pay for those over the next several years.

Saltzman: We would have to approve the 2014 bond sale just like you are here today --

Shaff: Oh, absolutely. The bond sale that we're asking you to -- the bond sale --

Fish: Commissioner Fritz, could you please jump in here?

Shaff: The bond sale that we are going to ask you to vote on next week funds not only part of this fiscal year that we're in, so projects that you already approved, projects for the next fiscal year, and a little bit of the fiscal year after. But the individual projects -- this is -- this is how we're paying for those projects. Individual projects are projects that you have either already weighed in on or that you are going to be weighing in on in this budget cycle.

Hales: This is credit authority. That is what this ordinance represents.

Biery: Correct, if I may just to be clear. First step is the capital plan development. As that develops, bureau of financial services comes back to request separate authorization to finance the capital projects that have already been discussed and approved.

Fritz: Can these revenues be used for other capital improvement projects not identified in this ordinance?

Shaff: Yes, I mean, they're only -- they can only be used for capital projects in the water bureau. So, for instance, I identified the four major projects that we're using. Those are all under construction. But for instance, if something happens -- for instance, we're planning on using the Bertha service area improvements. If the council says no, we don't want to do that, we want to push the Bertha improvements or Carolina pump main extension out to the next fiscal year or fiscal year after, we obviously wouldn't be using these bond proceeds for those projects.

Fritz: What happens -- if a project comes in under budget, what happens to the rest of the money borrowed for that?

Shaff: It depends, commissioner. Most of the time what that means is that the August 2014 bond sale would be pushed out. Maybe it would be pushed out to September or October. We don't borrow money until we need it. There is the possibility that a project that is already approved by the council could be moved up in the project, or in the schedule, but more likely than not, we're going to just delay the bond sale.

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Fritz: And how is that decision made?

Shaff: Well, again, we only borrow money when we need it. So, if a project comes in less than what we were expecting, and, therefore, we have savings, we simply won't come to you for more money until we have -- until we have expended the previous proceeds.

Fritz: Will the Budget office be monitoring that so there is an outside eye on how much money has already been spent and what is left?

Shaff: There is a long process that is very complicated that involves somebody tracking -- every month I have to sign a document that says how much we have spent on bond proceeds, what projects we have spent down to the hundreds of dollars upon penalty -- i'm not even sure what the penalty is. But it is not a good thing. From my perspective, and then it goes to jonas's people and it goes through a number of reviews.

Fritz: Okay. Thank you.

Hales: Other questions for staff? Anyone here to testify on this item?

Moore-Love: One person, nancy.

Hales: Thank you. Welcome. Good morning.

Nancy Newell: Good morning. I wasn't expecting to be here today but I found out about this. I have worked on this issue for quite an extensive time and brought it up to council several times. Main concern is our water will be privatized because of bond debt and the emergency ordinances used for applying the LT2 rule which truly we don't need to rush so fast and we had a very rapid construction attitude on the part of the water bureau management as well as the council member. What we are trying to do is hopefully at this stage, with new council and mayor, repair some of the damage and I think some of the questions that commissioner Fritz asked were very relevant. First thing I would like to point out on the interstate facility, there was a no bid process. Why? why wasn't there competitive bidding? We are way overpriced on some of the things. Water costs the highest in the country right now. We have a gravity system, no excuse for it, except to look at your contracts and figure out why we are paying more than anybody else for projects that we don't seem to be able to challenge whether we need or not. Most of this is based on the lt2 rule push. Right now, I think there are wiser people in office who look at this and say we can get the same benefits, just like the congressman earl blumenauer said New York got an extension, why aren't we? What happens to these huge bonds that are sitting in this -- the public is still expected to pay the debt. Jobs are short, schools are closing, we're in a mess, and water is something that you just don't say, oh, well, I can buy it next door. No. This is an essential part of life, an essential part of health. Anything to do with water affects the entire community and the health of city and quality of life in Portland. We have beautiful buildings but people won't have water or health, so, these considerations are very serious. Powell butte is being challenged by lawyer di Lorenzo. They've already won part of that case. Kelley butte is being challenged. Bull run 2 will probably be challenged on an environmental basis to not protect the salmon runs -- if you want to seriously look at this, delay this approval, because they have not shown any proven water revenue. I think that we're becoming part of the west coast infrastructure exchange, which the governor secretly put together a meeting with ch2m hill study, and I don't like the reputation in Hanford, they did a lousy job and very over-expensive, and I think that we would be in real danger of regionalizing our water and our water would be like enron sending electricity to california and we would be paying the bulk of the debt. That is my concerns today. Thank you.

Hales: Thank you. This is not an emergency ordinance. It moves to second reading and we are adjourned until next week. [gavel pounded]

At 11:38 a.m., Council adjourned.