



CITY OF  
**PORTLAND, OREGON**

OFFICIAL  
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 20<sup>TH</sup> DAY OF NOVEMBER, 2013 AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fritz and Saltzman, 3.

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

<b>DUE TO THE ABSENCE OF TWO COUNCIL MEMBERS EMERGENCY ITEMS WERE NOT CONSIDERED AND ITEMS WERE NOT HEARD UNDER A CONSENT AGENDA</b>	<b>Disposition:</b>
<b>COMMUNICATIONS</b>	
<b>1087</b> Request of C. Johnson to address Council regarding suicide and the Behavioral Health Unit of the Portland Police Bureau statistics report (Communication)	<b>PLACED ON FILE</b>
<b>1088</b> Request of Marcy Houle to address Council regarding petition to uphold the goals of Forest Park Natural Resources Management Plan (Communication)	<b>PLACED ON FILE</b>
<b>1089</b> Request of Catherine Thompson to address Council regarding petition to uphold the goals of Forest Park Natural Resources Management Plan (Communication)	<b>PLACED ON FILE</b>
<b>1090</b> Request of Jane Peterson to address Council regarding Water Bureau's sale of the Freeman Street facility (Communication)	<b>PLACED ON FILE</b>
<b>1091</b> Request of Carol McCarthy to address Council regarding cancel the sale of the Freeman Water Tower (Communication)	<b>PLACED ON FILE</b>
<b>TIMES CERTAIN</b>	
<b>1092 TIME CERTAIN: 9:30 AM</b> – Social Equity Contracting Strategy Update (Report introduced by Mayor Hales) 30 minutes requested for 1092-1094  <b>Motion to accept the report:</b> Moved by Fritz and seconded by Saltzman.  (Y-3)	<b>ACCEPTED</b>

<p><b>1093</b> Establish the City of Portland Fair Contracting Forum to support and promote accountable, transparent, fair, effective and efficient contracting practices (Resolution introduced by Mayor Hales)  (Y-3)</p>	<p><b>37041</b></p>
<p><b>1094</b> Authorize a pilot program with KIVA Microfunds to identify and recommend small businesses in the Portland Metropolitan area for KIVA ZIP’s micro lending platform (Resolution introduced by Mayor Hales)  (Y-3)</p>	<p><b>37042</b></p>
<p><b>1095</b> <b>TIME CERTAIN: 10:00 AM</b> – Continue the Lloyd Business District property management license fee for an additional ten years (Resolution introduced by Mayor Hales) 1 hour requested for 1095-1097  (Y-3)</p>	<p><b>37043</b></p>
<p><b>*1096</b> Amend the District Property Management License code to update the fee and cap formulas for the Lloyd Business District, add a yearly fee payment escalator and District Board's opportunity to recommend against it, and make other housekeeping changes (Ordinance introduced by Mayor Hales; amend Code Chapter 6.06)  <b>Motion to add emergency clause:</b> Moved by Saltzman and seconded by Fritz.  (Y-3)</p>	<p><b>CONTINUED TO NOVEMBER 27, 2013 AT 9:30 AM AS AMENDED</b></p>
<p><b>1097</b> Authorize agreement with Lloyd B.I.D., Inc. for program management in the Lloyd Business District (Ordinance introduced by Mayor Hales)</p>	<p><b>PASSED TO SECOND READING NOVEMBER 27, 2013 AT 9:30 AM</b></p>
<p><b>REGULAR AGENDA</b></p>	
<p><b>Mayor Charlie Hales</b></p> <p><b>Bureau of Planning &amp; Sustainability</b></p>	
<p><b>1098</b> Consent to transfer of residential solid waste, recycling and composting franchise for American Sanitary Service, Inc. to Waste Connections of Oregon, Inc. (Second Reading Agenda 1060)  (Y-3)</p>	<p><b>186333</b></p>
<p><b>Office of Management and Finance</b></p>	
<p><b>1099</b> Extend term of a temporary, revocable permit granted to Portland State University for electric vehicle supply equipment services (Second Reading Agenda 1064; amend Ordinance No. 184805)  (Y-3)</p>	<p><b>186334</b></p>
<p><b>Commissioner Steve Novick</b></p> <p><b>Position No. 4</b></p> <p><b>Bureau of Transportation</b></p>	

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<p><b>1100</b> Authorize a competitive solicitation for installation of Automatic Train Stop equipment on Portland Streetcar vehicles (Second Reading Agenda 1070) (Y-3)</p>	<p><b>186335</b></p>
<p><b>1101</b> Assess benefited properties for street, sidewalk and stormwater improvements in the NE Alberta St Phase I Local Improvement District (Second Reading Agenda 1082; Ordinance; C-10037) (Y-3)</p>	<p><b>186336</b></p>
<p><b>Commissioner Nick Fish</b> <b>Position No. 2</b> <b>Bureau of Environmental Services</b></p>	
<p><b>1102</b> Update Bureau of Environmental Services Sewer and Drainage Rates and Charges fee schedule to establish application and appeal fees for evaluation of manufactured stormwater treatment technologies (Second Reading Agenda 1072) (Y-3)</p>	<p><b>186337</b></p>
<p><b>1103</b> Move existing Bureau of Environmental Services fees from the Stormwater Management Manual to the Sewer and Drainage Rates and Charges fee schedule (Second Reading Agenda 1073) (Y-3)</p>	<p><b>186338</b></p>
<p><b>1104</b> Authorize a master Intergovernmental Agreement with Portland State University to partner on sewer system needs and watershed health-related research and analysis projects, not to exceed \$500,000 (Second Reading Agenda 1074) (Y-3)</p>	<p><b>186339</b></p>
<p><b>1105</b> Authorize the Bureau of Environmental Services to amend legal descriptions for temporary easements and to acquire said easements for the construction of the Luther Road Habitat Restoration Project No. E06947 through the exercise of the City's Eminent Domain Authority (Second Reading Agenda 1075; amend Ordinance No. 185082 and Ordinance No. 185241) (Y-3)</p>	<p><b>186340</b></p>
<p><b>1106</b> Authorize the contract and provide for payment for construction of Luther Road Habitat Restoration Project for Project No. E06947 \$3.63 million (Second Reading Agenda 1076) (Y-3)</p>	<p><b>186341</b></p>
<p><b>1107</b> Authorize a contract and provide payment for construction of the Interstate 5 at SW 26th Water Quality Facility Project No. E08679 for \$2,600,000 (Second Reading Agenda 1077) (Y-3)</p>	<p><b>186342</b></p>
<p><b>1108</b> Authorize sole source award of land application services contract to Madison Biosolids, Inc. estimated amount \$675,000 (Second Reading Agenda 1083) (Y-3)</p>	<p><b>186343</b></p>

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<p style="text-align: center;"><b>Commissioner Dan Saltzman</b> <b>Position No. 3</b> <b>Portland Fire &amp; Rescue</b></p> <p><b>1109</b> Authorize agreement with the State of Oregon, Office of the State Fire Marshal for Regional Hazardous Materials Emergency Response Team Services (Second Reading Agenda 1078; Contract No. 30003647)</p> <p>(Y-3)</p>	<b>186344</b>
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At 11:31 a.m., Council recessed.

<p><b><u>WEDNESDAY, 2:00 PM, [DATE], 2013</u></b></p> <p><b>DUE TO LACK OF AN AGENDA THERE WAS NO MEETING</b></p>	
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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 21<sup>ST</sup> DAY OF NOVEMBER, 2013 AT 2:00 P.M.

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

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

<p><b>1110 TIME CERTAIN: 2:00 PM</b> – Consider the proposal of Firenze Development Inc. et al, and the recommendation from the Hearings Officer for approval to change the Comprehensive Plan Map designation from High Density Single Dwelling to Attached Residential and the Zoning Map designation from R5a to R2.5 for property located in the vicinity of NE 14<sup>th</sup> Ave and NE Fremont St (Hearing introduced by Commissioner Fritz; LU 13-115249 CP ZC) 1 hour requested for items 1110 and 1111</p> <p><b>Motion to tentatively adopt Hearing Officer’s recommendation:</b> Moved by Fritz and seconded by Fish. (Y-4)</p>	<p><b>Disposition:</b></p> <p><b>TENTATIVELY ADOPT HEARINGS OFFICER’S RECOMMENDATION; CONTINUE TO NOVEMBER 27, 2013 AT 9:30 AM</b></p>
<p><b>1111</b> Amend the Comprehensive Plan Map designation and change zoning of property at 3607, 3617, 3623 and 3637 NE 14th Ave at the request of Peter Kusyk of Firenze Development Inc., Kevin Palmer and Dawn M. Meaney (Ordinance introduced by Commissioner Fritz; LU 13-115249 CP ZC)</p>	<p><b>PASSED TO SECOND READING NOVEMBER 27, 2013 AT 9:30 AM</b></p>
<p style="text-align: center;"><b>REGULAR AGENDA</b></p> <p style="text-align: center;"><b>Commissioner Amanda Fritz</b></p> <p style="text-align: center;"><b>Position No. 1</b></p> <p style="text-align: center;"><b>Bureau of Development Services</b></p> <p><b>1112</b> Consider the proposal of Casey Murry, Castaway Bronze LLC and the recommendation from the Hearings Officer for approval to change the Comprehensive Plan Map designation from Industrial Sanctuary and the Zoning Map designation from IG1 General Industrial 1 to Central Employment and EXd, Central Employment with design overlay for the property located at 1900 NW 18<sup>th</sup> Ave (Previous Agenda 1084; Adopt Hearings Officer’s Recommendation; LU 13-182710 CP ZC)</p> <p>(Y-4)</p>	<p><b>ADOPT HEARINGS OFFICERS RECOMMENDATION</b></p>
<p><b>1113</b> Amend the Comprehensive Plan map designation and change zoning of property located at 1900 NW 18th Ave at the request of the property owner Casey Murry, Castaway Bronze LLC (Second Reading Agenda 1085; LU 13-182710 CP ZC)</p> <p>(Y-4)</p>	<p><b>186345</b></p>

At 2:57 p.m., Council adjourned.

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**LAVONNE GRIFFIN-VALADE**  
Auditor of the City of Portland

A handwritten signature in blue ink, appearing to read 'K. Moore-Love'.

By Karla Moore-Love  
Clerk of the Council

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

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**Closed Caption File of Portland City Council Meeting**

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

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

**NOVEMBER 20, 2013 9:30 AM**

**Hales:** Good morning, and welcome to the November 20th meeting of the Portland City Council. Would you call the roll please, Karla.

**Fritz:** Here. **Saltzman:** Here. **Hales:** Here.

**Hales:** Obviously, there are three of us here so those of us here for the regular council business, we'll be working our way through a lot of mundane things that would normally be on the consent calendar, as well as some more important things, so, bear with us. But first of all, buenos dias. We want to welcome to Portland a group of 12 students that have come here through the work of the world affairs' council. They are from Bolivia and Peru. They arrived here in Portland yesterday, and they are here until Saturday. Welcome. And this is a delegation that's here through the youth ambassador's program that's sponsored by the United States Department of State, aims to develop a network of young adults with strong awareness of global issues, interpersonal leadership skills and an understanding of civic engagement and multiculturalism. The students participated in this program are selected based on academic performance and community involvement. They're accompanied by a couple of adult mentors from their home country and staff from the world affairs' council. So we would like to say thank you for supporting these students in their leadership development. After this, they are headed to the rose room where they will hear about civic engagement and Portland's public process. So, bienvenido a Portland. Welcome. Thank you very much. Do you want to say something while you are here? Do you want to give them a chance to say hello, Judy, and translate for them?

**Alex Fernando:** Yeah. Well, my name is Alex Fernando and we are really excited and we are very happy as a group to be here in Portland. It's an amazing experience. We are having funny moments here.

**Hales:** Great, welcome, welcome.

**Laura Diaz [spelling?]:** I'm Laura Diaz, I'm from Peru, and I am very excited to be here, this is a great experience. It just happens one time, and so I am really happy. Thank you.

**Hales:** We are so glad that you are here, we hope that you enjoy our city and that you go back home and become city leaders in your own communities.

**Diaz:** Thank you.

**Fernando:** Thank you.

**Hales:** Thank you for coming. And welcome. [applause] I think you guys are going to head to the rose room, and Judy will take it from there, but thanks so much for being here today. Okay I think our next item is another international one, if Nancy and, and, yes, they are here. We're here to say hello to our partners from Brazil. Sustainable Hub is a Brazilian consulting firm with a contract with PDC to develop relationships between Portland and Brazil. There's information about that on the sustainable business Oregon website, as well as on PDC's website, but we also have the men involved in this effort here today. Altair Assumpção is a former banker and is now helping Brazilian companies and municipalities go green. He's brought three separate delegations to Portland. A textile delegation last August, the municipal delegation this spring, and most recently Jaraguá do Sul, which has also signed a relationship with Portland and with a Portland firm for doing master planning work. And he's here with the representative from the city of Jaraguá, Matias Cataran

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[spelling]. They want to continue this cooperation. They are here to build on the good start that this relationship already has, and I just want to say welcome back to Portland, welcome to Portland, and we're happy to be your partners. A couple minutes to tell us how this is working.

**Altair Assumpção:** This is something that we start, I think, two years and a half ago, we start the relationship with Portland. So far, it is absolutely fantastic because you have a tremendous city, a very, very interesting city in the sense of the way of living and transportation. And also good people, as well. So, our duty as Sustainable Hub is bringing a lot of companies as we can to Portland to learn about your city, about your way living, and then try to make something equal in Brazil. So this is our duty and we are happy to be here. Thank you, Mayor, for receiving us.

**Hales:** Thank you Altair. Nice to have back.

**Matias Cataran [spelling?]:** Mr. Mayor, thank you very much. We just want to say to say that we are amazed with the city. And as we were saying in lecture this morning, as a young guy interpreter, I'm just here for three days and I am already attracted to the city and truly willing to move in, so it's working. [laughter] I must say it's working. Good job.

**Hales:** Well, they need back in Jaraguá but maybe you can open a branch office here. It's great having you here and we appreciate this partnership. And I think that there is a lot of really interesting potential both in terms of the sustainable ideas, and planning and technology, and urban design, but also, in products. There is quite a textile industry in Santa Catarina state, and we think that there is great connections there between the apparel firms here in Portland and some of the firms in Brazil. So, a good start on a new front in the national trade relationship between our two countries.

**Assumpção:** Yes. Thank you very much.

**Hales:** Thank you for coming. Nice having you here. Thank you. [applause] We have one more pre-calendar item, and that is a proclamation. And I think that we have someone here from DEEP, yeah, Debbie Caselton is here, and there she is, Debbie, good morning. I will read the proclamation and give you chance to reflect on this. Whereas the city of Portland is committed to equity, diversity, social justice, and mutual respect as a fundamental aspect of a healthy community, and whereas transgender Oregonians face serious barriers to meeting basic needs such as housing, employment, health care, and accurate documentation, and whereas transgender people live with a significant degree of caution and concern due to the lack of public understanding towards the community. And whereas in the past year, 238 transgender people have been reported to be murdered worldwide. And whereas for over decade, more than one person a month has been murdered because of their actual or perceived gender identity or expression. These are just the cases that have been reported. And whereas transgender day of remembrance honors not just those who self-identify as transgender, but anyone murdered because of a bias against transgender and gender non-conforming individuals. Now therefore I, Charlie Hales, Mayor of the City of Portland, the city of roses, do hereby proclaim November 20th 2013, to be transgender day of remembrance in Portland, and encourage all residents to observe this day. Debbie, thank you for being here this morning.

**Debbie Caselton, Bureau of Environmental Services:** Thank you very much. I am the chair the Diverse and Empowered Employees of Portland as well as the LGBTQ and Friends affinity group. Part my job as a chair of that group is to speak on behalf of our fellow employees, some of which are transgendered. As you know, we are the second city in the United States, and I think still the only second city, or the only other city other than San Francisco, that covers health insurance for their city employees for transgendered employees. And one of the reasons that's so important is also because of the suicide rate among transgendered individuals. I've heard, actually, that 60 to 70%, of transgender people attempt or commit suicide. The numbers that I see are 41% in the U.S. which is more than 25 times the rate of the general population, which is only 1.6 -- not only -- but is 1.6%. 19% of transgender people refuse medical care because of gender non-conforming status, and 2% are violently attacked in a doctor's office. Since January 2013, 22 worldwide were murdered, half of



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them were under 18. So, in that 41% of suicide rate, 18 to 44 ages, 45% is that rate. A very high rate, so there is a lot of depression. And I think having health care insurance, like we have, really improves the wellbeing. Not just health-wise, but with their mental health, as well, and feeling welcomed, and I think this our employees are grateful for that even if it's not just to go out and get a sex change. It's just having that general health care, having a different identity marker than what your organs are, for instance. So, I want to thank you for having this proclamation and having this day of remembrance, which is an international day, but having it recognized here in Portland is really important, so thank you.

**Hales:** Thank you. So, let's take a moment of silence, please, for those who have been killed or who have in desperation taken their own lives simply because of who they are. [moment of silence] Debbie, thank you to you and all the members of DEEP for your advocacy.

**Caselton:** Thank you. [applause]

**Hales:** Let's begin with communications items, Karla, please.

**Item 1087.**

**Hales:** Good morning, Charles.

**Charles Johnson:** Good morning, commissioners. As you know, I'm Charles Johnson, I have some materials to go on the record and to be passed out to you.

**Hales:** Okay.

**Johnson:** Charles Johnson, and you can certainly say that I'm a, a co-director for global system, but it's an unpaid position. It's a little bit sad to be following Debbie as we give specific thought to loss life among transgendered people and unfortunately, the behavioral health unit did a report talking about 200 deaths. The paperwork you have in front of you comes from an event, NW Pilot, that primarily directs housing, and unfortunately it doesn't look like any city staffers were able to make that presentation at the UCC on Sunday. But when I signed up at the beginning of October when we had a communication problem, I had to wait this long to sit in front of city council. We'd put aside a little bit of money as a community to the city's behavioral health unit in the police department to do some research and find out how we're failing. That, in a 20 some month period over 200 of our neighbors had taken their own lives. And there's not been adequate response to that report. I have spoken with the director of Cascadia Behavioral Health, he's a suicideologist. And I was hoping that Commissioner Novick would be here because in a way, he's my favorite commissioner because he's the one person that we can point to as having taken the most concrete action to prevent deaths in this city. And I will be engaging with your staffs to help facilitate the process of a more active approach to suicide prevention. And I look forward to some discussions where concrete numbers will come in in the terms of the budget as to how we're going to back that up. Because we're creating unfortunate situations. Last week we were here, and the city decided, based on promises, verbal, political promises made in 2007, that the city had to forego \$800,000 in revenue that could have been used for suicide prevention studies. Arguably there's good economic impacts, and it's always important to live up to your word so when say you are going to give tax credits on 100,000, you probably ought to do it. But, my guess is that if I did get time with the budget specialist, we could probably find very little money in the city budget that's specifically earmarked to do the task of suicide prevention and intergovernmental cooperation on that. With that, I will, I will end my discussion about the most important topic in front of the city council, and we can move on and make sure that you do the right thing about the water bureau.

**Hales:** Alright, thank you.

**Fritz:** Mr. Johnson, I will be bringing a report to council on the success of the contract that we have with lines for life, creating the new number and the evidence that they have in terms of successes. Obviously, there is more work to be done and I appreciate your advocacy. That report will either be in December or January.

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**Johnson:** Thanks, because there are a lot of good people working on it that we'd like to partner you. Cameron and I were at PSU yesterday with social justice northwest, and thank you for your work.

**Hales:** And I was, I happened to be watching the police bureau's training for suicidal situations last Friday, and I think they're continuing to improve their ability to respond thoughtfully and appropriately as police officers, but that's the end of the chain, that's when the person is already at a point of desperation. They were successful in ten hours of discussion of talking somebody off the St. John's Bridge a couple of weeks ago, that's great but, you are talking about farther up the stream, and I think that that's where the attention needs to go as well.

**Johnson:** Thank you for that comment, mayor, and I think that that's one thing that is, perhaps, missing from the budgeting and the department accountability process is that obviously we need to do the work of those crisis situation responses. But we also need to say, if we are spending, you know, \$900,000 in man hours and time, then we need to make sure that there is a budget to reduce the number of those situations so those dollars can be spent not at a crisis time.

**Hales:** Exactly. Thank you. Thank you all very much. [applause] The next two people want to come up together, 1088 and 1089.

**Item 1088. Item 1089.**

**Hales:** Come on up. Good morning.

**Catherine Thompson:** Good morning. So, we're here today to present a petition to the city council and parks department. And I am Dr. Catherine Thompson and a pediatrician and a member of the Portland county pediatrics.

**Marcy Houle:** And I am Marcy Houle.

**Thompson:** And over the past year, Marcy and I have communicated with you as individual citizens about our concerns about the welfare of the park and safety of the pedestrians in the park. And I shared my own story with some of you, my husband and I were walking on maple trail and a cyclist came around the corner, you know, cycling illegally, and skidded out of control. And we jumped out of the way, and he did stop, he said, I didn't hit you. And then he said, I'm riding here as an act of civil disobedience. And I was quite [inaudible] So today we would like to offer this petition because I'm not alone in this. We have collected signatures, and we have collected some stories about other people that really exhibits that my experience isn't unique. The petition asks the city government to do two things. One, is to uphold the goals of the Forest Park natural resources management plan. And two, 92% park users are pedestrians. And bicycles are illegally taking over pedestrian-only trails in Forest Park, causing safety hazards and damaging the trails. Portland Parks & Recreation resources must be prioritized to address this threat to user safety. Laws governing bicycles in Forest Park must be enforced, and no new trails should be considered until effective enforcement is in place. Activities that threaten user safety or harm the health of the park must be prohibited. And so we have collected hundreds of signatures, and we would like to tell some of the stories that came as comments in our online petition. Nancy wrote, one winter day I was walking a puppy on the Cumberland trail. The puppy was on a 5-foot leash. We were almost to the corner going uphill and could not see the trail in front of us when suddenly around the corner, coming down the hill was a bicyclist. He was going fast and could not stop in the mud. I went to one side of the trail and the puppy, terrified, went to the other side. He went between us. I, fortunately, had the sense to drop the leash and the bicyclist rode over it, it was really frightening. We could have been badly hurt.

**Thompson:** And Sarah M. said, I've nearly been knocked down a couple times by bikes coming fast downhill with short lines of sight. Very dangerous to all.

**Houle:** George wrote, I use the trails of Forest Park as a blind person with a guide dog, and I cannot jump out of the way when a cyclist approaches at any speed. Most riders did not observe common courtesy by staying completely off the trails that are dedicated for pedestrians. There is no enforcement or follow-through on the laws. Mountain bikers should think about the fact that they frequently intimidate every other user of Forest Park.

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**Thompson:** Karen said, I am saddened to see not only trail on the outer edge of Forest Park degraded by bicycles, but the intersections of Wildwood Trail. Many of the cyclists are riding during the late afternoon, early morning, and evening hours, and I witness all three on the clay side of wildwood. In addition, riders speed down Holman lane, which is posted as an uphill only trail.

**Houle:** Carmel wrote, I have lived in this neighborhood and walked Forest Park for 40 years, and I have had many frightening encounters bicyclists on speeding around on blind corners on wildwood trail. I am able to jump out of the way. I doubt that families with young children would be so lucky.

**Thompson:** And Joan B. said, I live at the start of wildwood trail. My husband and I are well into our 70s and walk almost daily alone or with our grandchildren. On occasion, a biker has come along and almost runs off the trail. It is scary and dangerous. Please don't let bikers take over these trails.

**Houle:** Now I want to direct your attention to the 2012 forest park recreation service done by Portland Parks & Recreation, and in conjunction with Portland State University. The purpose of this survey was to better understand preferences, motivations, and frequency of use by people coming to Forest Park. The results are telling and they give us a sharp picture of youth. 92% of all users in Forest Park are pedestrians. And how many people are we talking about come to Forest park each year? Well the study looked at that, too. It determined that nearly half a million visitors come to Forest Park. 475,000 to be exact. Which means that 357,000 walkers want safety on the trails. And this number is only projected to grow, another study conducted by Portland Parks and Oregon state parks concluded that walking for pleasure is Portland's most popular recreation activity. And these studies and statistics underscore the importance that pedestrians need to be safe when they use Forest Park.

**Thompson:** So, what can be done? Well we want to thank you, Mayor Hales, for your stewardship of the Forest Park natural resources management plan, which is state law, because the recommendations of what needs to be done are right there. One is to formulate strong and clear ordinances that reflect the laws governing the pedestrian-only trails. Two, to have universal signage, and three, to provide effective enforcement, give the rangers the capacity to issue citations to illegal cyclists, just as they can for those with dogs off-leash. There is recommendations to do collaborative efforts with the Portland police to stop this illegal behavior. Four, erect barriers or styles to deter cyclists from entering pedestrian-only trails. We want to thank you, again, Mayor Hales and also Mike Abbaté, for endorsing and promoting the greater Forest Park conservation initiative that sets the vision for preservation and expansion of the park for the 21st century. In order for this treasure to be a value to citizens, we need to be able to use the park safely.

**Houle:** And the forest park management plan is clear. Users not only need to be safe, they need to feel safe, and right now, as you have heard the testimonies, they are not safe. Thank you.

**Hales:** Thank you very much. Thanks for your advocacy, and you have a number of present and past parks commissioners here, and forest park is a treasure. So, we appreciate your advocacy for the park in general, and for the issue of these conflicts, in particular. So thank you.

**Thompson:** Thank you very much.

**Houle:** Thank you. [applause]

**Hales:** Okay. We have two more that also want to come up together, I believe.

**Item 1090. Item 1091.**

**Hales:** Good morning, and welcome.

**Jane Peterson:** Thank you. Mr. Mayor, and commissioners, I appreciate the opportunity to speak with you. My name is Jane Peterson. And I have noticed that those who call others NIMBYs aren't the ones affected. The freeman tank is, actually, my backyard. I am about 10 feet -- it's about 10 feet from my studio windows. The parcel wraps around two sides my property that I have owned the last 30 years, and for me, this is not an abstraction. I was told by the developer who sold me my land that this public property would never be sold without full public notice. Should the sale go through,

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my passive, solar, efficient little home will look out onto walls. During the tank demolition and housing construction, work in my studio office will be brought to a halt by the noise next door, so I guess that's my bad luck. In 2001, however, a development just below this parcel was stopped because this land is in a riparian zone, has poor draining soil, and steep landslide-prone slopes. Despite three drain fields on our property there is standing water on this land in the winter. What will happen when additional houses are built here? There are multiple stakeholders involved, not just me. There are rate payers who lost out when this land was not, as an independent analysis of comparable sales indicates, sold on the open market for the best price, terms, and conditions per city council ordinance 1839-52. Taxpayers, who possibly were deprived park land when other bureaus were offered this property at market value instead of book value as per city code 2112330. Citizens of three neighborhoods who long wished to connect parks, and trails, neighborhoods to the village business district. Neighbors who expressed interest in purchasing the land over the years, and were deprived of that opportunity due to the lack of public notice. And, of course, wildlife. And as rate payers, taxpayers, neighbors, and members of the public, we feel damaged by the lack of transparency in public notice. And by the apparent disregard of the state statute, city code, and council ordinance in the way that this sale was conducted. To quote the Millpond neighborhood association chair rosemary opp who wrote in 2010, two years before this transaction, in response to council ordinances 906 and 962-s that declared these properties surplus, these lands are public lands and as such, require a much broader outreach, in-depth consideration, and strict guidelines that must be adhered to when disposing of them. Here we are in 2013 with promises to do it right the next time. Commissioners, Mr. Mayor, as Rosemary's letter shows, the sale of the freeman facility is the next time. Please stop the sale. Thank you.

**Hales:** Thank you. Thanks. Good morning.

**Carol McCarthy:** Good morning. My name is Carol McCarthy, and I am here to urge to stop the sale of the freeman water tank property in Multnomah Village. I would like to show you a short video so you could see the property's appeal for yourselves. And you'll hear why neighbors think this public land should remain public. [video playing] [music]

\*\*\*\*\*: I think a lot of people see our signs and hear us talk and you may think we are just talking about a water tank tower area. And when you walk past it on the street, it does not look like much but you can't see everything behind it.

\*\*\*\*\*: This is a natural causeway for animals.

\*\*\*\*\*: And it's behind it which has the wildlife and nature that we would love people to see in person. The owls who live from the trees, there's woodpeckers and all kinds of wildlife.

\*\*\*\*\*: We've got to save what we have got, and this is almost an acre of lovely nature. \*\*\*\*\*:

That's what makes this property so important.

\*\*\*\*\*: I pose – [end of video]

**McCarthy:** It's a beautiful place. The freeman water tank property abuts open space that was added to woods memorial park in 2000. The open space is shown in the green in the first map of the handout. And it was purchased jointly by Metro and Parks for the high ecological value. The freeman water tank property has the same ecological value. And it's a natural extension to the current open space. The freeman water tank property is highly valued by three neighborhood associations and other community groups. The second map in my handout shows that since the property borders the number seven trail, it is the last remaining link to connect the Ashcreek neighborhood via woods park to the businesses in Multnomah village. This plan is consistent with Parks' 2020 vision for neighborhood connectivity. As the densities in the neighborhood increase, so does the value for public green space in promoting the livability that makes Portland an attractive place to live, work, and play. It appears this property was originally purchased by the taxpayers, not the rate payers, and by our estimates it could have been offered to the other businesses at book value of under \$20. This property never should have been listed on the ordinance. The ordinance instruct

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the water bureau to sell the property on the open market for the best price, terms, and conditions in accordance with the city code. An analysis of comparable sales shows that the sales price was substantially below market value. The Craigslist ad did not meet notification requirements for selling property on the open market. The sales transaction was not in the rate payer's best interest. This property has been held for \$1000 escrow for over year at a time when property values are rising. This does not constitute best terms and conditions. The neighborhood associations were not notified, as required by city code. So the sales agreement does not – was not entered into an agreement in accordance to the city code. The ordinance qualifies -- if the ordinance qualifies as the Oregon statute 221.727, alternative procedure for selling municipal real property, then these tank properties constitute a class, and must be sold under a single procedure. The commissioner in charge of the water bureau has acknowledged there were problems with the procedure, so the changes that improve public involvement must be extended to the freeman water tower as well. I urge to you stop the sale and consult the Multnomah, Crestwood and Ashcreek neighborhood associations as well as the friends of woods park, to plan for its future consistent with its value as habitat, open space and it's role in promoting connectivity and livability. Thank you very much.

**Hales:** Thanks very much. You've obviously put a lot of thought into this material for us, and that will be very helpful for us. Thank you.

**McCarthy:** I appreciate that, thank you. [applause]

**Hales:** All right, we have a time certain item first up.

**Moore-Love:** Do you want to read all three of these?

**Hales:** Yes, please.

**Item 1092. Item 1093. Item 1094.**

**Hales:** Our chief procurement officer is here with a presentation, good morning.

**Christine Moody, Bureau of Internal Business Services:** Good morning, Mayor, commissioners. Christine Moody with the procurement office. We have a presentation.

**Hales:** Top bar, Karla. There you go. To the right. We can see it. Takes a village to start our AV system. Always, I think. [laughter]

**Moody:** So I wanted to start with the background. On July 19th, City Council adopted the social equity contracting strategy. This follows the adoption of the Portland plan in which the Portland plan includes a framework for equity in city operations and business plans. This strategy included a series of actions surrounding updates to programs, contractor workforce, prime contracting, professional services, and prequalification. So, the workforce training and hiring program is designed to increase the numbers of women and minority in the construction trades through apprenticeship opportunities. As of September 12 -- September of 2012, the City has now administrative rules for the program. This program applies to prime construction contracts over 200,000 and subcontracts over 100,000. Contractors must allocate 20% of labor hours per trade to state-registered apprentices, there is a 27% goal for apprentice and journey level workers and 18% minority and 9% female, and contractors are given a post-project report card that includes workforce percentages and MWESB subcontracting utilization. Through the strategy, council put in place a framework for a new program focused on increasing opportunities and furthering business development of MBE and WBE contractors.

**Fritz:** Could you define those terms?

**Moody:** Yes. A minority business enterprise and a women business enterprise as certified by the state of Oregon. And these are firms that want to compete as prime contractors in the areas of sewer infrastructure, water infrastructure, street improvements, and building construction and alteration for city contracts. This program has a tiered approach for projects estimated up to \$350,000. Tier 1 is \$5000 to \$150,000 and tier 2 is 150,000 to 350,000. In September of 2012, procurement services put out an initial call for applicants for this new program. Several presentations were made at community forums throughout the months of August and September, along with electronic

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marketing through list serves with our community partner organizations. There were also over 1000 individual emails sent to local construction firms letting them know of this opportunity. We received 42 applicants for the program. There was an application review process that consisted of representatives from the construction industry, minority contracting community, and city staff. Procurement services then performed a commercial useful function review at the places of business. This consisted of talking with the owner; reviewing documentation for all vehicles and equipment, offices and storage space; looking over prior agreements, and companies' employees lists that included positions and job titles. Lastly, companies were given a financial review from a third party provider in which financial statements were reviewed to make sure companies met the minimum program requirements. After all of that of that, 32 firms were accepted into the program. In tier 1 we have 23, and in tier 2 there are nine contractors. Tier 2 contractors must participate in the street-wise business development course. This is a nine-month course and a 100-hour commitment with the curriculum that teaches students business and leadership through coursework such as how to read and understand financial statements, human resources, and how to best market your business. And the first class of 13 graduated in October. We have partnered with PDC and the next class will include five PDC-sponsored professional services firms. This class is due to start next week. I want to thank Council for providing ongoing funding for the business development portion of this program as part of the last fiscal year's budget process. This is part of the program that sets this PCDP apart from anything that the city has done in the past. The city started the bidding projects into the PCDP in February of this year. And since then, there has been 20 projects bid over this construction season with a total dollar value of \$2.5 million. Professional, technical and expert services, small business contracting program, are what we call PTE services here at the city. And the PTE manual is the policy manual that guides the solicitation and contracting of PTE services. The manual was updated in January of 2013. Through this update, there were significant changes to how the city conducts outreach and contracts with MWESB businesses. There was an increase to the formal solicitation threshold from \$23,662 to \$100,000. This allows for targeting contracting with certified MWESB firms. Bureaus are asked to solicit from at least four qualified consultants in order to obtain a sufficient number of proposals and at least 50% of the consultants must be certified MWESBs, if a sufficient number of MWESBs are available. Changes to direct contracting with state-certified firms in any amount up to and including \$50,000, without following a competitive solicitation procedure. So, our change there is direct contracting with MWESBs, no solicitation required, and bureaus can enter into a contract with a certified firm. The City has established an overall goal of 20% in awarding PTE prime consultant and sub-consultant contracts to state certified Oregon certified business firms. The goal now includes minority and women-owned businesses. The diversity criteria in the request for proposals has been replaced with new corporate responsibility evaluation criteria. This section is weighted no less than 20% of the total point allocation. So 20 points out of 100, and that's an increase from 15% in our prior program. The proposers are asked to respond on if they are a certified firm and what the total percentage of work, in dollars, that is going to MWESB businesses both at a prime level and sub-consultant level. And this is 12 points out of the 20 points available in this criteria. The remaining eight points are allocated to the firm's workforce diversity and how they are involved with the community and what types of sustainable business practices they exercise as a company. The prequalification program is for construction projects. And the City requires contractors to be prequalified in certain areas of work. And part of the strategy was to eliminate prequalification on smaller projects under \$250,000. In May of this year, a work group made up of City staff from BES, water, parks, transportation, office of equity, and procurement started working on the procedures on the way the City prequalifies contractors with emphasis on consistent evaluation and streamlining processes city-wide. Administrative rules for prequalification were created and finalized last month, in October. And the new rules provide transparency to this process and additional oversight by procurement services. A prequalification

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board has been created and will have representatives from the infrastructure bureaus, the office equity and human rights, and procurement. All applications will be reviewed by the board through a standardized evaluation process. In addition, we've made an online fillable form and are now asking that applications be renewed every two years instead of annually to reduce paperwork for contractors. The project manager training program has taken on new look for the upcoming year. Procurement and human resources have partnered on the registration and procurement trainings. And now can be done through the city learner online registration tool. So human resources has a new tool, and we partner with them and we can do all our registrations through that. This allows an employee's training record to be complete with all of the coursework they have taken through the project manager training program to be confined with their human resources training as well. A new feature this year are the equity courses, which have been developed based on recommendations from the disparity study with the goal of providing more training and support to employees as they develop successful relationships with local minority, women, and emerging small businesses. Some of the courses are mentoring and relationship development with small firms, commercially useful function, and how to conduct outreach to MWESB firms, and unbundling projects, to name a few. The minority evaluator program is in its fourth year and continues to engage diverse members of the community into the city procurement evaluation and contractor's selection process. The program currently has over 435 minority evaluators in the database, and over 345 requests for selection committee members have been fulfilled. The partnership with the alliance of minority chambers has continued to thrive because of their vast outreach and experience, and knowledge of various communities, businesses, and organizations of color. We continue to receive positive feedback from our community of volunteers, as well as City staff to engage mep members for solicitation panels. As part of the strategy, we are embarking on a new partnership with KIVA microfunds and their pilot program KIVA ZIP in Oregon. KIVA ZIP helps entrepreneurs access the financial services that they need. Borrowers apply for KIVA ZIP loans by out an online application form, and loans are crowd-funded. Borrowers eligible for first-time loans up to \$10,000 at 0% interest. Once a borrower pays back, they could be eligible for further loans up to \$50,000.

**Fritz:** Can you just explain a little more about what the crowd funding is?

**Moody:** The crowd funding, actually, I will have Tiffani talk a bit about that.

**Tiffani Penson, Bureau of Purchases:** So, crowd funding is when people in the community all over the world, they can set up accounts. And they go onto the website and they look at businesses that interest them, or things that they want to support, and they can say hey, I want to give them \$50. Or hey, I want to give them \$1000. And so, it's the community funding business that to grow. It's national, too, it's not just within the United States. So it's kind neat way to be a part of your community.

**Fritz:** So it's not taxpayer dollars? It's private from people choosing what they want to help support in their community.

**Penson:** Yeah, you can set up an account, and I can set up an account, businesses can set up an account, anybody set up an account.

**Fritz:** Thank you.

**Moody:** So the KIVA ZIP borrower must be endorsed by a trustee. A trustee vouches for the character and business concept of the borrower based on their relationship. Procurement services will become a trustee, and recommend small businesses for the KIVA ZIP platform. By being the trustee, the City does not finance, guarantee or have any fiduciary duty to these businesses but rather facilitates the access of no-cost capital. As a trustee, we will focus on the local construction industry and firms within the prime contractor development program and PTE firms in the local area. I am going to turn it over to Tiffani Penson to talk a bit more about the pilot project.

**Penson:** Good morning, Mayor Hales, commissioners. My name is Tiffani Penson, I am the program coordinator for the minority evaluator program and also the supplier diversity officer for

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procurement services. So, I want to give you some statistics about KIVA ZIP. In the past few months in Oregon, there have been 31 KIVA ZIP loans. 16 of those loans went to ethnic minority businesses. There's been a total of 2131 lenders. 93 lenders disclosed that they live in Oregon. And so, again, the money is coming from all over. KIVA ZIP loans in Oregon are being funded on the average of two weeks. So that's quick. There's an overall 90% return rate on all KIVA ZIP loans so far. We have a number of trustees in Oregon. 16 trustees have endorsed a borrower so far. Just to name a few that we know as partners of ours as well, is Hacienda Community Development Corporation, in seven months endorsed six loans totaling \$22,575 with 100% repayment rate. They currently have an additional three loans that are fundraising now. Adelante Mujeres, in seven months, has endorsed three loans totaling \$6000 with 100% repayment rate. Hispanic Metropolitan Chamber in five months has endorsed three loans totaling \$9500 at 100% repayment rate. Mercy Corps NW in five months has endorsed two loans totaling \$10,000 at 100% repayment rate. And Microenterprise Services of Oregon, better known as MESO, has endorsed one loan totaling \$800 and the repayment hasn't started yet. But we're going to assume it will be at 100%. Those are just to name a few trustees. So we all know that there are many micro-lending opportunities that the city supports, and each of them targets a different audience. KIVA ZIP is perfect to add to this long list. I have always personally thought that it's important for the city to be innovative when creating partnerships to serve members of our community. So, we hope that you will join the procurement services in supporting a new partnership with KIVA ZIP.

**Fritz:** Let me just summarize and see if I am understanding this correctly. The City looks into the business and says this is a bona fide business, and their proposal is something that we think is going to work. Is there any element to that is being the trustee that says, yes, we support this particular request?

**Moody:** We support them from our relationship with them, and from what they are asking for as for the loan. But not from a financial part. KIVA ZIP does that.

**Fritz:** Okay. And then folks in the community, knowing that the City has looked into this particular business, it's not a scam but a real business, they've got a real model, they loan the money and then they get it back.

**Moody:** That's correct. They have an, a -- those people in the community have that an account. And it gets repaid back into their account.

**Fritz:** Is there any interest on the loan?

**Moody:** No. Zero interest.

**Fritz:** And how long is the expectation that they will get paid back?

**Penson:** It depends on how much you are borrowing, if you are borrowing \$2500, then you would get up to 12 months to pay it back. So the higher you go -- they have set time frames in which you can pay it back. And you can pay it back early, too. And another great thing about this, sometimes people may not be able to pay it back within the 12 months. As long as they let KIVA know, they can extend, but you have to ask for that.

**Fritz:** And when you loan to is a particular company as a private investor or private philanthropist, does your money coming back from that particular business?

**Penson:** Yes, the account -- they set up accounts. So when you pay back -- let's say you gave me \$25 for my business, when I pay back the \$25, that \$25 goes back into your account. So your account becomes a revolving account.

**Moody:** You can learn to loan others somewhere else.

**Penson:** Yes, you can loan to other people.

**Fritz:** So it's a way for regular Portlanders to invest in small businesses in Portland?

**Moody:** That's correct. So, an example is within our prime contractor development program, there are requests from some contractors for purchasing of software to help their business, and that's not part of our budget for that program. So this is a way that we can partner with KIVA and focus on



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some of those contractors, where they can have access for that software at a 0% interest. And so, that's one of the reasons why we're wanting to embark on this because it's, I think, it's a good partnership in a way that we can recommend businesses for those business needs.

**Hales:** That really is innovative. That's great. Other questions?

**Saltzman:** Were you through with your presentation?

**Moody:** I have one more slide. Do you have questions about this?

**Saltzman:** No, I can wait until you're done.

**Moody:** Okay. As far as wrapping up, and what we have on the horizon, the fair contracting forum began in 1997 and has been involved with the City contracting issues over the years. Most recently, the fair contracting forum was engaged to solicit input on the City's procurement practices based upon the disparity study report. The resolution today continues with the fair contracting forum and its oversight role in city contracting, and allows for flexibility to add interested organizations as needed. Over the next year, we will be working on updates to the good faith effort program and we'll provide updates to council on the progress of what we made with that. I also want to thank the work my team in procurement services and the support of my director, Bryant Enge. As you see, there's been a lot of progressive thinking and a lot of work over the past year, and they have worked very hard to make it all happen. I also want to commend the partnership with the bureaus BES, water, parks, transportation, and facilities, and in particular, the office of equity and human rights. Dante James has been helpful in providing the equity lens perspective when moving forward with these policies and procedures. At this point, I will turn it over to council, if we have any questions, and we also have invited testimony from some of our fair contracting forum members.

**Hales:** Great. Further questions for Christine or Tiffani?

**Saltzman:** Explain to me the commercially useful function review. What does that mean?

**Moody:** The commercially useful function review is, as far as what we did with the prime contractor development program, is actually going out and looking at the places of business and making sure that they are true business owners, and what they have told us on the application -- they have things in place that show that they are true business owners. Equipment leases, leasing of office space, that type of thing. So, it was a part of making sure that the businesses that we brought into the program were the true certified businesses that they said that they were.

**Saltzman:** Okay. Thanks.

**Hales:** Thank you both. We have some folks signed up to testify?

**Moore-Love:** Invited speakers first?

**Hales:** Yes, invited. Come on up. Good morning. Welcome.

**Connie Ashbrook:** Good morning Mayor, commissioners. My name is Connie Ashbrook, I'm the director of Oregon Tradeswomen Inc., and a member of the fair contracting forum. I am also here on behalf of my partner agency, Constructing Hope. And they had a really great article about them in the Daily Journal of Commerce today that I hope that you get a chance to check out. They do fabulous work. And I want to thank all of for your support for the social equity contracting strategy and I want to appreciate the work of Christine and her team. Thanks in part to the City's strategy here and support for social equity, Oregon Tradeswomen will graduate about 80 diverse women from our preapprenticeship program this year. 47 of them have gotten into apprenticeship this year. And that's a 27% increase from last year. We will, as I said, we'll graduate about 80 diverse women, about 28% women of color, and place about 80% of those that graduate. Currently, about 34% of current female apprentices are our graduates, so you could see we're having a strong impact on availability of women in the trades. In the new strategy, the journey level goals were very important to tradeswomen, so that they can have a lifelong career, not just work as apprentices and then not find work again. The education of project managers and the community benefit agreements were all critical parts of the City's strategy that made sure that work on city projects was available for all of the city's residents and makes our training possible. So, in closing, I wanted to invite you to our

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women in trades career fair in 2014, where you could see the celebration of women working in the trades, and you have a report from this year's event, And then, finally, again, I just wanted to thank Christine and her team for her great work with the strategy, and with the fair contracting forum that brings community members together to help develop the strategy. Thank you.

**Hales:** Thank you. Good morning.

**Herb Fricke:** Good morning, Mayor Hales and commissioners. My name is Herb Fricke, I am the president of the Oregon Native American Chamber. I am also owner of a small consulting engineering firm business based in Portland. It was my honor to be member of the fair contracting forum and part of the professional and technical expert services work group. We helped to establish the basis for the new professional, technical, and expert procurement manual. And as a member of the minority business community, we are happy to see that our recommendations have been fully implemented and are making a difference in the professional services work to minority women and emerging small businesses in Portland. These changes are helping to level the playing field and breaking down barriers for small businesses to access professional services work not only through subcontracts, but as prime contractors. Historically, MWESBs have only obtained subcontracts, but one goal of this program is to increase prime contracting opportunities, which is an important step, of course, in growing any business. I also believe that the new PTE manual does an excellent job at implementing the new policy and gives the bureaus a straightforward and clear path contracting PTE work. Raising the thresholds for both direct contracting and open procurements will open up significant opportunities to MWESBs. Several bureaus are already using the program successfully, including the bureau environmental services, planning, and parks. Also, in addition, now to the pointed a locations for the diverse points, which we used to call diversity, now corporate responsibility. Now that they are better defined, mainly for the large procurements, this should open doors for MWESB firms as well. Especially those entering the market and developing new relationships with other prime contractors and large businesses. And for that matter, better access to city bureaus as well. And I think that they also encourage relationship building between large businesses and MWESBs, establishing better teaming arrangements, which is really important in today's competitive world, and cementing long-term working relationships especially as we move on to other projects and down through the next budget areas. In this way it allows MWESB firms to grow and thrive. So, again, we are proud of what the procurement bureau has accomplished, and being part of that process for the past two years, thank you and I look forward to seeing the success of the program in the upcoming years.

**Hales:** Thank you. Thanks. Good morning.

**Vijay Deodhar:** Good morning. Mr. Mayor, good morning, commissioners. My name, for the record, is Vijay Deodhar. I am a small, owner for the last 12 years, my company name is 3D infusion. We provide drafting support as well as architectural engineering support services. My professional background, I am an architect and urban designer. And I call Portland my home when you were commissioner, Mayor, in the Parks. I am so proud of place, which I thought I would be for a year or two, I ended up being here for 20 years, and that speaks for itself that the city listens, and which is what I am very proud of. And, of course, not all things may be perfect yet, but this is a great start. I think the reason which I truly sincere believe, professional services, the idea of the business is such that we are architectural engineers and we can resolve problems. And at the end of the day, I think that it matters business is business, no matter whether you are in product services, construction or professional services, if you cannot make profit -- as the president of OAME always says, if you are not making profit, you are slowly and surely going out of business. I am an active member of OAME, and so are other organizations as well, which represent the interest of certified businesses, including minority, women, and emerging small businesses. We, as a group, under the leadership of the city and, of course, Christine Moody, which worked so hard for this -- the best thing that I can say is, is, you know, that we thought somebody is listening and making a difference, and

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that's what key of this whole discussion is. And I think among the several topics we talked about or the barriers which we discussed, I think that a couple of those, which we took as priority, and you know, that moved forward under the plan, which Herb just mentioned is one of those is the dollar threshold. And that number, 23,000 some odd change, was really a ridiculous number. I mean, I don't know how it came, I wanted to work with that but then again, that number is not going to give us a chance to really prove, because as Herb was saying, in order to prove our merit, we need to have a little larger size of a contract. Then our capacity can be tested, and can be seen by the larger firms, by agencies, by potential customers. And I think that really has helped, I am very optimistic about that. And I can speak for myself, why it helped our firm. It's not just the city of Portland alone, but Trimet, and many of the local agencies, ODOT, they have been working, and we mentioned, the threshold by these regional agencies, have always been 150,000 or so. We are 100 so that's a big achievement and has helped, and it has helped us to achieve jobs and projects outside Portland, and that's what the intent is of this whole certification is, and I think that it's working, so I can really be proud of what the city and the committee we were able to accomplish. Second thing, out of multiple things, what we discussed were -- and that was brought as a priority discussion -- was the diversity criteria in RFPs, bringing a uniformity of language criteria in the RFP process. I think that was lacking, and it was confusing in many ways, so, this has really done a remarkable job in streamlining those things. So, I am very grateful. Yes, there is a way to go, and I think that we have done remarkable as a group. Thank you.

**Hales:** Thanks, very well said. Questions for this panel? Thank you all. Appreciate working in collaboration with Christine and our team. Thank you.

**Moody:** Thank you very much.

**Hales:** Do we have anyone else signed up?

**Moore-Love:** Yes, I believe we have at least two more.

**Hales:** Come on up. Good morning.

**Mark Matthews:** Good morning, Mayor. Mark Matthews, pacificmark construction. Worked on the fair housing -- in the fair contracting forum. And part of working there, being a part of that group was so unique that we have a little issue with prequalification. And with the disparity coming out and nobody really addressing that, bringing that up to Christine Moody and her group, and making everybody aware that there is one little glitch here that is missing, it was really great to see that the City stepped in and started listening on what the small business people were saying. As far as the contractors, how hard it is to work in the city of Portland. And I think that we came a long way and turned that around by the city listening to how we can be transparency of taking away all of the pieces of the puzzle that they put on as making it simplified. And I think that -- I'm kind of grateful for being in that committee and helping to work out the details. And as a small business today, it's really made us thrive. Again, I like to appreciate the city for the hard work.

**Hales:** Thank you. Good morning, Dante.

**Dante James, Director, Office of Equity and Human Rights:** Good morning, Mr. Mayor, council. Dante James with the office of equity and human rights. I really just wanted to come in, and as you heard, express my appreciation and support for the strategy. I think the changes will have a significant impact on the improving of the opportunities for minority and women-owned businesses as they gain work with the city of Portland. I hope you appreciate the difficulty and probably the very hard work of Christine and her staff in putting this together. Having done some of that work, many times, the majority community and even the city employees are not happy and think this goes too far. And many in the community that this is focused on doesn't think it goes far enough. So, there is always a push and pull, and I would suggest she deserves hazardous duty pay for the work that she has done in getting there accomplished. The changes in some of the language in the rps, and increasing the percentage of the corporate responsibility language is very important because it creates weight for this. And you can't win a contract without doing this anymore. And so, that's an

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important piece. Project management providing opportunities for project managers to better understand how to unbundle some of this and create more opportunities for small businesses is very important. So, I'll stop now and just say that I truly appreciate and encourage the support for this strategy on the part of the procurement in the city. Thank you.

**Hales:** Thank you. Good morning, Charles.

**Charles Johnson:** Good morning again. Charles Johnson for the record. Currently in the local press, there is some flack. You guys always get -- flack always comes up whenever there is a problem with any kind of procurement or public expenditures, and it's an honor to be at the table with these two gentlemen and to have seen that the Native community got a voice here. And one thing I think you will want to consider is also recruiting more businesses and consultants from across the minority spectrum to be involved in the accountability process. Because whenever there is a procurement, whether it's a mainstream contractor or a minority contractor, there is a public perception problem. So, I hope that minority and women-owned businesses will also be put into a conversation with the Urban League, the Hispanic Chamber, and talking about ways to, to do image and quality service protection work. Thanks.

**Hales:** Thank you. Great. Thank you all. Was there any questions? Thank you. Anyone else signed up to testify?

**Moore-Love:** I believe that's all who signed up.

**Hales:** Okay. So, let's take a roll call on the resolution, which is the first item.

**Moore-Love:** 1092 is the report.

**Hales:** Sorry, that's right. Motion to adopt the report.

**Fritz:** Move to adopt the report.

**Saltzman:** Second.

**Hales:** Further discussion? Roll call on the motion.

**Item 1092 roll.**

**Fritz:** Thank you, Mayor Hales, for bringing this, and chief procurement officer Christine Moody for all your work on this. I worked about 16-hour days for the last five years and sometimes it's hard to see that we are actually making progress. And this is something that Mayor Adams started work on day one in January of 2009. His appointment of Christine to lead there work was inspired -- and the community partnerships, as Dante James said this has not been easy at all. It has been very complicated, it's something that the council made a commitment to working on in 2009, and continued to do so. Commissioner Leonard and his work on the community benefits agreement. Again, not perfect. But, a good step and something that we have worked through and worked really hard with environmental services and water to try to figure out how do we provide equity in contracts and jobs and services. And so, this is really great to hear that it is making a difference. Christine, thank you for your very well laid out report, and also, for all your work on this. It takes true leadership. And it's a 16-hour job day for you, too, I know, because you are at a lot of community events, inviting members to sit with procurement services in different settings, and your team with Tiffani and all of the rest of your staff, outstanding work. And still more to do, and I know that you would be the first to say that. That we're not there yet but are making progress. And I am very pleased that there is a continued effort, and I appreciated in particular your acknowledgment of the work of the office of equity and human rights. There is also often question in the community, what did those people do? And this is part of the answer, is that the staff there work with city bureaus and with community members to puzzle through extremely challenging problems, which historically Portland has not done a good job of dealing with. And that's why we came -- we come to the state of black Oregon report, and recognize that we are worse than we were 17 years ago in terms of the fairness. I hope that when we get to the next state of black Oregon report, which won't be another 17 years, that efforts like this are the nuts and bolts of how we're

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going to make progress in equity and providing opportunities for everyone in this great city that we call Portland. Thank you very much for your work. Aye.

**Saltzman:** Thank you for this update, and the social equity contracting strategy that we have is remarkable. It's ambitious, and aggressive and it's working. And it's really nice, you know, I can see, I've been to other council meetings where we wouldn't have the harmony on this issue that we have had today from some of our business partners that we do business with as a city. And I really want to thank the procurement services, Christine, Tiffani, everybody there and Dante and the office of equity of human rights for really keeping us, I think, on the cutting edge here of an ambitious strategy to have more prime contractors who are minority or women, to have more consultants, professional and technical experts, and also to have our own project managers get it and how they can do more to break up contracts to get more diverse contractors. So this is really ambitious, and it would not be happening without the leadership at the top so I want to thank Christine Moody for really taking this mandate, taking a mandate that can often be sort of construed as vague and obtuse and really giving it very concrete definitions and meanings in our strategy. And that helps everybody to see that we're being fair, but we're also being ambitious and aggressive. So, good work. Aye.

**Hales:** Well, Christine Moody, Tiffani Penson, Dante James, thank you for excellent public administration. You made this look easy. As you've heard from other members of the council. You made it look like this was the natural outcome, but, that's not the case. It actually took collaboration like what we have heard from here, groups like the Native American Chamber and Oregon Tradeswomen were at the table helping you to develop policy. And you have done such a good job of it that we have business people like Mark and Vijay coming in here saying one, government listened; two, we're making a difference; and three, we're making their businesses more prosperous. So, you made this look effortless, but actually the easy outcome would be to have a polarized room full of unhappy people. And cities have been in that place on these issues at other times. So, you have gotten us to a better place, a place of collaboration and progress and a shared agenda for how we're going to keep making that progress, and I really appreciate the work, it is work very well done. Thank you. Aye. [gavel pounded]

**Hales:** Ok, now the resolution, itself, for the forum.

**Item 1093 roll.**

**Fritz:** Just going to read the title of this resolution again. Establish the City of Portland fair contracting forum to support and promote accountable, transparent, fair, effective and efficient contracting practices. I am very pleased to see the reestablishment of this committee and the strategy, since 1977, was the last time that I think that we had this. It's going to work very well in connection with the city's efforts to create opportunities for people of color and women in the construction trades. And as Mr. Johnson said, oversight and community input and feedback is critical and crucial in promoting accountability and transparency, and this again should be a model that helps to establish these fair and effective contracting practices that we all hold at good values and principles. Aye.

**Saltzman:** Aye.

**Hales:** One more comment on this front, we started our budget process with some excellent presentations about how the Portland economy is changing, how we're entrepreneurial, and how our demographics are changing, that we are a more diverse city, and becoming even more so more quickly now. So, the importance of this work is increasing. We have to be an inclusive community for a much more diverse Portland than was the case the last time that you put this kind of strategy, or that we put this strategy together, so, in the right place at the right time. Aye. [gavel pounded]

**Hales:** Ok. And the KIVA pilot program resolution.

**Item 1094 roll.**

**Fritz:** Thank you, Mayor Hales, for bringing this forward. This is somewhat similar to the parks foundation where people get to give money to provide a particular, some things in particular, parks

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near their homes or ones that they particularly enjoy, so there was a project fund through the parks foundation in piccolo park to provide a fountain. And people who used that park could give to that particular project, and lo and behold the fountain got done, thanks to the partnership between parks staff and good citizens working on the project. This is very similar for small businesses, with the added bonus that you get your money back. So that you can invest in a small business that you particularly value, and know the City has acted as the trustee to vet that business and say it's a legitimate project. And then you can give money and then once the business accomplishes the purposes, you get your money back. So, it's a terrific project. Thanks to Tiffani and others who looked into this, providing this strategy -- [coughs] excuse me -- for the micro-loans, which everybody talks about as being so necessary, just that small few hundred dollars can make all the difference to a small business, and provides an opportunity for the community members to show how much they value our local small businesses. Aye.

**Saltzman:** We are a state and a city with a small business ethic and we have lots of small businesses. It's great to see that KIVA ZIP and crowd funding provide individuals a way to really step up in addition to supporting small businesses through doing business with them. This is a way to support small businesses by providing small investments. So, it's great that the city is stepping up and playing a role here, acting as a trustee for businesses that will help them, in turn, get the loans. So this is great. Aye.

**Hales:** You know, government has to run fast to keep up with the burgeoning creative environment that we're in. You know, apps, crowd funding. We're running as fast as we can, and I think that we might be running fast enough. Thank you. Aye. [gavel pounded]

**Hales:** Ok. Good work. Thank you all. Now, we'll move to our next time certain, 1095.

**Moore-Love:** Did you want to read all three?

**Hales:** Yes, please.

**Item 1095. Item 1096. Item 1097.**

**Hales:** Great. We have a panel of our own bureau of revenue and leadership of the Lloyd district, so welcome. Who is on first? Are you on first, Terri?

**Terri Williams, Revenue Bureau:** I am. Good morning, mayor and commissioners, I am Terri Williams, tax division manager and deputy director for the revenue bureau. Before you, as you heard you have three items today. Portland city code 606280 requires city council to conduct a public hearing in 2013, and then every ten years after to determine whether the Lloyd business district property management license fee and that district should be terminated. The resolution before you today is the trigger for that hearing. Representatives from the district are here to provide with a report on the accomplishments of the district over the last ten years, and attached to that resolution is a report of the outreach done in anticipation of this renewal process. The revenue bureau believes that there is overwhelming support to continue the district, and passage of the resolution will do just that. If council renews the district, the next item before you is an ordinance to make amendments to Portland city code 6.06, specific to the Lloyd district. These amendments include changes to the fee calculation formula, such as increasing the assessment per square footage and the assessment year to determine the value of improvements, adding an annual escalator to help offset the inflation, increase the fee cap for an individual property manager, and a new fee cap for a nonexempt residentially zoned property, and to add a methodology to calculate at no time fee when you have got more than one property manager in a single property. Finally, a new code section is being added to allow the district to request that the annual escalator be lower than the code-mandated 2.3%. And this is similar to a code section that council approved for the clean and safe district two years ago. The final ordinance authorizes the new agreement with the Lloyd B.I.D., Inc. and their subcontractor, the Lloyd TMA. The bureau and Lloyd believes it is appropriate to have the contract and its renewal on the same time line as the district itself. Currently, we actually did the contracts two years ago, and so it gets it out of sync. So we would like to get them back on sync to

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the same time line, we also have two current existing contracts which are easily served to put together and combine it into one, so we're only dealing with one contract. So that's what this third ordinance does, is to do that. It was the bureau's intention to file both those ordinances with an emergency clause. But, due to the absence of two of your commissioners, we had to remove the emergency clause off of the ordinances. We don't actually need one on the contract ordinance, but the bureau respectfully requests that the ordinance that amends PCC 6.06, that we amend that to add an emergency clause, so that at the second reading next week it would be immediately effective. Having it immediate effective it allows the bureau to properly calculate the January bills for the upcoming license year. Since the contract goes into effect in January 2014, we don't need it but we need it, because we do need to get all of the changes into the code so that we can calculate the bills because they have to be mailed on January 5. Because they are due on February 15. So, we would appreciate being able to amend it for that clause for next week. So, I would like to turn over -- unless council has questions about those -- I would like to turn over the presentation to Rick Williams, who is the executive director of Lloyd TMA, and he's going to you walk through the accomplishments of the district, and maybe a little bit of what's the future holds for them.

**Rick Williams:** Thank you, Terri. Mayor Hales and commissioners, thanks for taking the time, it's great to be back and talk a bit about the last 13 years of the Lloyd enhanced services district former known as the Lloyd business improvement district. Hank Ashforth from the Ashforth Company is here with us, he's the chairman of Lloyd B.I.D., Inc. He'll have a few words after I give my PowerPoint. And Owen Ron Kelly to my right, who is our program director, who is here if you have any technical questions about the changes that we're proposing, he's here to do that. I also just passed out a letter to you from a group payors, some of whom are here today and some couldn't be here today. As a result, because they could not be here today, they want to express their support for the district by letter. Again, as I said, we've been -- the Lloyd enhanced services district has been in place since 1999, officially in effect in the year 2000. The board of directors is on the slide in front of you and includes Hank, as I said, is our chairman but also a group of both public and private sector interests. One of the unique things about our district is we have about 25% of the budget, actually, comes from voluntary commitments from our public sector partners at Bonneville power administration, the Oregon Convention Center, Portland Development Commission, and Trimet. So, it's a really unique combination of partners. And what is an enhanced service district? It is an assessment of a property management license fee and all properties within a defined district, in our case the Lloyd district. The assessment is made to the property manager and is calculated using building value, square footage of building area, and square footage of land. And as Terri mentioned, some of those calculations for the new district, we're asking be changed. And they're not significant, but it allows, we believe, more stability over time in the district. Particularly, the escalator, which we have never in the last ten years. There is about 120 taxable properties in the district, and that breaks out into about 80 payers. Because some have multiple taxable properties in the district. Currently, the district raises about \$250,000 annually and that has been consistent, that number has been stable, static since the year 2000. So, the district has operated on \$250,000 for the last ten years. And as I said, we have our public sector partners pay at an equal rate, so they agreed to the same rates that the private sector has and they've done that voluntarily and represent about 25% of the budget. The boundary is the Lloyd district. As you could see on the south we have I-84, we have the river on the west. And, then Broadway to about 9th on the east, and then it drops down along Halsey to 15th avenue. And, as I said, there is about 120 taxable properties within that district. The changes that some of the -- as we move forward the things that we want to do is continue to provide programs and services that enhance the economic vitality of the district. We do that through public safety, transportation, economic development and, and actually maintenance and landscaping of the public right-of-way in the Lloyd district on Holladay street. And we oversee the management and implementation of the services through the Lloyd business -- Lloyd B.I.D., Inc., which is the

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organization that oversees the funds and the distribution of programs. This is how we break out, as you could see, the Lloyd B.I.D., Inc., is the oversight group representative of the stakeholders in the district, and they disperse the esd funds to the TMA and to our partnership of Multnomah County, and the Portland Police Bureau, for our district attorney, public safety program, and a new program that will be operating and going forward, is the Lloyd eco-district. And as you could see, the TMA manages the third party contract with the landscaping firm to provide landscape maintenance and streetscape services on Holladay street, basically from the Rose Quarter to the light rail platform at 13th avenue. A history of the district. As I said, we began -- the actual effort began in 1990, and it was a consortium of businesses and property owners who began in 1990, and every year voluntarily, would provide funds to the district in lieu of public funds. So we began a private effort to provide transportation services, to provide maintenance services, cleaning services, and outreach services. We incorporated all of that into the first B.I.D. in 1999 and in 2000. The services we provided at that time were primarily the neighborhood district attorney program and the public safety program, which we think is a model for the country. District security issues and transportation services, which at that time included both the Lloyd district TMA and co-funding for fareless square. In 2000 we established the Lloyd B.I.D. that provided stable funding for the district. It allows us to meet regularly with the partners in the district, and it provides funds and staff to do outreach services to the district. And a more formal process to continually partner with the city, partner with the transit agencies and other stakeholders in the district to map out the long-term economic development strategy for the district. Some of the things that we have done between 2000 and 2013 is the owner investments, I said, are about \$250,000 to \$260,000 a year. And the four programs provided there, the district prosecutor, Holladay street maintenance, Lloyd TMA, and then the small amount of money that we do for special projects. The interesting thing about our esd or b.i.d., is the amount of money we leverage with that small \$250,000 a year that we have been collecting over the last ten years. Generally, that averages somewhere between \$600,000 and million dollars a year in money that we can use to match other partners in the district. The Portland Development Commission has provided money to us as a match to what we do, the city and the partnership that we have with PBOT provides a match of money to us through the revenue sharing program. We, through other sources, the Lloyd TMA have provided money back to the city. We have used business energy tax credits, for instance, with the b.i.d. to buy and improve services in the public right-of-way. For instance, the TMA provided transit shelter upgrades along Holladay and the district transit trackers. We widened the sidewalks and added lighting on the east end of the district at the I-5 Multnomah under-crossing. Our partnership with the County, the eid, the b.i.d. and the esd is being used to allow us to get \$100,000 of extra DA services every year from the county, and the city and police, of course, match us \$80,000 to provide a contact office in the district for security services. I think even more importantly, at the programmatic level, is the amount of money we're saving our tenants in the district. Through the TMA, we provide a district transit pass called the u-pass. It's a Lloyd district u-pass, it's different from all the other u-passes in the Trimet fair system. But we can provide a discounted transit pass to employees of tenants in our district. At point of purchase, that's a \$6.4 million savings every year for those businesses that buy their passes through the TMA versus what they would have to pay individually if they were not in the u-pass program. And as we move forward, we're working with the PDC on -- there's \$3.2 million in the urban renewal budget that has been identified for the eco-district, and we can match that now with the Lloyd eco-district board of directors and other funds to carry the district forward. Leverage is a big part of what we do, and we think the amount of money that comes through the esd into our organization, and how we can use that money to leverage it for district projects, both in the public right of way, or on public property, and within the private right of way on private business is a -- we think is stunning and it is about a \$2.36 dollar match for every dollar that we generate through the esd is matched in other funds. We're very proud of the fact that right now we have 100% compliance. There are no delinquencies



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in the property payers who pay into the program. I don't think there's another esd, b.i.d., in the country that has a zero delinquency rate. So we're very proud of that. And we have an 83% participation rate from all of our public sector partners and properties in the district that include Bonneville, Oregon Convention Center, Trimet, city PDC, and Metro.

**Hales:** Who is the other 17?

**Williams:** The state of Oregon. State of Oregon. But we're very proud of our public sector partners.

**Hales:** Work on those guys.

**Williams:** Thank you, Mayor. We're trying. Program highlights. I'll go through them quickly. You are aware of some of them. We are very proud of the neighborhood DA program, and Jim Hayden, our new DA, is here today. That's a partnership that resulted in reduced crime in the district. We've addressed directly issues that we've seen over the years in Holladay Park. We have a quick response to issues of safety in the district. Wayne, now Jim, will be overseeing our Lloyd district public safety committee that includes all sorts of representatives from within the district, citizens, residents, businesses in the public sector. And as you can see in 2009, as an example, there were 166 gang arrests in the district. And since 2009, when Wayne and Jim and the Portland Police began to focus on it through the partnership, only 14 arrests in 2012, a 92% reduction. It shows what this type of partnership can do and again that public and private leverage of funds to make this happen. District economic development. 6000 new jobs have been created in the district over the last 10 years. That was through the recession. That was through the bubble, and that was through hard times. We can't take credit for all of that. But we also have about a four percent vacancy rate in our properties. We believe that the eid investment has contributed to that and I think that common forum of people working together has translated into the district. And we're bringing forward new projects as you know in partnership with you and others, with the Oregon Convention Center hotel. We have private sector investment just now beginning to hit the district in a big way with the aat development at what's now going to be Hassalo at 8th. We have had new ownership with the mall who are becoming very, very active in the district and want to make investments in the district and in Holladay Park. So we're very proud of that and accomplishments that have been made over the last 10 years. The value of the district has increased nearly 50% over the last 10 years. Property values have gone up, jobs have gone up, and I don't know if a lot of business districts can make that claim. The TMA has now been in existence since 1994 and is now funded with esd money. We've had a significant decrease in drive alone commute behavior in the district since we initiated the program and used these funds to do that. Our transit rate is up to 39%. Our employee bicycle commute rate is up to 6%. And our walk -- 6.7% today. And people are starting to walk to work. We've had a 46% increase in the number of people walking to work in the last several years. We provide an amazing amount of outreach through the TMA in terms of events and public education and employee, personal one on one employee trip planning assistance. 25 district events in a year. In the last couple of months we have done 300 trip plans of employees who have come to the office asking for help to get out of their cars and get to work in a different way. The TMA invests its money back into the district in infrastructure improvement, bus shelters, bike racks, district lighting upgrades, Holladay Park improvements that we've done with the Parks bureau in partnership. And as I told you about the u-pass, the TMA u-pass saves businesses a lot of money and puts a lot of people into the transit system. The Lloyd eco-district a new program for the last three years. It's been funded voluntarily by a group of businesses in the district, who have put \$10,000 a year each on the table to raise \$100,000 a year each year for the last three years. That program is becoming successful. It is hitting the road. We're moving forward with sustainability programs. One-on-one assistance to business on how they can become more energy and water efficient. And we're partnering with the PDC to identify a list of premier projects and projects that we can initiate early that can be put into the ground and that have a business return to those participating. And so that's underway. The b.i.d. board felt that after three years that we wanted to add the eco-district to the

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esd, rather than the voluntary program. Because it has a board of directors, it's formed as its own 501 c-6 business association and is up and running. Holladay Street maintenance, this is something that we're glad to do. Holladay Street long was a problem in terms of keeping up the landscape and keeping it looking good. B.i.d., esd stepped in about 2004 and took over that responsibility from the city. And for a mere \$17,000 a year, from the photos, you can see the difference we've made. We weed, re-landscape, water, and we keep it clean and make sure that that environment from the Rose Quarter to the light rail platform looks the way it does today. Moving forward, as I said, the core programs will be maintained. The TMA, the public safety program, Holladay Street, and our advocacy and economic development program. We want to add the eco-district to the esd portfolio. As Terri mentioned, we want to bring the property value year of assessment forward from 1999 to 2010, add an annual escalator to cover the cost of inflation, create a new cap on property managers. The current cap is 20,000. We want to raise that to 35,000. There is also a new cap placed on residential property on residentially zoned land, capped at \$8500. That would take our current budget from about \$250,000 to \$260,000 a year to a \$408,000 in the first year off of the b.i.d. beginning -- the esd beginning in 2014. We've received support from 76% of those who have to pay into the district. 66.2% are represented in that letter that I just gave you. We do believe we have overwhelming support. We have tried really hard to contract and outreach to those involved in the district. We had two public open houses in August. Mailings to all payees from the list of payees, addresses that was given to us by the bureau of revenue. We've done additional mailings because properties have changed, addresses have changed, ownerships have changed. We have tried hard to get out all of those as we learned how properties have changed since last year's billings. We've had one on one meetings and offering one on one meetings with affected property owners. We've had meetings with revenue staff, we've had meeting with you and thank you your staff, and we met with the Mayor's office last week. We think we've done as good as we can in public outreach. We have had very little in opposition come back particularly as a percentage of the total value of the district. With that I would like to turn it over to Hank.

**Hank Ashforth:** Thanks a lot, Rick. I just have some quick comments. Again, I'm Hank Ashforth, the chair of the B.I.D., and actually I've been the chair since its inception 13 years ago. And I really thank you for your time. I really want to thank all of our members, public and private, that have been a part of this effort. Because it has been successful. B.I.D. really is the glue that binds our neighborhood together on many fronts. So, our board remains committed, driving positive change in our neighborhood, to increase the economic vitality by increasing value at every opportunity. We use our existing programs that focus on safety and transportation, and we're adding obviously the eco-district effort to further enhance value by using a triple bottom line formula and solid baseline data. This neighborhood scale effort is already poised to bring forward some new tools to help the Lloyd district's ownership increase their value in the areas, as Rick had mentioned, of power consumption, waste management, and water use. We've certainly come a long way, but our focus programs, as Rick pointed out, have really added a tremendous benefit. You saw with the 92% reduction in gang arrests, and increasing in property value over 55% and 6000 new jobs to the Lloyd district. This came about because we are dedicated. We are focused. And we have shaken hands with the city on a terrific partnership. This past success, though, did not come without some setbacks, I have to tell you. And specifically towards the DA program. It remains, certainly from my vantage point, one of the best community policing programs in the country. And I can say that it was almost defunded at least twice. At least twice. And as it went through the city's budget process. Now, however, it has found a permanent home at 1201 northeast Multnomah. And I can only say that I hope more of these programs are started across the city, because they truly do work. I raise this example because at its inception, the DA program was new, it was untested, it was untried, but it worked. And each time it was on the city's chopping block, our B.I.D. said no. We worked out a way to get it funded. It took, as I said, perseverance and dedication, but we prevailed. And with

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great thanks to the police bureau, for sure, obviously the county, and our members. It survives today. And it is truly the model of community policing. So, this brings me to the future of our neighborhood in the next 10 years. The future looks extremely bright. The momentum that Rick mentioned that is building behind the new development. Hopefully we will have a convention center hotel one day. But regardless, there is new development, there's new redevelopment, there's all sorts of positive things happening currently underway. So, we could not be more excited. The Lloyd B.I.D. is right in the middle of all of this positive change. And as we move forward, we will continue to push for creative solutions. We're going to bring you suggestions. We're going to help you move ahead to find ways to add value by reducing environmental impact and helping our fellow neighbors. So be advised. We will be back for sure. We will come with suggestions. We'll come with solutions to tough questions, all communicated by our passionate owners. So, please make room for us when we come. I'm confident that we will be back to you with successful solutions just like the community policing program. So be ready for sure. Finally, this public/private partnership has worked and I -- over the next 10 years, I can only see it improving. Thank you very much.

**Hales:** Thank you. Okay. Any questions for the team? Thank you very much. Good presentation. We will see if we have others signed up.

**Moore-Love:** Two more people signed up. Charles Johnson and Pete Robedeau.

**Hales:** Come on up, please. Go ahead, Charles.

**Charles Johnson:** I've spoken a lot. And Mr. Robedeau's letter is exhibit b in your documentation, so I will let him go first.

**Pete Robedeau:** My name is Pete Robedeau. Thank you for allowing me to speak. My wife and I own a building at 401 northeast Weidler. It's 9000 square feet. 3300 square feet of it is retail, and 5700 of it is parking. With this new scheme, for lack of a better term, our annual assessment will more than double. It will be up just over 150%. And quite frankly, in the 14 years that we have been involved with this, we've gotten exactly nothing out of it. I talked to the DA once, and he said he would look into it. I never heard from him again. I talked to all of the restaurants around there, lock their restrooms. So, in order to create parking for our building, I had to put it inside the building. And it's -- I think I pretty well got this problem solved, but all the homeless, I guess is the connect term nowadays, were using our area as a restroom. And it is expensive to power wash it and you clean up all of the water and all of that kind of stuff. And I went to the police department, talked to an officer trainer who informed me that he wasn't going to do anything about it because this was my fault. And it was the city of Portland's fault because these people had to go somewhere, and no facilities were being provided for them. It's -- I'm here, I guess, as the only dissenter. I would like to see you vote no on this. Or the alternative is that I would look for would be to get us out of it. And that would involve just extending the Halsey street boundary from 7th where it currently is, to MLK, and take that out of the district and that would get us out. We are having to take care of our own problems anyway. It just -- that northwest corner of this district is neglected. I was sitting here thinking, listening to Mr. Williams talking about all of the things that's happening elsewhere, and we in that portion of the district have had nothing. And I don't really want any improvements. I would just have liked a little bit of help with the problem. Our corner is -- I guess it's owned, for lack of a better term, by a street gang. Which, as the Christmas season arrives and the panhandling gets better, there's one guy who panhandles that corner every day. And with the arrival, especially last year when I was down there doing a lot of work and I was able to identify the corner supervisor and what they do, is they do MLK and Weidler and MLK and Broadway. And nobody else is allowed there. They store their signs in the building. They throw their garbage in the building. They use the building for other things, and it just is intolerable like I said. I think I've got it all resolved, but for the price I'm paying for this, it costs about \$150 every time I have to pressure wash and pick up the water with a firm I hired to do that because you have to keep cleaning the garage for what it's being used for. So, I would either like you to vote no on this whole thing or get us out.

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**Hales:** Thank you. Thank you much. Charles.

**Johnson:** Thanks again. For the record, my name is Charles Johnson. And I've only been in Portland about 18 months. So, I don't maybe know the more unfortunate part of experiences that people in the Lloyd business district have had. I do know in the Lloyd district within the past 13 months, because it's a well-serviced Trimet frequency area, we had an extreme police presence with motorcycle cops blocking the streets and high school students being sprayed with mace. I don't know if that came from the general police budget or special district funds. Not very many of us remember Mr. -- I assume there is a Mr. Lloyd somewhere in the history. To me, it's really more of the Otis and Cisneros memorial district. I believe that both Keaton Otis and United States military veteran Mr. Cisneros died in the district. Fortunately not in violence that involved people going about their daily lives, but it was the police department that had used lethal force against those two individuals. One was probably a distressed veteran having a suicide by cop incident. So, we want to make sure that if the district continues, there's strong engagement with the public, especially the residents. We haven't talked about mixed use, live-work in this district. We want to make sure that a portion of the district's revenue goes into community engagement that talks about if there's a special financing district, are those things going to be borne more and more by the revenue and less by the revenue fund revenue. Thank you.

**Hales:** Thank you both. Anyone else signed up to testify?

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

**Hales:** We're ready for council deliberation and vote on the resolution itself. 1095.

**Item 1095 roll.**

**Fritz:** Thank you for the presentation. I heard the concerns from one of the property owners. The point of this district is that it is about the whole district. And the Lloyd district has been a place that my family has enjoyed visiting over the 13 years of this project and has seen tremendous improvements in the facilities, in the feeling of safety that we have, and in just the vibrancy of the district. And I appreciate that this is seldom a situation in which everyone is happy. This one does seem to be a reasonable extension and I very much appreciate the work that's being done. And obviously there's still more that can be done in addressing particularly areas on the outskirts of the district that might need a little extra attention. I appreciate the community coming together with businesses and residents and others and I'm pleased to vote aye.

**Saltzman:** I think the Lloyd B.I.D, I guess now the Lloyd enhanced services , has really been a remarkable development in terms of providing increasing public safety, providing more pedestrian amenities, bicycle amenities, transit usage, keeping the sidewalks looking nice. So I think overall the benefit far outweighs the cost. In fact, I'm amazed that all you do for a budget of some \$260,000 a year. Although the leveraging is very important, I understand. I think you're doing a great job. I think it is a very dynamic area. There's a lot of things going on in the Lloyd district that we're all excited about and keeping your enhanced services district strong and robust is very important to everybody within the district, and to people within the city, too. Pleased to vote aye.

**Hales:** I was here 13 years ago when this district was created and some things have certainly changed and things are changing now. But I guess there are some things that haven't changed. I want to note those and appreciate them. One is that this district from the beginning has been grounded in property owners coming together, organizing themselves for neighborhood improvement. It's their idea with city support, not the city's idea with their meek obedience. So, I like the model. Secondly, it has been innovative from the beginning. A lot of focus in the early years on transportation. That continues. It's still paying off. The district is transitioning from being an auto-oriented place to being truly part of the central city and that progress needs to continue. The pie chart shows how well you're doing. Third, it has been innovative all along. Looking for the next new opportunity or idea, and that continues as well. So, I think the philosophy or corporate culture of this little nonprofit has been pretty consistent and very healthy. And I appreciate that. I think, you know, it is easy to say

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we're at a turning point. There are really big things changing here and fill in the name and place. Really that is happening right now in the Lloyd district. Combination of the American assets trust investment, you know, they are tearing up a parking lot and building some urban paradise there, pretty impressive investment. I met with John Fainter who is the new Cyprus Investments representative for that purchase of the Lloyd Center, and they have very ambitious plans. In fact, I think they're having a charrette today to look at ideas on how to remodel the physical plant of the Lloyd Center to better embrace Holladay Park, and to what you have done to make the park safe by also making it lively, which will make it safer. I'm very excited about that. And then, your neighborhood will play host to the first American international sporting championship since the Atlanta Olympics when the 2016 World Indoor Track and Field Championship welcomes 212 nations to your neighborhood. So get ready, please -- or, help us get ready for that because there are going to be a whole lot of visitors. We might need an international signage program in addition to everything else that you are doing in order to have people feel welcome and find their way around the district. But I really do think this is a good chapter, and boy, a lot of results for not much money. So, keep up that good work. Very pleased to support this. Aye. [gavel pounded]

**Hales:** Okay. Next item, I believe we need to consider the addition of an emergency clause, right? This is the one.

**Moore-Love:** Did you want to do it next week?

**Hales:** Yeah -- well, can we add the clause today and it shows up on -- can three people add the emergency clause?

**\*\*\*\*\*:** You can amend the ordinance to add the emergency clause this week and pass it to be voted on next --

**Hales:** Put it on consent next week.

**Saltzman:** I would move to add the emergency clause to ordinance 1096.

**Fritz:** Second.

**Hales:** Roll call.

**Moore-Love:** We have the language for that, correct, Terri? Okay. Thank you.

**Motion to add emergency clause.**

**Fritz:** I think that the reason for the emergency clause is to expedite the proper collection of the proper taxes. Aye.

**Saltzman:** Aye.

**Hales:** Aye. [gavel pounded] That will be on consent calendar next week.

**Moore-Love:** It will be on the regular.

**Hales:** It has to be on the regular?

**Moore-Love:** Yes.

**Hales:** Okay, sorry. 1097. That passes to second reading. [gavel pounded] Those come back next week on second reading. Okay. Thank you all very much great work. Another 10 years and more. All right. Next item.

**Item 1098.**

**Hales:** Second reading.

**Fritz:** Aye. **Saltzman:** Aye. **Hales:** Aye. [gavel pounded]

**Item 1099.**

**Hales:** Roll call, please.

**Fritz:** Aye. **Saltzman:** Aye. **Hales:** Aye. [gavel pounded]

**Item 1100.**

**Hales:** Roll call.

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

**Hales:** One could joke that the principle problem with the streetcar is getting it to go faster, not slower, but we nevertheless still need to do this, aye. [gavel pounded]

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**Item 1101.**

**Hales:** Roll call.

**Fritz:** Aye.

**Saltzman:** Another example of great work on the local improvement districts. Aye.

**Hales:** Yes, thank you, Andrew, well done. Aye. [gavel pounded]

**Item 1102.**

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

**Fritz:** My understanding from Commissioner Fish's office is that they met with the person who pulled this off consent last week and everything is now copacetic. Aye.

**Saltzman:** Aye.

**Hales:** Aye. [gavel pounded]

**Item 1103.**

**Hales:** Roll call.

**Fritz:** Aye. **Saltzman:** Aye. **Hales:** Aye. [gavel pounded]

**Item 1104.**

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

**Fritz:** Aye. **Saltzman:** Aye. **Hales:** Aye. [gavel pounded].

**Item 1105.**

**Hales:** Roll call, please.

**Fritz:** Aye. **Saltzman:** Aye. **Hales:** Aye. [gavel pounded]

**Item 1106.**

**Hales:** Roll call.

**Fritz:** Aye. **Saltzman:** Aye. **Hales:** Aye. [gavel pounded]

**Item 1107.**

**Hales:** Roll call.

**Fritz:** That's great that we're getting nearly \$1.5 million from the state for this project. Aye.

**Saltzman:** Aye.

**Hales:** Aye. [gavel pounded]

**Item 1108.**

**Hales:** Roll call.

**Fritz:** Again, thanks to Commissioner Fish's office for briefing my staff about this. Aye.

**Saltzman:** Aye.

**Hales:** Aye. [gavel pounded]

**Item 1109.**

**Hales:** Roll call, please.

**Fritz:** Aye. **Saltzman:** Aye. **Hales:** Aye. [gavel pounded]

**Hales:** And we are recessed until 2:00 p.m. tomorrow. Thank you.

At 11:31 a.m., Council recessed.

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**Closed Caption File of Portland City Council Meeting**

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

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

**NOVEMBER 21, 2013      2:00 PM**

**Hales:** Council please come to order. This is the November 21st session of the Portland City Council. Would you please call the roll?

**Fritz:** Here. **Fish:** Here. **Saltzman:** Here. **Hales:** Here.

**Hales:** We have two items which I think you can read together.

**Item 1110. Item 1111.**

**Hales:** Okay. Ms. Beaumont.

**Kathryn Beaumont, Chief Deputy City Attorney:** Good afternoon. I have several announcements I'm required to make by state law before we begin the hearing. These have to do with the kind of hearing we are having today, the order of testimony, and some guidelines for presenting evidence. This is an evidentiary hearing which means you may submit new evidence to the council in support of your arguments. The council will be hearing testimony concerning the hearings officer's recommendation and it will be heard in the following order. We'll begin with a staff report by BDS staff for approximately 10 minutes. Following the staff report, the council will hear from interested persons in the following order. The applicant will go first and will have 10 minutes to address the council. After the applicant, the council will hear from individuals or organizations who support the applicant's proposal. Each person will have three minutes to speak. Next, the council will hear from persons or organizations who oppose the applicant's proposal and each person again will have three minutes each. If there was testimony in opposition to the applicant's proposal, the applicant will have five additional minutes to rebut testimony given in opposition to the proposal. The council will then close the hearing and deliberate. The council has before you two items today, one is the hearings officer's report and recommendation and the second is an ordinance to implement the hearings officer's report and recommendation if you accept it. The ordinance is a nonemergency ordinance. It needs to be carried over to second reading, and my recommendation is that you carry over the hearings officer's report as well so that you're voting on both items at the same time. So there will be no final decision making today on those items. In terms of presenting testimony, any letters or documents you wish to become part of the record should be given to the council clerk after you testify. Similarly, the original or copy of any slides, photographs, drawings, maps, or other videos or other items you show to the council during your testimony, including a PowerPoint presentation, should be given to the council clerk to make sure they become part of the record. Testimony must be addressed to the approval criteria as must your arguments, and if you believe there are approval criteria that should be applied that weren't applied, you should make that clear in your presentation. BDS staff will identify the applicable approval criteria as part of their staff report to the council. Any issues you raise today must be raised clearly enough to give the council and parties an opportunity to respond to the issue. If you don't, you'll be precluded from appealing to the land use board of appeals based on that issue. Finally, if the applicant fails to raise constitutional or other issues relating to proposed conditions of approval with enough specificity to allow the council to respond, the applicant will be precluded from bringing in action for damages in circuit court. That concludes the announcements I'm required to make.

**Hales:** Thank you. Does anyone have any ex parte contacts or potential conflicts of interest to report?

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**Fish:** I have none.

**Hales:** Hearing none, then I think we're ready to move the staff report.

**Fish:** Sylvia, this is becoming a weekly ritual.

**Sylvia Cate, Bureau of Development Services:** It is. But I have news for you. We set a record this year with six of these types of applications, and this is the last one for this year.

**Fish:** The Mayor set a record the last time were you here, it was one of the shortest hearings we ever had.

**Cate:** We can shoot for that again today.

**Hales:** We're on a roll.

**Cate:** Well, good afternoon. I'm Sylvia Cate, I'm the assigned planner for this review and I'm here to explain to you the hearings officer's recommendation in this request. I also want to let you know that both Kurt Krueger and Fabio de Freitas are here representing PBOT, and the applicant's traffic engineer Mike Coleman from Kittelson & Associates is also here. I bring that up because there is a small transportation policy issue which I'll describe in my presentation. So if council has questions, you've got the experts here to answer them. The applicant is requesting a comprehensive plan map amendment and concurrent zone change amendment to change the current designation and zoning on this site from R5A to R2.5. The applicable approval criteria are listed. This application involves a request to rezone R5 residential lands to R2.5. There are specific goals and policies of the comp plan that the hearings officer gave weight to in analyzing the request. In his conclusion of his recommendation to you, he notes that otherwise all the policies and goals of the comp plan and meeting those are very straightforward, however, there are two policy issues regarding parking under goal six that inherently have a conflict when applied to this particular situation. The first is policy 6.26, and that essentially says, preserve as much on-street parking as feasible in older neighborhoods. And this site is located in an older neighborhood. The very next policy, 6.27, says consider eliminating off-street parking in areas where there's high-quality transit available. In this situation we're in an older neighborhood, very close to and very well-served by transit, so these two policies have an inherent conflict in this situation. But the approval criteria seeks for, on balance, does the application supports comprehensive plan and policies. The hearings officer heard some testimony from four neighbors at the previous hearing. Concerns were raised very much about on-street parking availability, and you will see some pictures of those conditions during the day as I go forward. In short, the hearings officer determined that because these policies conflict, there needs to be a balance between them. And he recommends a condition of approval that future redevelopment of these properties will include off-site parking, so any redevelopment doesn't put additional pressure on street parking, but he's also recommending that when these properties are redeveloped, that there will be shared driveways in a very specific dimensional sequence which will preserve as much curb length as feasible, and therefore preserving as much on-street parking as possible given those anticipated future curb cuts. The alternative is not shared driveways, but multiple curb cuts, which would eliminate more on-street parking. You received a letter I believe yesterday from a citizen who testified at the hearings officer's level about these concerns, and her letter -- she recommends a similar condition that is to pair the driveways together to help ensure as much curb length as possible between them to preserve as much on-street parking as possible.

**Fish:** Could I ask you to clarify, what are examples of off-site parking?

**Cate:** Garage or a driveway long enough you can park your car --

**Hales:** Off-street, you mean.

**Cate:** Yes, off-street, on-site.

**Fish:** I thought you said off-site.

**Cate:** On-site.

**Fish:** On-site, off-street. Okay. It sounded like we were talking about a parking structure down the street.



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**Cate:** I'm sorry, no.

**Fish:** Thanks for the clarification.

**Cate:** Sure. This map shows the existing zoning map. You see the four lots of this application highlighted. And this zoning map shows the proposed rezoning in place. Just a quick tax map to reiterate what the site is. The applicant has suggested that this is not an actual proposal, but this is an example of potential future development that could occur on each lot with an approval. Essentially attached housing. You see in this example that the garages are separated. I believe the applicant is very comfortable with the condition and will reconfigure their development to meet the condition about shared driveways. The hearings officer has findings determining that on balance the proposal remains supportive of the comprehensive plan goals and policies and meets all of the other applicable approval criteria, so he is recommending approval with the one condition regarding the size and location of future curb cuts. We're now doing a virtual site visit in our virtual helicopter. This is obviously an aerial view, you see the site highlighted. Just to the east you see a large commercial rooftop. That is a small commercial center located at northeast 15th and Fremont. It is anchored by Whole Foods grocery. It includes a number of other shops, a local branch of Multnomah County library, and the building has a second floor which has 13 residential units on the second floor. And directly south of this site you'll see there's CN1 zoning at northeast 14th and treatment, that's the second small node of commercial development and uses. We're looking north, up northeast 14th from Fremont. You can start to see the backside of the commercial center on the right here. And you can see part of the CN1 commercial development to the left. This image is looking east along northeast Beech street, which is the more northerly street with the site having frontage. The site is behind the photographer, and you can see to the right the beginning of the loading dock for Whole Foods grocery. This view is roughly mid-block on northeast 14th avenue. The subject sites to the left, the back of the commercial center is to the right. In the background you can see trucks unloading goods for the grocery store right next to their loading dock because there were two trucks already occupying their loading dock. These pictures were taken midday, and pretty much at the peak of the grocery receiving goods and deliveries. This view is looking south. You can see the corner lot has an existing house. It is the first of the four residential lots.

**Fish:** Can you go back to that picture for a sec? Does PBOT have an opinion as to parking on the sidewalk? [laughter]

**Cate:** I'll defer to them.

**Hales:** So that's an existing house that is part of the subject property.

**Cate:** That is correct. You can --

**Hales:** That's the corner lot.

**Cate:** Correct. And you can see just south of there the next two lots are vacant.

**Fish:** Seriously, it looks like that truck is not only parked on the sidewalk, it's blocking a handicap access. Can we zero in on the license plate on that truck?

**Cate:** I think it would be helpful to have PBOT come up and describe some of their findings when they -- we actually did multiple site visits because the amount of traffic midday caught everyone's attention. And in particular when notified neighbors brought to our attention they had concerns because there is so much activity during the daytime associated with the commercial center. Here you can see those two vacant lots. And then we're looking southwest, you can see the fourth lot there. And again, this is fairly typical of the on-street parking during midday. Fairly well parked up but there were still available spaces on the street even with that demand, every site visit I did, and I believe that's also the case when PBOT went out. This concludes my presentation. If there are any questions or if you'd like to call PBOT up to talk a little bit about their site visit and the loading zone and the recommended condition.

**Hales:** I guess I just have some more global concerns that maybe you and the applicant can address. That is, there were a couple of existing single family houses on the portion of the site that --

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**Cate:** That is correct --

**Hales:** -- that is now shown as vacant. I guess they were demolished before those photos were taken or before the application was filed. The house you showed on the corner, I didn't do a site visit, but it looks like it's in pretty good condition. That's going to be demolished and replaced with one of the four row houses?

**Cate:** That is currently a dwelling for one of the applicants. I don't believe that that lot is necessarily going to redevelop any time soon. Obviously the two vacant lots in the center of the site are shovel ready at this point.

**Hales:** So -- and maybe I should have reread that section before asking the question. But what's the policy argument for changing R5 to R2.5 in a situation like this? In other words, the fabric of the existing single family neighborhood starts on that side of the street, starts on the first block north of Fremont, so there's an existing single family character to that neighborhood. This will change that to attached row house development.

**Cate:** Correct.

**Hales:** What's the public policy rationale for why here, and if not -- if here, what's to prevent us from spot rezoning very large swaths of the city?

**Cate:** Let me -- those are excellent questions. Let me go back here a minute. First of all, because there is such quality transit in the area that's very supportive of the additional density. Secondly, the developer actually met and worked with the neighborhood association before submitting the application, before even coming in for the preapplication conference. And the Sabin neighborhood association was very supportive and suggested to this rezoning when the applicant came to us for the pre-app we said we understand the desire for R2.5, but we'd like to see the whole block face rather than just -- initially the two vacant lots were the original site. The developer understood what our goals were, got all the homeowners aligned and came in with an application and the most southern 5000-square-foot lot, that homeowner early in the process decided, they didn't want to participate so we've got that one lot hanging out, otherwise we would essentially have the full block face at R2.5. My zoning map doesn't quite go over if we went over about half a block you would see there are large swaths of R2.5 very close to this area. So it is fairly consistent with the zoning pattern.

**Hales:** Which direction?

**Cate:** To the west. I believe your packet -- let's see. Yeah, our zoning map in the packet doesn't quite go far enough west to show that T2.5 zoning, but there's several blocks starting from Fremont going north.

**Fish:** So in answer to the Mayor's question, you said that there's pretty good transportation there, so -- we have obviously on Fremont and I think also --

**Cate:** On 15th.

**Fish:** You've got transportation, pretty good transportation. To what extent does the proximity to a grocery store and a little commercial hub like that influence our thinking?

**Cate:** Well certainly in terms of location, everything is very walkable. That was one of the points that the Sabin neighborhood association raised in their three letters of support. They have been tracking this application very carefully through the process, and as a change, for example, with the one homeowner dropping out, they reevaluated the application formally and still came to supporting that, submitted a second letter and recently submitted a third letter to city council. They note in there that not only do we have frequent service transit here, but in the neighborhood, this location, there's open space nearby, there are very good pedestrian facilities throughout the neighborhood, and some bike facilities throughout the neighborhood. So they felt that this made a lot of sense because it's so close to the node of commercial and to bump up a little bit the density which would go from four to eight. Interestingly enough, the difference in actual development standards, aside from being able to have attached houses on this lot, all of the development standards are the same in terms of setback,

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building coverage, except for height. They get five feet additional height to accommodate the more narrow lot.

**Fish:** One of the conversations we've had historically in situations like this is, what's the precedential effect. The answer you've given us, these are all intensely fact bound, they're based on the unique circumstances, so here, this location and all the factors you've described. So we are theoretically setting precedent, but the decision stands on a set of specific findings.

**Cate:** That is correct.

**Fish:** And so -- so I'm clear, because I think the Mayor raised an interesting point, we're not giving wholesale license to doing this wherever. There are unique qualities of this particular location that make it, plus you have the neighborhood being supportive.

**Cate:** Correct.

**Hales:** I'm still wary of this recommendation, because you could find those conditions in a very large portion of the eastside neighborhoods of the city, or the westside neighborhoods, for that matter, where access to transit and proximity to commercial development are both factors. So it's not a new issue for some of us. But I'm wary of where we're going here. So I need some more reassurance.

**Fritz:** At least we're actually doing it in a process rather than the skinny lots issue, where it's happening everywhere just because of the historic lots. And it's R5 to 2.5, they're not asking for a 10-story building with highly intense development.

**Fish:** Commissioner Fritz, it also appears to be a design that's faithful to some of the aesthetics of the neighborhood. That strikes me as a difference. As I was listening to the presentation, I was also struck that while this is not a town center, what we're talking about is building some additional density around these commercial hubs. And we have, you know, I know what a town center is. But I also know that we're creating throughout our neighborhoods places where there's a grocery store and some other amenities, we're going to put density somewhere, it seems to me this is a preferred outcome than being in a traditional R5 neighborhood that is not approximate to commercial services.

**Cate:** That's correct. And also the development style, as Mayor Hales noticed, is somewhat different. You're getting attached houses, but this is still considered a single dwelling zone. The development style is different from a single house on a 5000 square foot lot, but it's still -- the comp plan considers it single dwelling zone still. It's not a multi-dwelling zone. So that, and the location, the set of circumstances. I'm sympathetic with the Mayor's concern that theoretically you could go throughout the city and find a very similar set of circumstances where transit's good, pedestrian facilities are well developed, etc. But realistically here we have someone who is interested in redevelopment, has worked very closely with the neighborhood association, with these homeowners, and with the City to get to this point. Whereas I don't think if we just picked another random site in the city that is similarly situated, more likely than not we don't have someone in a position to actually request this and start the redevelopment process. So it seems like a very good example that our economy is not just green shoots, but we're getting tiny saplings now, and --

**Fish:** Why is it -- this is not I guess relevant to our decision, but why is it a vacant lot now?

**Cate:** The two interior lots did have houses on them. I suspect the applicant can speak more directly to this, but my examination of the records, by the time -- when I got out to the site visit the demo had already occurred. But even from aerial photographs you could tell that neither of these homes were in particularly good repair, frankly, and just the condition of the lots, just from the aerial, I suspect the applicant again will -- can provide you details, but it was fairly evident that the structures there had not been maintained for some time, and there was -- just from an aerial you could tell they were not good solid homes anymore.

**Hales:** Thank you. Further questions for staff? Sylvia, thank you. All right. We're ready for the applicants. Good afternoon.

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**Bruce Vincent:** Good afternoon. My name is Bruce Vincent, Bedsaul/Vincent Consulting. I'm here representing Peter Kusyk and Firenze development in their request for this zone change. I will do my comments first, a brief summary of the -- my comments, and Mr. Peter Kusyk certainly will have comments of his own and if you have any questions, Mr. Coleman is here and Mr. Kusyk is here. This is Mr. Coleman from Kittelson & Associates. If you have any transportation related comments he can address those to you. We're before you today to seek approval of this comp plan amendment, zone map amendment, the requested a change from R5 to R2.5 for these four lots that Sylvia referenced on the corner of --

**Fish:** Could you push that down a little bit? The whole thing will move. Slide the whole thing down.

**Vincent:** I see. The applicant, the applicant's rep have read the hearings officer's recommendation of approval and conditions of approval and we concur with those proposed conditions. And we have submitted evidence in the file record demonstrating that all applicable Metro, city comprehensive plan and zone map amendment criteria as referenced by staff and the hearings officer and as outlined in the application have been met. Planning staff and hearings officer provided findings supported recommendations to approve the request. In the file records you have a response letter from transportation, environmental services, water bureau, fire bureau, all stating they have no conflicts or objections. In addition, Sylvia referenced there's three letters from the Sabin neighborhood association in full support of this request. One from April and two from November this year. What I'd like to do is briefly summarize the key points as I see it in our request. The subject site is appropriate for R2.5 zoning because it meets all the locational criteria for increased density adjacent to commercial nodes and transit streets. Surrounding nearby lands are fully developed with a mix of commercial uses, single family dwellings, multifamily dwellings, schools, and parks. Commercial uses on northeast Fremont consist of retail and service-oriented businesses that support local residents and residents within larger eastside region. Lands south that front northeast Fremont as you saw on the map as CN1, those lots have a neighbor/commercial uses such as restaurant, pub, clothing shop, barber shop, coffee shop. To the east is CN2 zoning, that's the large commercial development to the east and that anchors Whole Foods and other tenants include Starbucks, UPS, Papa Murphy's, and Back Yard Bird Shop. And northeast Fremont is a transit access street that contains two bus stops within 500 feet of the ownership. And it's our opinion that everything that we described above is an ideal spot for up zoning to R2.5. And of course, traffic impact is a big portion of one of these -- a comp plan amendment zone change application. And in that regard, we have an enclosed traffic impact analysis by Kittelson & Associates and they demonstrate all the proposed redevelopment increased traffic resulting from this will have a minimal impact from the functioning of the four key intersections surrounding the area. Kittelson concludes all those intersection can and will operate at level of service a, b, and c, which is good, in transportation jargon. With regard to planned policy six in the TPR, the transportation planning rule, Kittelson states that the existing transportation services can adequately serve the projected demand within the requested zone change area, and that the existing public transportation system facility is capable of supporting the uses allowed by the proposed R2.5 zoning now and 20 years from now. And with regard to the parking issue, Kittelson also concludes that the requested zoning change will retain on-street parking supply that will exceed demand. And Kittelson recommended paired driveways to minimize impact to on-street parking. And when you do that, by doing that you create a space to park cars in between those paired driveways that helps to mitigate the impact. The hearings officer in fact recommended a condition of approval to that effect and of course we are accepting that condition. So in summary, we believe that the applicant's evidence in the case file combined with finding and recommendation presented by staff and the hearings officer demonstrate that on balance, that's an operative term especially in concerning policy six, that on balance all of the applicable Metro city comprehensive plan and zoning code standards for a comp plan

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amendment zone map amendment have been met. Of course we request approval. And with that I will turn it over to Mr. Kusyk for his comments.

**Peter Kusyk:** My name is Peter Kusyk, and I live at 7110 southwest old Wilsonville road in Wilsonville, Oregon. Mayor, council. Let me give you a brief history and there were a few questions you brought up I think I could answer for you. When the two properties, 3607 and 3617 -- I'm building reproduction-type homes in the neighborhood that the owner, one of the owners came to me and asked me if I was interested. Both of them were considering to sell. I do have pictures of the properties to show you the disrepair if you want me to bring those up.

**Hales:** Thank you.

**Kusyk:** They were in quite a bit much disrepair. The first thing I did was I went to the Sabin neighborhood association and met with them, and in that meeting, it was great. They saw what I saw, that there could be a need for some denser housing here because of the transportation that was there, because of the commercial area that was there, and they have continued to support it. Also at that meeting what I learned is that they were the first northeast neighborhood to ask for increased density in their charter. So Sabin has always been on record as supporting increased density. One of the things that they asked is that in the designs that I keep the designs they had seen in the neighborhood before, that it sort of mirrors the feeling that was there of the homes. In the designs that you've seen in the packet do those have elements of the Sabin neighborhood in there. Obviously they're going to be changed because of the driveway and the cars. But after our preapplication conference with staff, we realized that there were two issues, parking and transportation impacts, if we were going to reach concurrence on the goals and codes that we were facing. At that point I hired Kittelson & Associates and froze the project until they came back with their analysis to show me that through their study that we would be able to speak favorably to these questions. That came back positively, and we went forward and here is where we are today. Mike's here, Mike Coleman from Kittelson is here if you have any specific questions, and I'm here for some questions that came up that hopefully I could answer for you.

**Hales:** So the two interior lots were obviously in -- occupied by houses that were in very bad shape.

**Kusyk:** Yes.

**Hales:** With an uncompleted home-built boat project in the back yard, as a both owner I can sympathize.

**Fish:** There were going to be two boats, Mayor, one on either side.

**Hales:** You gotta watch those boat projects. The house on the corner to the north, which I guess is included in the subject application, appears to be a much nicer single family home in good condition at least from the photograph. I can't tell you what the interior looks like. Tell me more about --

**Kusyk:** Let me tell you about that. Dawn meaney, who is a co-applicant here, is the owner of the home, her grandfather built that home and the homes next door -- the one home next door. She is currently using that as a rental. And like many homes in the area, it's been a long-term rental. My opinion would be that she is going to have to do some major work on that home to bring it up to speed if she wants to do anything else going forward after these people leave. And I think that she is looking at this by getting the zoning that gives her the option of bringing this in to possibly redevelopment or keeping it there. But the home -- the photograph, that was the right day for the home to be shot for photo, to have it displayed as far as the best it could look.

**Hales:** But the immediate action following this land use action is going to be you're going to construct the four row houses on the two interior lots.

**Kusyk:** Yes. I have to go through and get the -- yes, I'm moving in that direction, yes. And I've also acquired the home between those two from the palmers.

**Hales:** I see. That's 3623.

**Kusyk:** 23. Correct.

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**Hales:** Ok. I think I understand the situation better. Great. Thank you. Further questions for Mr. Kusyk? Any questions about traffic? Kittelson is here. Okay, I guess we're squared away. Thank you. Is there anyone here who wants to testify in favor of the application?

**Moore:** No one signed up.

**Helen Sherman:** I would like to testify, but I'm not [inaudible]

**Hales:** Come on up, it would be fine. Thank you. Tell us your name and tell us what you have to say please.

**Helen Sherman:** My name is Helen Sherman, I live at 3634 northeast 13th. I live right behind the house on 14th and Beech. I live on 13th and Beech. I had no idea my community was going this way, but there's no children anymore, there's no place for children to play, I think we're running out of space, we being too compact. But that's my own personal view because I raised my children in that house. But since I don't see children anymore, I guess there's always change. But right now my concern is the house right behind me, the garage is on my property, I think. And that garage provides privacy for my space. And so I'm wondering, what is the plan to provide me, or keep me with my privacy?

**Hales:** Good question. Thank you.

**Sherman:** And the traffic situation is horrible. All of -- most, I'd say, 75% of Whole Foods delivery come down Beech. And usually turns on 13th. And so, on top of that, before we had the hearing about the plans to rezone, you wouldn't believe how people brought their cars in, parked them, and left them for three or four days at a time. So -- and then some are feel like we're being harassed, and we don't like it. You can't get these people to speak up, and I know exactly why, because my blood pressure is the same thing as theirs. To have these kind of going on in the community, and the harassment doesn't feel good, and we're in no health -- our health is not in shape for us to be dealing with this stuff. But we don't want to move, you know. One lady had to build a fence to keep people out of her back yard. Same person all the time. Just coming in and sit in her back yard like he owned it. So, you know, I had maggots a month ago. Now, I can't go out to dinner and come back home without having maggots delivered. See, there's a lot of things going on here. Some of us have money and some don't. I happen to be one of the many who doesn't have money. But I -- and I can appreciate and I'm not jealous of people having money, you know, I just want to live. But I'm a little tired, and it's killing me also, this treatment, this harassment, because it's been going on for years. I'm a little tired of all these things that go on that we can do nothing about, and some neighbors have a little more sense than me, you see they're not here. But I feel that I need to say something. So if you go back in the records, when they rezoned Fremont between 13th and 14th on Fremont, you'll notice in the records someone got up and said that those two houses had already been torn down. So go back and check. How I know that happened is I was there at that meeting, and I left a statement. And we were being harassed then. So now I would assume and hope and pray that whomever the developers are, that they would get on a note of not trying to make Sabin a whole white community. And the way they got what they got now is a disaster. And it's shameful. These are shameful things that have happened in this community. And you know what? It shows it. You can see it. They closed the schools. Our taxes go up, water bill go up, and everything goes up and we get treated bad. So you know, we should get some kind of consideration and someone needs to look after the people that's been there for years.

**Hales:** Thank you.

**Sherman:** I pay my taxes too. Thanks.

**Hales:** Thanks very much. Appreciate it.

**Sherman:** And where and when will I get some answers on my privacy on my property?

**Hales:** I think we might be able to get some answers right here, that is what the development standards are for R2.5 where it comes up against R5. So we'll ask her that question.

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**Sherman:** Would you -- I like to ask a favor. I would like for you guys to look after us, these old people my age, I'm 72. And I am crippled with arthritis. And some of us have heart conditions, so would you ask other harassers to just draw back?

**Hales:** We'll do our best. Thank you.

**Sherman:** Thank you.

**Hales:** Is there anyone else signed up? Is that all?

**Moore:** That's all that signed up.

**Hales:** No one signed up in opposition?

**Moore:** Correct.

**Hales:** Okay. So just a question, I might ask you to respond, are there particular development standards apply to R2.5 that would have any effect on screening or buffering with adjacent uses given we're going to have R5 backing up to R2.5?

**Cate:** The development standards are exactly the same for both zones with the exception that R2.5 allows five feet additional height for a structure, which is to make sure that you can get a home that meets building code requirements for ceiling heights and so forth on a 25-foot-wide lot. But in terms of -- fences are allowed always between properties, and single family zones, and fence up to eight feet tall can be built along the back property line. That generally provides typical privacy levels for urban development.

**Fish:** What would you guesstimate is the current height if you went to the top of the roof of the garage that this woman has testified to? Just roughly?

**Cate:** I'm going to guess --

**Fish:** Mr. Kusyk wants to testify too.

**Cate:** I would say it's the way we measure height, 15 feet from the ground to the midpoint--

**Fish:** But the structure allowed by code could go an extra five feet. You're at least going to have the circumstances someone on the third floor of this townhouse being able to look into the lot over whatever that structure is. Look into someone else's lot.

**Cate:** That would be true. That's frankly true in any neighborhood where you have a mix of development where some homes are two or three stories versus single-story. That's one of the natural things that can occur. You can look over, but --

**Fish:** The current -- to the extent it creates a current buffer, it's about 15 feet tall.

**Cate:** Correct.

**Hales:** It looks like, and again, we may need Mr. Kusyk to answer this question, the preexisting garages that were on these lots were shoved all the way to the back of the lot. Right?

**Cate:** That's correct.

**Hales:** So the new units that are built, what's the rear setback requirement on those?

**Cate:** Rear setback is five feet. With this type of development, you typically do have the garages pulled up closer to the front property line than a garage in the back. But that also results in a pretty fairly open back yard behind these homes, so there's a little bit of that back yard green space before the property line, and then the next lot.

**Hales:** Alright, okay. Mr. Kusyk, anything you want to add to that discussion about site plan here? You may not know all the details at this point. This is a land use case, not a design review case.

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

**Hales:** Good. That might be helpful. Thank you.

**Kusyk:** Peter Kusyk. To speak to a couple questions. One, the screening with the garage that's there, it's about an eight-foot-high plate line, and going up to single pitch over that. But it's the mass that buffers, I think, is the benefit to it. All the homes that I'm doing I'm planning to do six-foot, at least six-foot fences on the property line surrounding the homes. The general area of the home, there will be a 20-foot parking area in front, the home I believe is 52 or 54 feet deep. I'm going to stagger them so there's a little privacy. So you would be at 56, so that's 76. From 100 I'd have 24 feet between the

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rear of the home and the property line. As far as looking back into the home, if I were doing a single family home there, and it was two stories or two stories with a garage under like these are going to be, it would be the same scenario with the back as far as the privacy, but the one thing we will have is that we will be farther off the property line, as Mayor Hales picked up from looking at the pictures, both of those, or the one home had a huge two-story garage on the property line, that was in huge disrepair. So all in all there's going to be a lot more open space in that same amount of square footage because of the homes.

**Hales:** That helps. Thank you.

**Fritz:** Thank you, Mr. Kusyk. After the hearing if you could share some of your diagrams with Ms. Sherman I think that would help.

**Kusyk:** Yes, I'll give her my phone number and things when I leave.

**Fritz:** Thank you very much.

**Hales:** Thanks very much. Okay, any further council discussion? I think we're open to making a tentative decision with findings to return, right?

**Beaumont:** Yes. As to the hearings officer's recommendation, and then the ordinance would continue to second reading next week.

**Hales:** Right. Do we have a motion on the hearings officer's recommendation?

**Fritz:** I move adoption of the hearings officer's recommendation with the condition specified.

**Fish:** Second.

**Hales:** Any further discussion? Roll call on that.

**Roll to adopt the hearings officer's recommendation.**

**Fritz:** This is another example of excellent staff work and a lot of work that's been done to get to this point, including with the neighborhood association, who was very diligent. When the proposal changed, they went back, reconsidered, and I think we'll be working with the neighbors and I encourage you to bring the challenges with crime you're experiencing to the neighborhood association, because they can help with the crime prevention staff through the office of neighborhood involvement. Thank you for being here to testify, but thank you also to the developers. It's very helpful to have, in a zone change, a concept of what is going to actually be put on the lot. That reflects Mayor Hales' concern, is this going to fit into the neighborhood, because we know what it is that you're planning to do in this particular instance that does seem to fit within the neighborhood. So I appreciate that very much. Aye.

**Fish:** Mrs. Sherman, thank you for taking time to testify today. My house is 26 blocks east of your house, I'm raising my family as we speak, and some of the concerns you raised I want to echo what Commissioner Fritz said, and if there are additional concerns you have about being able to remain in your home and want to know about programs. I did hear something about rising water bills, Mayor Hales and I are working diligently to keep the increase in the future to the absolute minimum, but we also have additional programs you may not be fully aware of, and if my office can be helpful I'd like to introduce you to George Hocker before do you and we'll get back to you on some of the concerns you've raised. Thanks for an excellent presentation and I appreciate the developer explaining also clearly his intention. Aye.

**Saltzman:** Aye.

**Hales:** Infill is tricky. And we have a lot of work to do in the comp plan in the months ahead to try to strike the balance between preserving the integrity of our existing neighborhoods and adding density where it's appropriate. The fact that in this case the applicant did a good job of working with the neighborhood association and getting to yes is reassuring and sufficient for me to vote yes for this application, but frankly that in and of itself is not enough for us to continue a long pattern of spot rezoning. So this one is ok, I think both the sensitivity of the applicant, the size and situation of the rezoning and the fact that the neighborhood is in agreement is enough. But I'm wary of the bargain that we're striking as a city wherein we insert little bits of additional density into otherwise



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intact single family craftsmen neighborhoods that are irreplaceable in their architecture. So although I'm a fan of density, it has to be done right. This one was done right on a spot zone basis, but we're going to have to think much bigger and longer term here shortly when we take up the comp plan. So with that slight wandering from the subject at hand, I will vote aye. [gavel pounded]

**Hales:** And then we will bring this ordinance back on second reading with this recommendation, right? Next week? No reason to delay?

**Beaumont:** Karla?

**Moore-Love:** Correct. We'll hear that in the Wednesday morning session at 9:30.

**Hales:** Item 1111 comes back next week. [gavel pounded] Thank you all. And now we have two more items left which are previous land use case. Items 1112 and 1113.

**Item 1112.**

**Hales:** We made a tentative decision. Do we need a new motion or do we simply vote on a roll call to adopt? We don't need a motion, right?

**Beaumont:** Just go ahead and vote.

**Hales:** Ok. Roll call, please.

**Item 1112 roll.**

**Fritz:** Thanks to Sylvia Cate and the other wonderful staff in the bureau of development services and the other development bureaus, and to the applicant for preparing a complete and thorough analysis. Aye.

**Fish:** Aye.

**Saltzman:** Aye.

**Hales:** Aye. [gavel pounded]

**Item 1112.**

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

**Item 1113 roll.**

**Fritz:** Aye. **Fish:** Aye. **Saltzman:** Aye. **Hales:** Aye. [gavel pounded]

**Hales:** And we are adjourned until next Wednesday. Thank you.

At 2:57 p.m., Council adjourned.