



CITY OF
PORTLAND, OREGON

OFFICIAL
MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 14TH DAY OF OCTOBER, 1998 AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi, Hales and Kafoury, 4.

OFFICERS IN ATTENDANCE: Cay Kershner, Clerk of the Council; Ben Walters, Deputy City Attorney; and Officer Chuck Bolliger, Sergeant at Arms.

Agenda Nos. 1510, 1519, 1520, 1521 and 1523 were pulled from Consent. On a Y-4 roll call, the balance of the Consent Agenda was adopted as follows:

CONSENT AGENDA - NO DISCUSSION

- 1506** Accept bid of Wilkins Trucking Co. to furnish slurry seal aggregates for \$89,950 annually for two years (Purchasing Report - Bid 99043)

Disposition: Accepted; prepare contract.

- 1507** Vacate certain portions of SW Hessler Drive, under certain conditions (Second Reading Agenda 1481; C-9918)

Disposition: Ordinance No. 172772. (Y-4)

- 1508** Vacate a certain portion of N Argyle Street west of N Albina Avenue, under certain conditions (Second Reading Agenda 1482; C-9950)

Disposition: Ordinance No. 172773. (Y-4)

Mayor Vera Katz

- *1509** Apply for a \$50,000 grant from the Oregon Association Chiefs of Police to fund additional Portland Police Bureau saturation patrols (Ordinance)

Disposition: Ordinance No. 172774. (Y-4)

- 1511** Amend Code to provide that during investigation of employee complaints, the investigator shall be an agent of the Office of the City Attorney for purposes of representing the City (Second Reading Agenda 1488; amend Code Section 3.18.020)

Disposition: Ordinance No. 172775. (Y-4)

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Commissioner Jim Francesconi

- 1512** Accept contract with B.J. Cummings Co. for remodel of the Bureau of Environmental Services on the 11th floor of The Portland Building as complete, authorize final payment and release of retainage (Report; Contract No. 31692)

Disposition: Accepted.

Commissioner Charlie Hales

- 1513** Accept contract with J.P. Contractors, Inc. for East Delta Sports Complex as substantially complete, authorize final payment and release of retainage (Report; Contract No. 30704)

Disposition: Accepted.

- *1514** Authorize a sole source agreement with Lennertz Coyle & Associates to perform transportation planning and urban design services for the Hollywood Town Center and Sandy Boulevard Main Street project (Ordinance)

Disposition: Ordinance No. 172776. (Y-4)

- *1515** Contract for NE Martin Luther King Jr. Boulevard Urban Youth Tree Planting with the Urban League and provide for payment (Ordinance)

Disposition: Ordinance No. 172777. (Y-4)

- *1516** Accept, designate and assign tax foreclosed property granted by Multnomah County for road purposes (Ordinance)

Disposition: Ordinance No. 172778. (Y-4)

Commissioner Gretchen Miller Kafoury

- *1517** Contract with Legal Aid Services of Oregon for \$39,980 for Fair Housing Enforcement and provide for payment (Ordinance)

Disposition: Ordinance No. 172779. (Y-4)

- *1518** Contract with Mental Health Services West for \$120,000 to provide outreach services to homeless individuals with mental illness and provide for payment (Ordinance)

Disposition: Ordinance No. 172780. (Y-4)

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Commissioner Erik Sten

- *1522** Grant a temporary revocable permit to FTV Communications, LLC and establish terms and conditions (Ordinance)

Disposition: Ordinance No. 172781. (Y-4)

- *1524** Contract with PowerWare, MetaCorp Strategies International and Creative Data to provide professional programming for enhancements and modifications to existing Bureau of Environmental Services applications and to convert the applications to run under the ITSP standard of a 32 bit operating system (Ordinance)

Disposition: Ordinance No. 172782. (Y-4)

REGULAR AGENDA

- *1510** Settle the claims of Dawn Urban (Return Agenda Item 1355)

Discussion: Dave Jorling, Deputy City Attorney, said this settlement involves the acceptance of several Workers Compensation claims, pending litigation on several aspects of those claims, and concerns about the worker's ability to return to work. He explained how such settlements are reached and said after this agreement was initially agreed to, some unanticipated concerns about the wording of the settlement documents arose which led to postponement of Council's consideration of this ordinance. He said those concerns have now been resolved and recommended approval of the finalized settlement.

Disposition: Ordinance No. 172783. (Y-4)

- 1519** Accept completion of the Columbia Boulevard Wastewater Treatment Plant headworks replacement, Project No. 4958, and authorize final payment to Contractors, Inc. (Report; Contract No. 29326)

Discussion: Dean Marriott, Director, Bureau of Environmental Services (BES), said this and the following two items involve construction around the Columbia Boulevard Wastewater Treatment plant. He said a very active Citizens Advisory Committee has been involved in the planning of all these projects, from conception through construction.

Paul Gribbon, Construction Services Manager, described the three projects, which are now completed. The Headworks facility has been a very long and difficult project but all issues with the contractor have now been resolved. The Inverness Force Main Section B is one piece of the pipe line that goes from the Inverness pump station on NE 122nd to the treatment plant. He noted that the Packaging Resources Building had to be removed in order to construct the wetweather treatment facility, a part of the City's CSO program.

Mayor Katz noted that some of the 110 change orders were relatively large and raised the price by about \$2 million for the headworks facility. She said the policy issue here is how

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these projects are bid and how many times they are subsequently adjusted. She asked how the competitive bid process is affected when the City takes the lower bid and, with change order, then the price goes up and up, perhaps above the highest bid.

Mr. Gribbon said on facilities like the \$21 million headworks, one lump sum is bid on the contract to do the work shown on the bid documents. Changes come in only if something comes in that is different from what the contractor bid on and are irrelevant to the amount of the original bid. Changes are made either because of a design error or for other reasons the contractor could not have anticipated. The changes are negotiated based on the extra work done outside the original contract and is a separate issue from original contract amount.

Mayor Katz asked if the contract elements are broken down in great detail.

Mr. Gribbon said on a lump sum bid that is correct but part of what the contractor submits is a detailed schedule with costs assigned to each task. Payments are based on that breakdown of the contractor's cost schedule.

Mayor Katz asked if the discrete elements are reviewed among all the bids to see if some are way off compared to the others.

Mr. Gribbon said in this case, all the bids were within the same range so that was not an issue. He said changes are normal on a large, complex contract and a lump sum bid.

Disposition: Accepted. (Y-4)

- 1520** Accept completion of the Inverness Force main, Section B, Project No. 5835, and authorize final payment to Copenhagen Utilities & Construction, Inc. (Report; Contract No. 30789)

Disposition: Accepted. (Y-4)

- 1521** Accept completion of the Columbia Boulevard Wastewater Treatment Plant demolition of the packaging resources building, Project No. 6256, and authorize final payment to Lloyd's Excavating Co. (Report; Contract No. 31594)

Disposition: Accepted. (Y-4)

- *1523** Authorize professional services agreement with Roethig Engineering, Inc. for leadership of the Bureau of Environmental Services Wastewater Group's Instrumentation and Control Team (Ordinance)

Discussion: Mr. Marriott said the Bureau would like to amend this ordinance to add an emergency clause because the timing is crucial.

Commissioner Hales moved to add the emergency clause. Commissioner Francesconi seconded. Hearing no objections, the Mayor so ordered.

Disposition: Ordinance No. 172784 as amended. (Y-4)

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Mayor Vera Katz

- 1525** Accept filing of the Annual Urban Renewal Report for Fiscal Year 1997-98 and Fiscal Year 1998-99 (Report)

Discussion: Chris Scherer, Portland Development Commission, said this is the required annual report describing revenue and expenses for Fiscal Year 1997-98 and the adopted budget for Fiscal Year 1998-99.

Disposition: Accepted. (Y-4)

- 1526** Accept first annual report from the City of Portland Labor Management Committee (Report)

Discussion: Al Burns, labor representative on the City's Labor/Management Committee, said reviewed three major issues raised and the committee's recommendations. He noted a trend in all work places to flatten organizations and have fewer supervisors. Because of that, represented employees were asked to do more things that were supervisory in nature and a line needed to be drawn between a team leader and a supervisor. The committee offers a non-binding recommendation about where the line should be drawn that could be put in the contracts next time. The second issue deals with performance problems where the committee believes the City's traditional progressive discipline program is often an inappropriate tool to apply to someone not meeting performance objectives. The committee has provided an alternative model for employee improvements. The final issue is a request to be involved in the City's technology improvement projects as there are work place impacts. Often not enough training is provided and that component should be included in any financial plans. Also, retraining opportunities should be looked at when job obsolescence is indicated.

Commissioner Kafoury said in the information technology area, often the City is not competitive with the market.

Mr. Burns said the COPPEA president has requested that the scheduled classification study for COPPEA members be advanced and explored the idea of extending the idea of extending the current contract for a year while that is being done. He agreed that COPPEA is losing people and finding it hard to replace them at current wage levels.

Commissioner Kafoury said it is of great concern that the City has appropriated so much money for technology improvements, the hardware, but may not have people to run it.

Mr. Burns said the City needs a lifetime training model.

Commissioner Kafoury said she is talking about training but whether the City can attract people to work for it.

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T. J. Hyatt, management representative on the committee, said there are several class compensation studies underway right now which will show how competitive is in both the private and public sectors.

Mayor Katz noted that when the collective bargaining agreements are opened for renegotiation a market analysis is done.

Mr. Burns said more and more new hires are being started at the mid-range of their classifications and with higher level benefits than initially provided. That works for recruitment but not retention.

Mayor Katz asked where the other unions are in this.

Mr. Hyatt said the other unions are not as far along as COPPEA.

Mayor Katz asked if this report will be used as a model and embedded in the collective bargaining agreements.

Mr. Burns said yes, this is in the COPPEA contract now and is a model anyone can borrow.

Mayor Katz asked how best this can be embedded in the other contracts.

Mr. Hyatt said several contracts will be opened in the spring and he is sure these issues will be considered in those.

Mr. Burns said what makes this process work best is to use an interest-based technique. People come with a problem and an interest in solving it. What kills the process is if one side or the other has negotiating instructions ahead of time for a desired result. It also works better if the people doing the actual work are involved in the process.

Commissioner Francesconi asked if he had any recommendations for Council.

Mr. Burns noted the need to make reasonable accommodation and provide training for people whose jobs are replaced by computers. Training existing employees should be looked at just as favorably as bringing in someone new.

Mayor Katz said this is the first result of the work being done by labor and management working together.

Disposition: Accepted. (Y-4)

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Commissioner Jim Francesconi

- *1527** Authorize a lease agreement with Winkler Development Corp. for non-park use of a portion of Portland Parks and Recreation property known as Madrona Park (Ordinance)

Discussion: Commissioner Francesconi said this was a parking lot in the past and continues to be so. The property has now been sold to developer who is on the verge of attracting a major company

Susan Hathaway Marxer, Bureau of Parks and Recreation, noted that Council heard about this use during the land-use case involving a zone change for the old Kaiser Hospital property. At that time many neighbors in the Overlook neighborhood testified in support of the proposal. She said this is a tiny piece of property that was leased to Kaiser for many years.

Mayor Katz asked if this had ever been a park.

Ms. Hathaway-Marxer said not in anyone's recent memory.

Commissioner Francesconi noted that the Overlook Neighborhood Association favors this although there is some difference of opinion.

Disposition: Ordinance No. 172785. (Y-4)

- *1528** Authorize a lease agreement with AirTouch Communications, Inc. for non-park use of a portion of Portland Parks and Recreation property at 4015 SW Canyon Road (the old OMSI building) (Ordinance)

Discussion: Ms. Hathaway-Marxer said the old lease has expired but the current cellular tower does not meet City standards and the company would also like to expand it. It seemed best for the City to be the lessor, instead of OMSI which no longer occupies the building, and to seek additional money for the lease.

Commissioner Kafoury asked if this conflicted with the Parks resolutions placing a moratorium on memorials in parks and on the sale of any more park land.

Commissioner Francesconi said the intent of those resolutions was to save green space and not fill up the parks with memorials. This action puts up antennae where one already exists and does not violate the spirit of those resolutions.

Disposition: Ordinance No. 172786. (Y-4)

- *1529** Settle claim of Barbara Zidell Sedlin (Previous Agenda 1489)

Discussion: Commissioner Francesconi said he believes there is clearly legal exposure on behalf of the City and that this is a reasonable settlement, given the liability.

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Mayor Katz asked what happened to the skateboard park itself.

Harry Auerbach, Deputy City Attorney, said the indoor skateboard park no longer exists because the facility did not work out as anticipated. The operator lost money and then his liability insurance was cancelled and he was no longer able to meet the terms of the contract. Mr. Auerbach said now there is an unofficial facility the kids built themselves outdoors under the Burnside Bridge in the public right-of-way. He said the City has tried for some 15 years to address the need for a skateboard park but, wherever one was proposed, strong neighborhood opposition arises. That is why the City agreed to try an indoor facility.

Disposition: Ordinance No. 172787. (Y-4)

Commissioner Charlie Hales

- 1530** Consider vacating a portion of SE Knight Street west of SE 14th Avenue, as initiated by Resolution No. 35726, to help protect and add area to the Oaks Bottom Wildlife Refuge (Hearing; Report; C-9956: Rescheduled to November 18, 1998 at 9:30 a.m.)
- 1531** Accept the SW Barbur Boulevard Bike/Pedestrian Improvements report and recommendation (Resolution)

Discussion: Brian Oberding, Portland Office of Transportation (PDOT), described the project the State of Oregon is about to construct here and identified the key issues raised by the neighborhood. He noted that Barbur is a major City transit and traffic street, a bikeway, truckway and State highway. He said the goal of this project is to improve bike and pedestrian facilities along a section of Barbur Boulevard between SW Hamilton and Lane to provide a safe route and connections for cyclists to get downtown. Mr. Oberding noted that ODOT is fully funding this project but came to the City to enlist its help in designing it and working with the neighborhoods involved -- Corbett/Terwilliger/Lair Hill and Homestead Neighborhood Associations. He described the extensive public outreach process and gave an overview of what the project will entail, including restriping and adding bike lanes as well as rebuilding sidewalks as needed and adding eight curb extensions. The neighborhood took issue with the idea of installing an off-street path along the west side of Naito Parkway because of the \$800,000 cost to build a large retaining wall, which is almost half the cost of the project. The neighborhood felt that a lot of money to be spent on something of little benefit. There is also some neighborhood opposition to installing a raised median and painted crosswalk at the intersection of SW Barbur and Lane. Initially residents asked staff to consider adding a marked crosswalk at this location to make access to transit on Barbur easier and give pedestrians some protection. Staff reviewed that suggestion and recommended that a marked crosswalk and raised island be installed here to give pedestrians more protection as they wait to cross. The last issue concerns the reconfiguration of the Barbur and Hamilton intersection where staff saw an opportunity to make some improvements and efficiencies. The neighborhoods felt the proposed improvements mainly benefited commuters and not the residents. Regarding the off-street path, Transportation staff felt that without one, cyclists at the intersection of Naito Parkway and Barbur Boulevard would have to merge through two lanes of busy traffic. At the SW Lane

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intersection, pedestrians and cyclists, if they do not continue along Barbur, can go up View Point Terrace but it has a very steep grade and is unlikely to be used. One advantage of the Lane Street islands is to make more visible the crossing opportunities for pedestrians and transit commuters. The neighborhood liked the idea of a marked crossing but not an island because they believe this will make it more difficult to turn left from SW Lane onto Barbur. Staff recommends that residents use Condor instead of Lane, although there is no light at either one. At the intersection of Barbur and Hamilton, where bike lanes are being added, everything will be narrowed and the project will remove hazardous traffic poles and shorten the distance between pedestrian crossings, increasing the crossing opportunities by 50 percent. He called for Council approval of the project.

Mayor Katz asked if ODOT has plans to see that minorities, women and emerging businesses get a share of the contract.

Larry Olson, ODOT, said their goal is 15 percent.

Helen Farrens, 3956 SW Condor, 97219, Co-Chair, Transportation Committee, Homestead Neighborhood Association, said several issues have been very contentious and the neighborhood held three meetings to discuss this project. At a vote taken at the Transportation Committee meeting, there was 100 percent approval for the bike lane and reluctant acceptance of the Hamilton intersection improvements as there seemed to be no alternative. She believes the bike lane is a highly creative answer to one of the most dangerous spots for bicyclists along all of Barbur and does not care if it costs \$800,000. She agrees that the SW Lane entrance onto Barbur is much more friendly than View Point and added that the Condor alternative needs some kind of improvement to give people a better sight line.

Curtis Roth, 6937 SW 10th 97219, supported the project as a bike commuter who believes this will provide an important connection on Barbur between two relatively safe areas. Currently this area is a scary one. He realizes there is an issue with how much money is being spent but he supports spending money on improvements that encourage a transportation mode that reduces pollution and the need for more parking spaces.

James Meyer, 3905 SW View Point Terrace, 97219, said this is an opportunity to give more weight to pedestrians than motorists. The proposed island would make it easier to get across the intersection and the neighborhood would benefit from improvements at View Point Terrace and Condor that slow traffic coming off Barbur.

David Redlich, 3944 SW Condor, 97201, submitted petitions signed by 45 residents in support of the crossing request for a light at SW Lane. Thirty-seven residents support retention of the left hand turn southbound on SW Barbur while 44 oppose any revisions to the SW Hamilton interchange. He said Transportation's report makes many assertions not supported by facts. For instance, the report states that SW Hamilton has low traffic volumes while, in fact, it is a major commuter route for OHSU employees. He said Transportation does not know the number of pedestrians crossing at SW Lane but even a casual observation at rush hour indicates that far more pedestrians will cross there than bicyclists will use the bike lane. He said the raised island at SW Lane will not provide a safe pedestrian refuge, as

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staff contends, and commented that the neighborhood offered to build a trial crossing lane but staff declined.

Mr. Oberding said five issues were raised: 1) a potential traffic light at SW Lane; 2) crossing times at Hamilton; 3) the curb extension at Condor; 4) the curb extension at Viewpoint; and 5) provision of a left turn movement for southbound Barbur traffic at the Hamilton/Barbur intersection.

Regarding the curb extension at Viewpoint, Mr. Oberding said the project will extend the existing curbs at this intersection. They are bulbed out a little now but, because of the angle at which Viewpoint reaches Barbur, cannot be extended much more as it would slow down traffic on Barbur too far, possibly causing some rear-end accidents.

Lewis Wardrup, Bureau of Traffic Management, said the big issue regarding the pedestrian-actuated signal at SW Lane is that it would not stop traffic that often so drivers would tend to disregard it. Also, traffic would back up towards Hamilton in the morning and create a dangerous situation at Naito and Barbur because of lane changes. He said staff looked at gap opportunities to see how crossing opportunities were available at evening peak hours. They found there were adequate gaps to enable crossing to a median refuge, which would provide a relatively safe haven. A signal would cost a lot more and is not mandated nor does it meet federal criteria.

Commissioner Kafoury said staff seems more worried about how cars will operate than about pedestrians.

Mr. Wardrip said this is a major traffic street but he wants to create a situation where pedestrians create their own destiny.

Commissioner Kafoury said for pedestrians, crossing here is called running and praying.

Commissioner Hales said this improvement is supposed to increase safety for pedestrians and bicyclists and if motorists are inconvenienced a little bit, that is okay. However, there is a point where pedestrians can be given a false sense of security when drivers go through lights they have never seen turn red before. It is a judgment call as to whether this is better for pedestrians. He said there are two pedestrian crossing like this on Barbur where a median island has been built with a striped pedestrian cross walk and no signal. He said Council's bias is that it is better to slow down traffic a little bit in order to make pedestrians safer. He asked why staff did not recommend a signal at Lane.

Mr. Wardrip said they do not want to create any situations that cause more accidents and the issue is the center lane, which could be confusing. Traffic from Lane and Viewpoint and Hamilton would be pulling out onto Barbur even as the pedestrians were crossing. A new Sheridan crossing, just completed, should also slow traffic by the downtown YMCA.

Commissioner Hales asked about bulbing out Condor.

Mr. Wardrip said something will be done there.

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Commissioner Francesconi asked if ODOT has analyzed these signal issues.

Mr. Olson said he is unsure the signal at Lane was discussed by ODOT as it was only proposed late in the project. They did provide numbers for the northbound exit on Naito to see if a lane could be eliminated but determined it could not be. If a signal were placed at Lane, ODOT would like to take a further look at this because of possible back-ups and queuing in the northbound direction.

Bill Close, Signal Manager, office of Transportation, said if pedestrian-actuated signals are not used much, motorists tend to blow through them and they already have a problem with some existing pedestrian-only signals. If the crossings cause queuing problems onto Naito, there will be an increase in rear-end accidents. He said if a vehicle signal was added at Lane, it could turn Lane into a cut-through route from OHSU onto Barbur. One aim of the traffic-calming program is to make arterials work well.

Commissioner Francesconi asked about use projections and how often traffic would be interrupted by pedestrians.

Steve Gramstead, 4024 SW View Point Terrace, said both Tri-Met and the City have conducted ridership counts for that stop and in the past neighbors have tried to get permit parking on that street. He said at least 44 commuters use the crossing everyday.

Commissioner Francesconi asked if there are standards for determining when to use pedestrian-only signals. He said the argument that signals are not used because people will run them is not persuasive to him.

Mr. Wardrip said the standard is high -- 190 pedestrians per hour or 100 pedestrians each hour for four hours. He said even if a substantial number of pedestrians use the crossing, there are still concerns about the safety of both motorists and pedestrians because of the way the intersection is configured.

Commissioner Hales asked what would happen if Council decided to put in a pedestrian signal a year from now. Would a lot of work have to be torn up?

Mr. Oberding said this project would not preclude a future signal if it was deemed appropriate. Putting in a signal does not require major construction.

Mr. Redlich said staff made much of fact that this will be dangerous for drivers, causing rear-end accidents because they are inattentive. But they are already inattentive. The speed limit on Barbur is 35 miles per hour but traffic regularly moves at speeds of about 60 miles per hour. He said the neighborhood believes a light with the appropriate signage would help reduce speeds. Also, the island is really not a safe refuge for pedestrians as this is a confusing intersection and is even more of a reason to slow traffic. Pedestrians standing on the median are like ducks in a target range. The median will be used not just by local residents but by recreational crossers who want to access Terwilliger and the trails in that area. As the City calls for much higher densities in these neighborhoods there will be far

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more crossings here than there are presently. He said Tri-Met's count way underestimated the actual count during rush hours. Those who contend that a light will add to cut-through traffic should know that OHSU commuters already do cut through and installation of a light will not change that situation whatsoever. He said the City should show more concern for pedestrian access and safety than for cars who might rear-end each other.

Commissioner Kafoury asked if there are other engineering options to get people to slow down in this dangerous area.

Mr. Oberling said they are trying in other places to put in yellow beacons that begin flashing when pedestrians are present. That is one option they might explore.

Commissioner Kafoury said she would like to see more creativity in staff's response to the neighbors' safety concerns.

Commissioner Hales said this is a very good project, even though not everyone agrees on all the design elements. He said over the last few years many changes have been made on Barbur turning it from an auto-only facility into a boulevard that works better for pedestrians and cyclists. This project will make it even better for them and he suggested that the project proceed but that staff look at some of the options to see if they can meet the neighbors' concerns about the signal at least halfway.

Mr. Redlich said every time Barbur Boulevard is changed the Homestead and Corbett/Terwilliger neighborhoods lose access to it. Homestead residents then use Terwilliger, which the City is promoting as a parkway and not a commuter route. The same applies to using Corbett, a densely populated residential street. Adding a pedestrian island will restrict safe access from Viewpoint Terrace and Condor. The best solution would be to provide a signal without an island.

Mayor Katz said Council is not going to redesign this project today even though very legitimate issues have been raised. This is a situation where moving cars and providing for pedestrian safety conflict. She asked Commissioner Hales recommended adopting this resolution, working through these issues some more and then reporting back to Council.

Commissioner Hales said he will be happy to report back and Transportation staff will continue to work with the neighborhood on other options for the Lane intersection. He believes the raised island and pedestrian crossing should be built as designed and then look at ways to supplement it to make it work better. However, he understands that the neighborhood prefers a signal to a raised island. He takes very seriously the point that there are not quite enough pedestrians to have drivers pay attention to the light and that is why they need the pedestrian island. He said this process has gotten to near complete agreement over a major improvement for pedestrians and bicyclists in a part of the City that has been very hostile to both. ODOT has come long way in its understanding of what its mission is and he is very wary of holding up the works here when they have 90 percent agreement.

Commissioner Francesconi asked if a raised island is preferable even with a light.

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Mr. Oberding said the issue the neighbors have with the island is that would preclude left turn movements out of Lane onto Barbur going north. Right now staff believes a raised island provides a markedly safer crossing at that point on Barbur. To turn left, the option is to take Condor.

Commissioner Francesconi asked why a raised island would be needed if there was a light.

Mr. Oberding said it would not be needed although it would depend on what kind of light was there. If there was only a blinking light, you would want an island. But if there were a stop light, the raised island would not be needed.

Mayor Katz said creating an island would not preclude a light but does create a turn problem for the neighborhood. Is it possible to solve to resolve the issues of the light and refuge together?

Mr. Redlich said it would be far more acceptable to most of the neighborhood if staff put in the striping and some signage but not the center island.

Commissioner Francesconi said he would like more exploration of these options before deciding what to do.

Mr. Olson said this project is an 100 percent ODOT-funded project and since, under the federal guidelines a traffic light is not warranted, the City would have to fund it itself. The island is much less costly than a signal.

Mayor Katz asked when construction will begin.

Mr. Oberding said ODOT is bidding the project now and it will be completed next year.

Commissioner Hales said if Council wants to add a stop light, the City has to come up with more money. His bias is that the City pushed the idea of pedestrian and bicycle improvements as far as it could on a state highway. He does not want to screw that up. If it turns out a signal is needed, he would rather face that prospect later than hold up \$2 million of good work now.

Mayor Katz said staff will further explore use of blinking light or any other creative ideas the engineers can identify and bring that back to Council. She said she is very curious about the research that shows there is greater risk for pedestrians when lights are added. She would also see the research which indicates such lights can give pedestrians a sense of false security as this issue keeps coming up over and over again.

Commissioner Francesconi asked staff how secure they are that more research will not indicate that a full signal and no island is the better solution.

Mr. Wardrip said they are 95 to 100 percent sure that a signal would not be the recommendation from professionals.

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Commissioner Hales said the City's bias in favor of bicyclists and pedestrians is reflected in this project. All traffic problems cannot be solved with engineering and more enforcement is also needed. A big part of the traffic on this street is buses and the City has to make sure there is a good flow through this area. Adding a signalized traffic light may lessen the effectiveness of the transit system. While he supports a further look at other options, this is a huge net improvement for bikes and pedestrians in this part of the City.

Mayor Katz said if one comes in with the mindset that if lights are added drivers will just ignore them, then one has basically capitulated to drivers. The federal guidelines need to be rethought as they are for turnpikes, not neighborhoods where there are lots of pedestrians and bicyclists. The enforcement issue should not be driving transportation policy.

Disposition: Resolution No. 35734. (Y-4)

1532 Authorize towing of certain abandoned vehicles without prior mailed notice after 72 hours (Second Reading Agenda 1474; amend Code Chapters 16.20 and 16.30)

Discussion: Commissioner Francesconi said the real question is enforcement and this ordinance does not adequately address that. A further look is needed.

Commissioner Hales said this is a victory for common sense and will get junker cars off the street faster.

Mayor Katz noted calls from bus commuters who felt their cars should not be towed if they were not moved within so many hours.

Disposition: Ordinance No. 172788. (Y-4)

At 11:35 a.m. Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 14TH DAY OF OCTOBER, 1998 AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi, Hales and Kafoury, 4.

OFFICERS IN ATTENDANCE: Cay Kershner, Clerk of the Council; Kathryn Beaumont, Senior Deputy City Attorney; and Officer Chuck Bolliger, Sergeant at Arms.

- 1533** **TIME CERTAIN: 2:00 PM** - Approve the Fourth Amendment to the South Park Blocks Urban Renewal Plan (Ordinance introduced by Mayor Katz)

Disposition: Passed to Second Reading October 21, 1998 at 2:00 p.m.

- 1534** Approve the River District Urban Renewal Plan (Ordinance introduced by Mayor Katz)

Discussion: Mayor Katz reviewed the planning process for development of the River District, including development of a Vision Plan, and noted that the City's role is to provide the infrastructure necessary to support development and achieve its vision for the area. She said without formation of an urban renewal district, it would take many, many years to achieve it.

Felicia Trader, Director, Portland Development Commission (PDC), said considerable private investment has already been made with the expectation that the City would provide the infrastructure. Tax increment financing is to most appropriate way to do that.

Abe Farcas, Director of Development, PDC, described the proposed urban renewal district, a transitional area of about 300 acres with abandoned rail yards, contaminated land, etc. A small portion in the Pearl District is being developed with high-end housing but little has happened in the larger portion. Among the elements that need support are plans for construction of 5,500 housing units, of which over 2,000 will be affordable to those earning 80 percent of median income. The vision also calls for four parks and a transportation system that emphasizes alternate modes, including light rail and streetcar. Enhanced access to the river will also be provided and it is hoped that the infrastructure improvements will stimulate retail activity and eventually attract enough families to open a school here. Mr. Farcas said this is a major opportunity to support Metro 2040 goals by accommodating housing and jobs in the central core area.

Mr. Farcas reviewed some of the issues raised by community groups: 1) an urban renewal district is not needed as the area is already redeveloping without such assistance; 2) there is not enough focus on affordable housing for those earning between zero and 35 percent of median income; 3) not enough family housing is planned; 4) gentrification and housing displacement will result; 5) the financing arrangements are too vague; and 6) the allocation of tax increment funds needs more scrutiny. He described the ways in which these concerns

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are being addressed, particularly the housing. He said it may be wise to revisit the River District Housing Implementation Strategy adopted in 1994 which sets up three categories of housing. Regarding housing for families, PDC believes if the amenities that are planned are built the area may begin to attract families, even though this is a long shot. Gentrification and housing displacement is addressed through the allotment of \$12 million for replacement housing. Regarding financing, PDC plans to provide a five-year financial plan and go through an annual budget review.

Bob Ames, 1231 NW Hoyt, voiced support from the stakeholders despite some differences among them. He said The Pearl and River Districts are being very closely watched around the country because of the careful way Portland goes about things. He agreed that the area could develop without an Urban Renewal Plan but it would not then develop as envisioned.

Nelson Abeel, President, Pearl District Neighborhood Association, read a letter of support from the Board. He said formation of an urban renewal district is an essential tool for financing all the improvements needed to achieve the vision for this district and connect it to the rest of the City. The neighborhood association supports all the projects listed in Section 6 although they understand those will be prioritized and hope the neighborhood association can be involved in that process.

Homer Williams, 1325 NW Hoyt, Hoyt Street Properties, said he knows there are great concerns about providing a diversity of housing and believes formation of this district is a very important tool to accomplish that. He said he is committed to a diverse neighborhood and wants to begin planning the next affordable project there. In his agreement with the City he specified that 15 percent of the housing he built would be less than 700 feet and in his current project over half the units will be in that category.

Michael Harrison, Planning Bureau, said the Planning Commission unanimously recommends approval of what is proposed for both the South Park Blocks and the River District. The Planning Commission did recommend that additional consideration be given to family housing, enhanced opportunities for affordable housing and to the displacement of housing in the adjacent Waterfront district. He reviewed the longtime planning efforts, going back to 1975, which have laid the policy foundation for this Urban Renewal District. He said this demonstrates the good faith and trust in private and public partnerships.

David Judd, Parks Bureau, said this plan provides a number of parks amenities for a population estimated at between 9,000 and 10,000 people. The Tanner Creek Task Force has proposed a plan for the parks which includes two plazas and a two-acre neighborhood park with more active recreational activities. He said Riverfront Park will be a very ambitious undertaking which is envisioned as a regional attractor, although they believe it should not replicate Waterfront Park. He said Task Increment Financing will be a huge factor in funding these parks although some money will be available from the GO bond, if it passes, as well as from Hoyt Street Properties land donations and Bureau of Environmental Services stormwater improvements.

Commissioner Hales noted the lack of a planned community center and asked if that had been considered.

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Commissioner Francesconi said that would be fine in an ideal world but the first priority for Parks is to improve existing centers that have been long neglected.

Commissioner Hales said Parks might want to reserve some land for one, however, before the area is totally developed.

Mayor Katz said the possibility of a center is being looked by those working on the project and people should know fairly soon if that can be planned. She asked Mr. Williams if he knew where the new River District residents are coming from and how many have home-based businesses.

Mr. Williams said he has been surprised to find so many empty nesters as well as those who work in the suburbs but have made a decision to live downtown. He said it is still too early to tell how many home-based businesses there are but there is a market for them.

Commissioner Francesconi asked if, given the market, the City should try to get families into this neighborhood.

Mr. Williams said there are some families with young children but as they grow older, they tend to move to other neighborhoods.

Commissioner Francesconi asked if the purpose of the parks is to attract families or singles and elders.

Mr. Williams said the plazas tend to be more contemplative and attract adults while the neighborhood park is meant to do more. He said parks make a very important contribution to the fabric of life there.

Susan Emmons, Portland Pilot Project, said the Hobson Johnson inventory and market analysis of the Central City study area commissioned by PDC verified the urgent need to build housing for people at 30 percent of median income or less and that is not what is being built. She said she is gratified to see that PDC is actually integrating this study into the five-year financial plan, rather than letting it sit on the shelf. She said there is a real risk of losing about 846 privately-owned units of low-income housing which have never received public subsidy. While some would be lost to conversion and gentrification, many are not worth preserving as some are sub-standard. She thanked Margaret Bax at PDC for her work on housing and agreed that more work should be done on the Housing Implementation Strategy.

Commissioner Francesconi asked if she agreed the \$12 million set aside to remedy gentrification would address the loss of those units.

Ms. Emmons said one way to capture units for 30 percent of median is to build new ones. While she believes Mr. Williams does want to build housing for low-income people, square footage does not correlate to cost as 700 square-foot units will still not be affordable to people who can pay \$250 to 300 for rent.

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Louis Hall, 1515 SW 12th, 97205, a graduate student at Portland State University and a low-income housing resident, supported Mr. Emmons' call for more new housing in the zero to 35 percent median income range.

Gregg Kanter, Association for Portland Progress (APP), supported the vision of high density and housing for residents of all income levels. This Plan is the mechanism to make sure the River District vision becomes reality and will provide the resources to achieve the employment goals, provide necessary infrastructure and support the affordable housing the market cannot create.

Steve Sprecher, 1505 SW 18th, 97201, expressed hope that affordable housing, including housing for families, and some kind of community gathering place can be provided. He said he believes public funding is necessary to make this a success.

Commissioner Francesconi said he plans to meet with the neighbors about the parks.

Shelley Lorenzen, League of Women Voters, said funding of this urban renewal district will reduce money available for other necessary services. Other agencies, such as schools and the County, will lose at least \$100 million over the life of the project and these sacrifices should be recognized. The League is delighted to see \$55 million targeted to housing but troubled that the affordable housing targets are subject to modification annually and those funds can be reallocated to other uses. They agree that the targets themselves should be revisited and that more family-size housing should be planned. Ms. Lorenzen said there is also not enough provision for open spaces.

Mayor Katz said Multnomah County approved this knowing the implications and it has no impact on school district.

Ms. Lorenzen said the League believes the impact on the schools to be about \$30 million. She said the League urges adoption of a Master Plan for the River District and that PDC take every opportunity to negotiate a fair contribution from any property owner who benefits from this infusion of public funds.

Commissioner Hales asked why the City would want to chain itself to an urban renewal plan it can not modify if it finds a gap in reaching its housing goals.

Ms. Lorenzen said subsidizing high-end housing is not appropriate. The housing targets should be refined as the current ones are too broad.

Commissioner Hales said while he does not think the City has to spend a dime to deliver \$300,000 upper-end homes, it may have a hard time making sure middle-income residents will find places to live and, without them, the District will not have a broad spectrum of housing.

Commissioner Francesconi asked if the League has taken a position on this.

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Ms. Lorenzen said it has not had enough time to take a position, but would like more information about parks, housing and planning. Personally, she believes the urban renewal law was designed to help areas in serious decline and questions how the River District meets that criteria. She also questions what forming this District means to other districts and jurisdictions.

Commissioner Francesconi said without the contribution made by an urban renewal district there would be no way to provide parks or low-income housing here.

Ms. Lorenzen said there are other ways to fund parks, including bonds. Forming an urban renewal district is one way to get money but she needs to be more comfortable about the hit the schools and County are taking.

Chris Scherer, PDC, said the schools receive an amount per student made up of local and State funding. When the amount of local funding is reduced, State funding is increased. The Portland School District has indicated support for this.

Ralph Austin, Director, Innovative Housing, and Vice President, Community Development Network (CDN), said they appreciate the plan's strong language in support of affordable housing and a commitment of substantial financial resources. To meet the goals, CNA requests a required update to the out-of-date Housing Implementation Strategy. The update should examine both market conditions and the current inventory of threatened and at-risk housing. In addition, the plan should target the \$53 million for housing in specific income categories. He said the household income categories should be extended from the present three to six as otherwise no housing will be provided either for very low- or median-income people. CDN would like Council to take action in these areas as a condition of the plan.

Art Lewellan, Brooklyn neighborhood resident, supported this as a fine model for increased land development that meets City goals and offers the kind of model that can be reproduced throughout the region. He believes some day the auto will be obsolete and this plan is a way to help achieve that.

Tasha Harmon, Executive Director, Community Development Network (CDN), said they share the concern about the lack of a strategy in the River District for middle-income housing although they strongly support targeting the \$53 million in tax increment funds to affordable housing for households at 80 percent median income or below. They recommend that the City come up with another strategy for ensuring the middle-income housing happens and she noted that Commissioner Sten has a proposal on the table to help make that happen. CDN believes it should be required as a quid pro quo from developers because of the substantial increase in the value of their property thanks to the City's infrastructure investments. She said requiring that 15 percent of units be affordable for people at 80 or 100 percent median income would not make such projects unprofitable and would not require any public subsidies. CDN would also like to know if the City can require Hoyt Street Properties to comply with any new requirements put in place as part of the revision of the Housing Implementation Strategy. There is a line in the plan which essentially says that any tax increment funds generated in the 16 blocks south of Burnside cannot be used north of Burnside and vice-versa. That is a dangerous precedent for an urban

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renewal area and could mean that revenues generated from increased retail in those 16 blocks could not be used to produce housing for the low-wage workforce those businesses would need as there are few opportunities for producing housing in that area. CDN also recommends creation of an ongoing advisory committee with broader representation than the current River District Steering Committee to work with PDC on implementation.

Richard Harris, Director, Central City Concern and a member of the River District Steering Committee, said there are many challenges to developing low-income housing and the City needs to make sure it can be provided at the 30 percent median-income level. Central City Concern supports the call for careful definition of the income categories. The boundaries are also of concern as the question arises, particularly in Old Town/Chinatown area, as to whether one counts affordable housing in the urban renewal district area or in the whole River district planning area, which is much larger. Also, will the affordable housing currently being built in Old Town count toward the total number of units in the River District Urban Renewal District?

Grant Guyer, Pearl District Neighborhood Association, said choosing to live in an urban area should be a viable choice for families. A vibrant mix of people is needed and the City needs to find ways to make the area attractive to people with children even if the market does not. He said the City should not accept the idea that it should not plan for families because developers cannot afford to build three bedroom apartments. He said plans should also be made for a community center.

Mayor Katz said the City is struggling to determine how much effort it should make to attract families.

Gerry Notson, 1414 SW 3rd, 97204, said very little is heard about how these new parks will be maintained and questioned where the revenues would be found to do so. He said many people feel affordable housing is as much corporate welfare as it is welfare for the people who need it. He said they feel there may be a better and more cost-effective mechanism, such as rent subsidies, to help people afford apartments than the building of real estate properties which are taken off the tax roles. Finally, if families are invited to live here, then it is very important to provide places for children to go, such as swimming pools.

Commissioner Francesconi said Parks has restored the maintenance side to its operations budget but noted that community centers cost a lot more to operate than parks. He emphasized that a neighborhood cannot be created without parks.

Mr. Notson said if property is being developed it should generate enough increased tax revenues to cover the cost of operating the parks.

Mayor Katz asked about the boundary issue.

Ms. Trader said when PDC began to study formation of the River district Urban Renewal District it looked specifically at the area north of Burnside and, at the same time, it was also looking at the 16 blocks south of Burnside, but from a different perspective. There the issues were blight, deterioration around the transit mall and retail development. Because

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the area south of Burnside is so small, PDC found it would be uneconomic to develop a separate urban renewal area there. OFA advised them that in terms of debt financing and meaningful planning, it really needed to be combined with another area and after finding that it was not possible to combine it either with the South Park Blocks or Waterfront, it became practical to marry the efforts north and south of Burnside into one urban renewal district. Ms. Trader said the Plan specifically states that, to the extent practicable, the Commission shall seek a balance between revenues and expenditures of tax increment funds within each of the sectors. Lawfully, it is all one district.

Les Prentice, PDC, said the boundary between the north and south is not meant to be a hard one and the balance might not necessarily equal out on an annual basis, but over the long run they will try to seek a balance between the revenues generated in the north and south areas.

Commissioner Francesconi asked if PDC would look south of Burnside for money if \$53 million in urban renewal funds is not generated north of Burnside. Is the \$53 million for housing secure?

Ms. Trader said the \$53 million is only a projection and there is no guarantee that this kind of development will occur and that these tax increment revenues will be generated. PDC will make an effort to balance priorities through the five-year financial plan.

Commissioner Francesconi asked if more revenues were expected from tax increment funding north or south of Burnside.

Mr. Prentice said much less is projected south of Burnside, which is only 16 blocks, versus several hundred acres north of Burnside.

Commissioner Francesconi asked if PDC projects that there will be enough money north of Burnside to meet the target of \$53 million.

Ms. Trader said that is the expectation and while they have the ability to take some money from south of Burnside, they anticipate that only two to 12 percent of the revenue would be generated there so there is no way to meet the \$53 million commitment exclusively from those 16 blocks. PDC is committed to housing replacement to the extent possible with the \$12 million identified in the plan for that purpose. The restriction, however, is that the replacement housing must be within the urban renewal district. If housing units are lost elsewhere in the City they could be built here but the capital investment has to be in the district itself.

Mayor Katz asked if a resolution about the housing is needed.

Ms. Trader said not if Council agrees with Commissioner Sten's proposal to review the housing implementation component and return again in six months. Whether that is doable depends on the scope of the issues and PDC will make every attempt to return in six months or report back if it believes it will take longer.

Commissioner Francesconi asked about the expansion of the three housing categories to six.

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Ms. Trader said PDC will bring everyone to the table to look at that and see what makes sense. There is no commitment to a specific number of categories at this point.

Commissioner Francesconi said while he does not think this is the proper vehicle to force PDC to select the categories, the breakdown shown in the Hobson and Johnson study is his preference. He said in the Central City, only four percent of the units in the 60 to 80 percent range were developed. He asked how PDC is addressing that?

Ms. Trader said PDC is putting together a group to develop a resource development strategy that looks at as broad a mixed-income strategy as possible. PDC's goal is to facilitate implementation of the housing numbers identified within the functional plan and the 2040 plan.

Margaret Bax, Housing Department, PDC, said of the housing development done in the Central City in the last few years, about 800 units above 60 percent were built, mostly in mixed-income projects. Of those 800 units, only about 61 have been in the 61 to 80 percent category but about 750 units are in the 81 to 120 percent category. If they are over 80 percent, they are not rent-restricted so many are at 90 or 100 percent and will float up with the market. She said PDC is looking at strategies that will work to develop mixed-income projects but with decreases in the Housing Investment Fund, PDC's ability to do these citywide will be greatly restricted and a new resource will be needed. However, in the Central City area, with the use of tax increment money, they will still be able to do them.

Commissioner Francesconi said he is not ready to commit to Commissioner Sten's memo which calls for a financing strategy for housing in the 80 to 120 range. But he would like PDC to look at what is appropriate in that range. He would also like PDC to look at the issue of home ownership, which is about 25 percent in the River District. Finally, he would like to see the issue of family-sized housing addressed and how much is given up on the other end because the subsidy is deeper for this kind of housing. Addressing these issues is more important to him than sticking to a six-month timeline.

Ms. Bax said they will put together a timeline for what can be done in six months and what will take longer.

Commissioner Francesconi said he is unclear about the effect of any new housing recommendations on the agreement with Hoyt Street Properties.

Ms. Bax said the City cannot unilaterally amend that contract and the density and affordability targets stated there are what Hoyt Street Properties is obliged to do right now. She said the housing implementation strategy is for the entire River District, not just the urban renewal plan district and, depending on what comes out of the study group's recommendations, they could ask Mr. Williams if he would agree to change his agreement. She said they can also target where the City resources go.

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Commissioner Francesconi said because of the infusion of major dollars for capital improvements, now is the time to broaden representation on the steering committee and define its role.

Ms. Bax said the steering committee was recently expanded and Council could review that balance if it wishes although the committee is its own private entity.

Mayor Katz said if there is a need to add additional members, PDC will make that recommendation and she does not think that will be a problem.

Commissioner Hales said this is a state of the art plan for creating a new neighborhood out of what is basically a wasteland. It has a terrible weakness, however, in that it lacks any plans for civic institutions such as churches and there is no City agency that is charged with figuring that out. He said he does not know how to solve this problem but the City needs to at least try to encourage community life.

Commissioner Francesconi said the key would be getting a school, if there are enough children. He thanked PDC for taking parks into consideration in its planning process and said communities happen over time and it is not the City's role to provide other community gathering places.

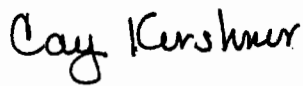
Commissioner Kafoury thanked PDC for a wonderful job and said she has no doubt it will follow through on what it has said it will do.

Mayor Katz said PDC has changed and this plan reflects its ability to think about community as a whole.

Disposition: Passed to Second Reading October 21, 1998 at 2:00 p.m.

At 4:10 p.m., Council adjourned.

BARBARA CLARK
Auditor of the City of Portland


By Cay Kershner
Clerk of the Council