



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 11TH DAY OF AUGUST, 1999 AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi, Saltzman and Sten, 4.

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

CONSENT AGENDA - NO DISCUSSION

1130 Cash investment balances July 1 through July 21, 1999 (Report; Treasurer)

Disposition: Placed on File.

1131 Accept bid of Brant Construction, Inc. to furnish landslide stabilization project Balch Canyon at NW Raleigh Street for \$189,000 (Purchasing Report - Bid 99235)

Disposition: Accepted; prepare contract.

1132 Accept bid of Pacific Coast Construction, Inc. to furnish Holladay Park improvements for \$795,671 (Purchasing Report - Bid 99247)

Disposition: Accepted; prepare contract.

1133 Accept bid of Turner Construction, Inc. for Portland Building 10th floor remodel for \$412,106 (Purchasing Report - Bid 99251)

Disposition: Accepted; prepare contract.

1134 Vacate a certain portion of SW 62nd Avenue south of SW Pomona Street, under certain conditions (Second Reading Agenda 1120; C-9957)

Disposition: Ordinance No. 173631. (Y-4)

Mayor Vera Katz

***1135** Contract with Ball Janik LLP for Washington, D.C. representation (Ordinance)

Disposition: Ordinance No. 173632. (Y-4)

***1136** Authorize the Director of the Bureau of Information Technology to enter into agreements for professional services related to corporate information technology services (Ordinance)

Disposition: Ordinance No. 173633. (Y-4)

- *1137 Authorize the Purchasing Agent to sign a contract with SAS Institute, Inc. for annual software maintenance in the amount of \$86,465, without advertising for bids (Ordinance)

Disposition: Ordinance No. 173634. (Y-4)

- *1138 Authorize payment to Steptoe & Johnson LLP for outside counsel work in Sandy basin matter (Ordinance)

Disposition: Ordinance No. 173635. (Y-4)

- *1139 Authorize payment to Cable, Huston, Benedict, Haagensen & Lloyd LLP for outside counsel work in Sandy basin matter (Ordinance)

Disposition: Ordinance No. 173636. (Y-4)

- *1140 Increase contract with Save A Back, Inc. (Ordinance; amend Contract No. 32103)

Disposition: Ordinance No. 173637. (Y-4)

- *1141 Pay claim of Ian Nesbit (Ordinance)

Disposition: Ordinance No. 173638. (Y-4)

- *1142 Authorize contractual agreement with CENTRA Healthplan LLC to provide medical claims administrative services to the City of Portland's self-insured benefit plan participants for plan year 1999-2004 (Ordinance)

Disposition: Ordinance No. 173639. (Y-4)

Commissioner Jim Francesconi

- 1143 Accept contract with JVC Contractors for the Portland Building 4th floor remodel for the Office of Finance and Administration project as complete, authorize final payment and release retainage (Report; Contract No. 32272)

Disposition: Accepted.

- *1144 Authorize a contract with Oregon Litho Print for production of Parks and Recreation fall schedule of activities for \$103,298 and provide for payment (Ordinance)

Disposition: Ordinance No. 173640. (Y-4)

- *1145 Enter permit agreement with ODOT to perform work within ODOT right-of-way for the Eastbank Esplanade (Ordinance)

Disposition: Ordinance No. 173641. (Y-4)

AUGUST 11, 1999

Commissioner Charlie Hales

- 1146** Set hearing date for Wednesday, 9:30 a.m., September 15, 1999, for the vacation of a portion of SW River Parkway in connection with realignment of SW River Parkway (Resolution; C-9959)

Disposition: Resolution No. 35812. (Y-4)

Commissioner Dan Saltzman

- 1147** Consent to the transfer of Refuse Removal, Inc. solid waste and recycling franchise to Refuse Removal, Inc. as a wholly-owned subsidiary of Waste Connections, Inc. (Ordinance)

Disposition: Passed to Second Reading August 18, 1999 at 9:30 a.m.

- 1148** Contract with Global Diving & Salvage, Inc. for diving inspection services associated with the construction of the Columbia Boulevard wet weather treatment facilities outfall project, Project No. 5302 (Ordinance)

Disposition: Passed to Second Reading August 18, 1999 at 9:30 a.m.

- *1149** Authorize Purchasing Agent to sign Purchase Orders as a contract with Portland Recycling Team, Inc. and Neighborhood Recycling Center for the operation of drop-off centers for recyclable materials from Portland residents and businesses for a total amount not to exceed \$50,000 annually for five years, without advertising for bids (Ordinance)

Disposition: Ordinance No. 173642. (Y-4)

- *1150** Authorize a contract with CH2M Hill Engineering, Inc. for Sheridan, Woods, Carolina and California basins stream diversion predesign, Project No. 6637 (Ordinance)

Disposition: Ordinance No. 173643. (Y-4)

- 1151** Authorize contract to the lowest responsive bidder for the Tryon Creek wastewater treatment plant automation improvement project, Phase 2, Project 6063 (Second Reading Agenda 1113)

Disposition: Ordinance No. 173644. (Y-4)

Commissioner Erik Sten

- 1152** Accept completion of Mt. Tabor Reservoir 5 drainage improvements by Kasey Cooper Excavating, Inc., make final payment and release retainage (Report; Contract No. 31703)

Disposition: Accepted.

- 1153** Accept completion of Mt. Tabor Reservoir 5 liner by C.W. Neal Corporation, make final payment and release retainage (Report; Contract No. 31738)

Disposition: Accepted.

- 1154** Accept completion of the 4-, 6-, 8-, 12- and 16-inch water mains and regulator vaults on NW Miller Road by Werbin West Contracting, Inc., make final payment and release retainage (Report; Contract No. 31790)

Disposition: Accepted.

- *1155** Agreement with CH2M Hill, Inc. to conduct an aquifer storage and recover feasibility study for the Columbia South Shore well field for the Water Bureau Engineering Group at a cost not to exceed \$275,000 (Ordinance)

Disposition: Ordinance No. 173645. (Y-4)

- *1156** Authorize amendment to extend intergovernmental agreement with the U.S. Department of Agriculture Natural Resources Conservation Service (Ordinance; amend Contract No. 31923)

Disposition: Ordinance No. 173646. (Y-4)

- *1157** Contract with Southeast Uplift Neighborhood Program for \$42,000 to conduct HCD project related citizen participation activities in inner and outer southeast BHCD target areas and HCD eligible neighborhoods and provide for payment (Ordinance)

Disposition: Ordinance No. 173647. (Y-4)

- *1158** Contract with Christmas in April* Portland for \$25,450 to carry out the housing repair and renovation program and provide for payment (Ordinance)

Disposition: Ordinance No. 173648. (Y-4)

- *1159** Contract with Northwest Housing Alternatives for \$190,000 for the development of Swan House, a residence for people living with HIV/AIDS and provide for payment (Ordinance)

Disposition: Ordinance No. 173649. (Y-4)

- 1160** Contract with low housing by Native Americans of Portland, Oregon for \$25,000 to support affordable housing development and provide for payment (Ordinance)

Disposition: Passed to Second Reading August 18, 1999 at 9:30 a.m.

REGULAR AGENDA

- 1129** **TIME CERTAIN: 9:30 AM** – Adopt City of Portland 1999-2001 Equal Employment Opportunity Affirmative Action Plan (Ordinance introduced by Mayor Katz)

Discussion: Mayor Katz said the City shares its affirmative action office with the County and annually computes the availability of women and minorities in various job classifications to identify where they are underutilized. That enables bureau managers and

AUGUST 11, 1999

Commissioners to focus their attention on making sure that an extra effort is made in those areas.

Janice Deardorff, Director, Bureau of Human Resources, reviewed the goals of the new affirmative plan which focuses on Best Management Practices for measuring program results and diversity at the bureau levels. She said the City has made major progress in female hires, with minor impact in the technical and skilled craft fields, where an apprenticeship program is planned. Minority hiring has been slow although there has been a significant increase in the hiring of Asian employees, with Hispanics and Native Americans maintaining past levels. Unfortunately, the City has been losing ground in hiring African-Americans. Bureaus with the most hiring challenges are Police, the Office of Planning and Development Review, the Bureau of General Services and Water, while the bureau that has experienced the most success is the Fire Bureau. She said the success of the plan depends on strong support from Council in carrying out the compliance strategy. Ways to create accountability are also needed in terms of operational expectations. Ms. Deardorff said they have found that the support of bureau directors and managers in the training makes a great difference in achieving plan goals. She recommended that the affirmative action report be made required reading by the bureaus and that they renew their commitment to equal employment principles and practices. She said the bureaus' compliance strategies should be part of each of the Commissioner's annual review and everyone needs to know what the goals are. She said they would also like to see quarterly progress reports to Council from selected bureaus, rather than having all report at once. It is also important to link work-force planning and development with affirmative action diversity efforts as the work force ages. The Affirmative Action office would like to do an annual report to apprise Council on training efforts, complaint resolution, hiring and promotion statistics, etc.

Commissioner Francesconi said he asked Chief Wall what it took to actually diversify the bureaus. He said it took two things -- holding bureau managers accountable and having the top people say this needs to happen. Council members should listen to his presentation to see how what the Fire Bureau did might be applied to their own bureaus.

Chief Robert Wall, Fire Bureau, said in 1994 Council passed an ordinance establishing the firefighter trainee program. The results show a significant increase in the number of women and people of color who have been added. He said the success rates of those entering the program is 69 percent and stressed that the training is not easy and hiring standards are very high because of high service level expectations. He said while the program is not cheap, now at \$175,000, it has yielded a great dividend, making it easier to recruit from all over the country. The next steps are to duplicate the program with other City bureaus, share the program with regional fire agencies, make connections to high school-to-work programs and develop mentors for trainees. He said these programs are not easy because not everyone always agrees with the need for them but those who have participated have become supporters.

Donnie Adair, Fire Bureau recruiter, said it takes zeal by the Chief to make these programs work. Of 58 people sworn in as part of training program, 56 are still part of the work force. Of 65 people on the civilian staff, 20 percent are people of color.

Irwin Warren, Firefighter Specialist, said in his 22 years in the Bureau this has been one of the most positive things he has seen.

AUGUST 11, 1999

Laurie Buckwalter, the Mayor's liaison on transgender matters, said this plan includes transgender identity as a characteristic that should be supported as a human right. She said she has been working with the City Attorney on implementation and education programs as they have found that when people understand what gender identity means, they respond as compassionately as Council has. She urged that additional education efforts be taken as that is the key to transgender viability in the workforce. She said the City has taken a leadership role in developing policy statements that are very helpful and they hope to be able to report soon on their progress with mediation efforts and health issues.

Commissioner Francesconi said currently bureaus are encouraged but not required to submit affirmative action compliance plans. He asked what would be wrong with requiring that to be a part of every bureau manager's annual performance review.

Julius Evans, Affirmative Action Office, said that is an excellent idea.

Ms. Deardorff said in the past Affirmative Action staff has seen itself as a resource, not a regulator, hoping to get voluntary compliance.

Commissioner Francesconi said he believes an effective training program is the key to successful compliance. He asked what kind of apprenticeship programs exist in other bureaus.

Shelley Mathews, Affirmative Action outreach and recruitment coordinator, listed the bureaus that have been actively participating in apprenticeship programs. She noted that the Water Bureau has a model utility worker apprenticeship program and hopes to add those enrolled in the program to its staff soon. The program also includes mentoring and training for managers so they can better work with diverse populations.

Commissioner Francesconi asked for an evaluation of those programs and about Ms. Mathews' role.

Ms. Deardorff said hiring Ms. Mathews as outreach coordinator was the first step undertaken by Human Resources to meet some of the objectives voiced by Council last year about outreach to the minority community.

Ms. Mathews said one way to measure progress is to look at how effective they have been in getting minorities listed on the certification lists. They have seen the numbers of Asian and African-Americans who have been certified increase but cannot control hiring once the lists issued. She is working with minority media to go a step beyond doing classified ads and develop a recruitment advertising campaign. She is also meeting with organizations and with their job placement staffs. One goal is to keep the strategies bureau-specific.

Commissioner Francesconi asked if anything is being done regarding the retention of minority hires.

Ms. Mathews said right now Affirmative Action does not have a lot of control over retention and is focusing more on expanding opportunities.

Ms. Deardorff said exit interviews are used but the City needs to develop a broader review of some issues in order to gather information they can use in the future.

AUGUST 11, 1999

John Wooster, Bureau of Human Resources Compensation Manager, said they have found that 25 percent of applicants applying online from the City's web site are minorities. Staff is beginning to track how many are hired through that process.

Mayor Katz asked staff to connect with Ron Herndon, Director of the Head Start program, to see if he is willing to help recruit from among Head Start parents.

Commissioner Saltzman asked if the City is involved with any welfare-to-work programs.

Ms. Mathews said the City works with and takes referrals from community-based organizations. Those referrals may or may not be welfare-to-work participants.

Commissioner Francesconi said he is frustrated because all five Council members and the bureau managers are very committed to this effort but he still feels it has not been effective. He said the compliance strategy should be tied directly to management performance evaluations. The Service Improvement Initiative needs to make this a priority issue for consideration by labor and management as the active participation of labor is needed to make this happen. Finally, there should be quarterly reports to Council. Council also needs to think through a school-to-work strategy and develop a much more aggressive program with schools such as Roosevelt and Madison High Schools. Hiring goals could also reflect the fact that certain bureaus, including Fire, have more turnover and apprenticeship programs should be prioritized based on the needs of those bureaus.

Commissioner Saltzman said he is particularly impressed with the Fire Bureau's success but the City needs to be ever diligent and overcome some of the problems, such as the fact that African-Americans in the fire training program sustain only a fifty percent success rate.

Commissioner Sten said he would like to give more thought to having Council members require more of bureau managers and would like more information about which things would be most useful. He noted that there will be an incredible turnover in the Water Bureau over the next few years and he is not sure the City has taken all the steps it should in order to fill those jobs unless it reaches out to all communities.

Mayor Katz said bureaus need to make apprenticeship programs a top priority in their budget requests as without resources it is difficult to make this happen. There are also some issues revolving around labor agreements that need to be worked out.

Disposition: Passed to Second Reading August 18, 1999 at 9:30 a.m.

Commissioner Jim Francesconi

- 1161** Approve a Strategic Plan and a Financial Plan for the City-owned Smart Park parking garages (Resolution)

Discussion: David Kish, Bureau of General Services, described the plan goals, which include expansion of transportation options, particularly in the bicycle area. He noted that they hope to build a new Smart Park on 3rd and Taylor to help meet some of the parking demand expected to concentrate around Pioneer Square. They are in the early stages of doing a parking demand study in the Pearl District and know there will also eventually be a need for more parking in the North Macadam area and the West End. He said the parking fund shows that substantial reserves were committed to the downtown streetcar project and

AUGUST 11, 1999

because of that they will have to be cautious about what projects they do over the short term. Regarding the 3rd and Taylor Smart Park, they hope to work out a special transaction with PDC to defray the cost of the land over some period of time. However, by 2005 and 2006 two garages will be paid off and then the parking garage fund will become very healthy again, with an estimated \$700,000 annually in net revenues.

Ken Rust, OFA, said the City's parking revenue bonds have one of the highest ratings of any in the country and are in good shape despite the challenges. Parking revenues support transportation, including the \$31 million contribution to streetcar construction, and a housing project. He said the miracle of long-term debt will allow them to produce income and take advantage of the end of debt service. They expect to continue to grow the system while remaining a responsible financial steward.

Commissioner Saltzman asked whether the Pearl District parking study was reviewing both short and long-term parking needs.

Mr. Kish said both are a part of the study, which should be completed by the end of November.

Mayor Katz noted that the parking fund was tapped to help PDOT cover the gap due to failure of the legislature to increase gas taxes. Now that the legislature has passed an increase, perhaps some of that can be paid back to the Parking Fund to help meet other needs.

Mr. Kish said they have been taking about \$1.7 million per year out of the Autoport fund and putting it towards transportation projects. They expect that to remain the same with or without the gas tax proposal.

Mr. Rust said there are a lot of demands on the funds but the City has been able to do a lot with them over the years. The next few years are likely to be difficult because the revenues will not be generous unless rates are raised, placing the Central City at a competitive disadvantage with the suburbs.

Mr. Kish said demand in the area near Nordstrom's has been sucked up by private garages so the City cannot make a case for a scarcity of parking there. However, the parking charges are \$3 per hour, not \$.95, so the message to shoppers may be that it is too expensive to come downtown.

Commissioner Francesconi said the financial plan offers increased parking rates as one option to cover the revenues now being contributed to the streetcar. Will raising those rates make the City less competitive with the suburbs?

Mr. Kish said they raised the rates \$.20 last year, the first such raise in 10 years, to help finance the streetcar. Every nickel generates about \$200,000 per year so another \$.05 increase is probably in order. He does not think the City is at the threshold of pricing itself out of the competition.

Mayor Katz said a lot of the City's tax increment financing dollars have been spent on transportation projects but that has been at the expense of other projects.

Disposition: Resolution No. 35813. (Y-4)

AUGUST 11, 1999

- *1162** Accept a Willamette River Greenway trail easement from Babcock Land Company LLC and assign to Portland Parks and Recreation (Ordinance)

Discussion: Commissioner Francesconi thanked the property owner for his exemplary help in developing the greenway and providing access to the River.

Susan Hathaway Marxer, Bureau of Parks and Recreation, said this accepts an easement on property in the Linnton area where the owner was required to dedicate land for a greenway trail for use by the general public. This 25-foot easement will link the west side Willamette River Greenway trail.

George Webb, Babcock Land Company owner, said he feels good about being able to do something for Linnton but does not feel it merits special recognition. His experience with the City's greenway review process was very positive.

Disposition: Ordinance No. 173650. (Y-4)

At 11: 15 a.m., Council recessed.

AUGUST 11, 1999

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 11TH DAY OF AUGUST, 1999 AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi, Hales, Saltzman and Sten, 5.

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

REGULAR AGENDA

Commissioner Charlie Hales

s - 1163 Provide and identify specific source for up to an additional \$4 million to Portland area school districts beyond amount appropriated through FY 1999-2000 budget process; express City Council's request to the governor that he sign the "Local Option" bill; authorize exploration of regional or other tax initiatives for schools; require more accountability from the Portland districts. (Resolution)

Discussion: Commissioner Hales moved the Substitute ordinance that had been filed. Hearing no objections, the Mayor so ordered.

Mayor Katz said this gives young people at least a chance to receive a good education. She said while she takes great pride in having Portland designated an urban mecca, she knows that a great City must take care of its schools as well as its land. Because of the failure of the Legislature to adequately finance the schools, the City cannot sit back and do nothing. She reviewed some of the points in the resolution and noted that it calls for the school districts to work hard to improve their financial situations as this is one-time money. She said the City has identified a financial mechanism to fill the \$4 million gap the schools face but that means the City will borrow money to meet this obligation and delay its own capital improvement projects, particularly those slated for the Parks Bureau. The resolution calls on the schools to meet higher standards and increase accountability about their management practices and facilities plans with the expectation that they can find resources so this situation does not occur again. Since the Legislature walked away from its responsibility, she hopes the County and business community will also step up along with the City. It is also important that all lobby the Governor to support the "local option."

Ben Canada, Superintendent, Portland Public Schools, described the District's plans for using the money, including continuation of the summer school program, and its progress to date on a strategic plan which will identify efficiencies and make the schools more accountable to the public.

Barbara Rommell, Superintendent, David Douglas School District, thanked Council for including her school district, which is now 100 percent within the City, in this resolution.

Diane Linn, Multnomah County Commissioner, supported Council's action in supporting the Portland schools once again. She said the County plans to help by purchasing an equity position in the Blanchard Education Center. The County will also support the "local option" effort.

Individuals speaking in support of the resolution included:

Linda Arends, 2615 SE 31st Ave., 97202
Christine M. Cook, 3130 NE 41st, 97211
Bill Hallmark, 2857 NE 46th Ave
Laurie Dunn, 3840 SW Tunnelwood Dr., 97221
Peter Parks, 5728 N. Wilbur, 97217
Debbie Gordon, 1706 NE Schuyler, 97212
Pamela Echeverio, 3501 NE 36th, 97212
Sharon Ford, 4014 NE 13th, 97212

Those testifying in support stressed the need to reduce class sizes and restore vital programs that have been cut. They said these programs are needed to ensure that kids enter the work force with the necessary learning skills to do their jobs. They called for tying in community and civic involvement in schools and to challenge the business community to work more closely with them to help fill the current gap.

Commissioner Francesconi said schools provide equal opportunities and common bonds across economic and racial barriers and that is the City's focus. It is unfortunate that the \$4 million gap is being funded from future park improvements as he believes that schools and parks form the heart of a community. He said everyone needs to continue to work on a permanent solution as the City does not have unlimited money and could have used these resources elsewhere. Dr. Canada has to look at a more effective way of using volunteers and provide a vehicle to do that. While the "local option" is needed, it is a mistake to demonize the governor or legislature as they have tried to address serious economic and education inequalities across the state. But given Portland's special circumstances, the "local option" is needed.

Commissioner Hales said kids watch what we do and that is why it is so important to step up and offer this support. He said he is sorry the City has to do this again but proud that it is willing and able to do so until such time as cohesive community support for the schools brings about the legislation that is needed.

Commissioner Saltzman said everyone in government has to be wary of credibility and accountability issues, especially about the City's "finding" \$4 million. He said perhaps a statewide teacher's contract is needed given that the State finances 90 percent of schools. He noted that City employees have just been granted a 1.1 percent pay raise while the schools are granting between two and four percent.

Commissioner Sten said this is a modest amount of money compared to the City's total budget and the school districts' budgets. He said schools run on tax dollars and right now there is a patchwork of taxes that makes no sense and is not equitable. There is no reason why the City should have more money and the schools less and it is proper that the money go to the place that needs it the most. He said the formula for student spending needs to be readdressed but he fears the legislature will not solve the problem and would like to work with a coalition of interested parties on other options as voters need to be given other choices rather than simply relying on the legislature.

Mayor Katz said she firmly believes all children can succeed and wants everyone else to believe that is a reality. The City has spent \$40 million in one-time money on schools over

AUGUST 11, 1999

the past few years for this purpose and this year's total is \$8.1 million. The local option is critical but the City should also consider seeking money from the Emergency Board. She said if more money is authorized, the first call on any money repaid to the City will be for Parks capital improvement projects

Disposition: Substitute Resolution 35814. (Y-5)

Mayor Vera Katz

- 1164** Direct the North Macadam Steering Committee and affected City Bureaus to develop recommendations implementing the Framework Plan to achieve the vision of a vibrant, mixed-use riverfront neighborhood (Previous Agenda 1127)

Discussion: Mayor Katz noted an amendment proposed by Commissioner Saltzman. She said a lot of other memos have been floating around the last few days and she will ask Felicia Trader, Portland Development Commission (PDC), to outline the next steps. She will also give Rick Michaelson, Portland Planning Commission, a chance to talk, but the meeting will not be opened up to more public testimony. She believes the next steps will be to provide people an opportunity to participate in the discussion and understand why the subcommittees have made their recommendations. Council members will also be asking those subcommittees to meet some additional important community goals. Meanwhile, she has been trying to educate herself about what the Endangered Species Act (ESA) guidelines really mean. This has become a very interesting issue in light of development both on North Macadam and on the Eastbank. She has learned that PDC is working on a book about how to treat the bank on the east side of the River that will apply to the entire Willamette, depending on the varying ecosystems along the river.

Commissioner Saltzman read his amendment regarding stormwater management as he believes the City needs to identify implementation measures which accomplish creative use of stormwater management techniques through the use of landscaping, parking lot design, roof gardens, eco roofs and other passive approaches. Commissioner Sten seconded.

Felicia Trader, Director, PDC, said they are comfortable with this amendment. She said the next critical step is to deal with all the issues raised by Council and prepare a work plan for each City bureau. There may not be agreement between bureaus, the Steering Committee or PDC about everything that should be done, but they will bring back a plan that clearly identifies those issues and how to get to the answers. That work plan will include an outreach and public participation process. She said they will return in 90 days to Council with this report, making it very clear where there is agreement and where there is not. She said they need enough time to really wrestle with all the issues, i.e. the impact of various greenway setbacks. Karen Williams, PDC Staff Attorney, is leading the effort to develop the design and habitat conservation plan and they will work closely with the Bureau of Environmental Services (BES), as this is one element in the City's response to implementation of the ESA. Over the next four years they will be gathering the science and information that speaks specifically to development activity in order to figure out if a habitat conservation plan is the approach to take in terms of a permitting requirement. That work has been delayed because information expected from federal regulatory agencies was not forthcoming and they have now decided this cannot wait. This is a tough scientific area to understand, much less to gain consensus.

AUGUST 11, 1999

Rick Michaelson, Chair, North Macadam Steering Committee, said the 50-foot setback was developed based on the science, or lack of science, available a year ago and was guided by how far they felt they could push regulations, property donations and widen the greenway without affecting development throughout the district. Wider greenways have implications in terms of development potential, revenues and expenditures. There are probably opportunities for widening the greenway and still meeting all development goals but this will take work and they need to make sure they meet all the goals, not just people's wish for a wider greenway. He said the biggest problem is not knowing what the federal and state will require from property owners and, until that is known, it is very hard to develop the other choices. They need to know what will be expected in order to get permits in the area and that will guide the ultimate decisions and how to accomplish the wide-ranging goals.

Commissioner Francesconi said a 50-foot greenway width is not very good and actually unacceptable if that is the average width. Council would prefer that the Committee deal with the individual property owners and return with development agreements that have a wider greenway.

Mr. Michaelson said they know they need to look at each property individually and negotiate the best deal possible to accomplish Council's goals.

Mayor Katz said some Council members would like to see a wider greenway but are not willing to increase the FARs that much on the waterfront.

Commissioner Francesconi said he would be happy to add that this should be done without an increase in height.

Mayor Katz said the other issue is the trail and having diverse opportunities along that trail.

Commissioner Francesconi said he is not saying the greenway has to be a uniform width everywhere as diversity of experience is very important.

Mr. Michaelson said he is hearing quite clearly that the 50-foot width is not sufficient and that Council wants to accomplish more and have the Steering Committee make it all work. They will do their best. They will also try to bring back some of the potential tradeoffs so Council will see how this will affect affordable housing and other goals.

Mayor Katz said there may be less resources to do everything everyone wants to do as far as providing jobs and everything else.

Commissioner Sten asked Ms. Trader to put in writing which issues will specifically be addressed over the next 60 to 90 days and what Council will then be expected to do. Will it vote on actual changes to the plan? While he respects the Steering Committee, at some point Council has to decide when there are unresolved disputes. He asked when the issues on which there is no consensus will come to Council.

Ms. Trader said over the next 60 days they will analyze the issues. If the issues are clearly identified, they hope to address them and bring a comprehensive report back within a year. At that point, Council would decide if it wanted to set a different direction for the framework plan. But the idea is to first do a work plan addressing all the issues noted in the exhibit accompanying the ordinance, plus those raised by Council. The work plan and road map for addressing all the issues will be done in 60 days.

AUGUST 11, 1999

Commissioner Sten said he is very supportive of the framework plan and urban renewal district but if he were forced to vote today he would not vote for this greenway width. Is it okay for him to vote yes on this if he does not support the greenway setbacks as written. And, if so, when would he find out if there were two other Council members who supported a change in those setbacks.

Ms. Trader said on Page 2 in Exhibit A it states that PDC within 272 days of Council action will bring proposals to the Steering Committee and then, within 30 days, those proposals will come to Council. There are two pieces that directly address the greenway. One is to prepare a public/private implementation strategy as a guide for public investment to ensure that park and greenway opportunities are equitably distributed. The second is to work, in collaboration with Parks, Planning, Transportation and BES, to develop greenway and trail design criteria, including formation of a public/private North Macadam greenway partnership and habitat performance standards. An overall design for the greenway would be part of that as well as identification of key enhancement opportunities. Ms. Trader told Commissioner Sten he will have a lot of chances to address the greenway.

Mr. Michaelson said no development agreements that propose a 50-foot greenway will be signed without Council involvement.

Commissioner Sten said 50 feet is okay with him but it has to be 50 feet everywhere. He said he is also in the dark about the ESA, which is a factual matter. Right now there are no standards as this is the first urban area to be listed so what he is trying to do is create an overall plan for the City as a whole as well as its subsets. He believes the way for the City to build a case for setbacks that make sense for both fish and urban areas is to have a comprehensive plan for the riverbank up and down both sides of river rather than saying how far a specific spot should be set back. He said he is not looking for a major change in setback but thinks a little more buffer will be needed. He said the City should try to set North Macadam within the framework of the overall ESA plan rather than trying to mitigate and mediate this and that aspect, none of which is based on reality, because there is no reality. Right now both sides are making completely unsupportable claims and trying to mediate between them at this time may not be smart. He said he believes the City may have some ability to influence the National Marine Fisheries Service (NMFS) if there is an overall City plan that is better than what NMFS can force the City to do by law. Then they will be willing to negotiate on the details. He said he fears the simple answer here and probably the property owners should fear it even more.

Mr. Michaelson said their operating assumption was that this section of the river is not the most important for fish habitat protection and that if they could pack as much development in this area and relieve the pressure elsewhere, that would be North Macadam's contribution to the ESA work.

Commissioner Sten said you cannot make that case in a vacuum, however, without showing where you are backing off from development. That is what he has not heard, although that is not the NMFS problem.

Commissioner Saltzman said perhaps Council should broaden the Steering Committee membership, possibly to include NMFS and Oregon Department of Fish and Wildlife representatives.

AUGUST 11, 1999

Mayor Katz said she talked to Ms. Trader about the need for more diverse membership and how to involve more people in the discussion so some of the issues Commissioner Sten has raised could be clarified.

Ms. Trader said there are particular issues to be addressed in the public outreach, including the greenway, bank treatment, etc. She said she has increasing concerns now about the job and housing pieces and about the voluntary aspect of the development agreements with the property owners. She personally believes the Steering Committee has a good track record and would prefer to keep it as it is now. Where she would like to strengthen outreach is on the subcommittees and in the technical work. The role of the Steering Committee from now on would be to review the work that comes in and decide if it meets the intent of the framework plan. She believes it would be a mistake for the Steering Committee to take on an advocacy role.

Commissioner Saltzman asked if the Oregon Department of Fish and Wildlife would be asked to participate.

Ms. Trader said yes, the Mayor has asked that the public involvement process really be fleshed out at the subcommittee level to make sure the advocacy groups participate.

Commissioner Francesconi said he appreciates the delicate process that has gone on here but there are also important public policy issues to be settled and Council needs to be sensitive to those. He said he opposes the idea of adding a NMFS representative to the Steering Committee but likes the idea of adding one or two more citizens who are neither technical people nor advocates for any one organization or position.

Mr. Michaelson said the Steering Committee has been promised that it will have a full opportunity to comment and advise the City on whether the implementation measures are consistent with the Framework Plan and vision for the area. There was no promise that things need the approval of the Steering Committee in order for Council to adopt something that is different. Given that distinction, it may be more important that the Steering Committee remain cohesive so that Council continues to get advice from the people who wrote the plan. More citizens will be involved in implementation through the subcommittees.

Commissioner Francesconi said if this is private property and the property owners do not agree with PDC, the greenway will not be built. He noted that the role of the Parks Bureau as the lead bureau in the design and implementation of the greenway setback and trail has been clarified to his satisfaction and he does not need an amendment to the framework plan to acknowledge that. He would like PDC to talk to property owners about obtaining agreements for maintenance of the greenway at a higher standard. Finally, he would like PDC to work to set aside \$3 million for greenway enhancement but this money is not to be used in negotiating with property owners for additional width. It is to be used to enhance the quality and design of the greenway itself.

Mayor Katz said she wanted to take a vote on Commissioner Saltzman's amendment regarding stormwater treatment. Hearing no objections, the Mayor so ordered.

Mr. Michaelson said the Steering Committee thinks it has done a good, solid job of creating a framework plan that will allow the City to fulfill its needs and its desire to create a world

AUGUST 11, 1999

class neighborhood along with a world class riverfront. They look forward to working on the implementation phase and watching this area take off.

Roll was called.

Commissioner Francesconi said the City has an opportunity here, along the whole river, to provide a diverse experience for citizens, both on the east and west sides. Macadam is part of a larger whole and should be looked at in terms of the diverse experience that can be provided all along the river, including the economics which needs to be protected throughout the river system. He thanked Ms. Trader for restoring credibility to PDC and getting the property owners to hang in there. He also appreciates having Parks participate more in the design of public spaces. He said Council must not lose sight of the two priorities it set in the beginning -- the greenway and jobs. He also appreciates the willingness of the housing advocates to agree to this plan. Finally, he noted that the City has the ability to provide a world class experience with access to the River for citizens living in tax increment districts, but that raises an equity issue for current residents in St. Johns, Brooklyn and other neighborhoods who cannot get access to the River even while the City is providing access to an area where people do not even live as yet. That has to be addressed if all citizens are to have access to the river. He is confident, however, that this project merits this level of public investment, especially as it will return vacant property to the tax rolls. If this does not work, the property owners are at significant risk but, if it does, they will enjoy a significant return and he believes there is room to negotiate on the issues Council has asked them to address.

Commissioner Hales said a neighborhood is more than just a greenway and access to river and he is concerned about getting too focused on those elements. The greenway is a legitimate ingredient and he believes this PDC staff is able to deal more sensitively and thoughtfully with the process of creating a neighborhood than ever before. However, for all its strengths, PDC has never created a neighborhood from scratch before and history will judge whether this turns out to be a great place. He said today North Macadam is mostly an industrial wasteland between Riverplace and Johns Landing, neither of which have worked particularly well. This is an opportunity to finally get it right and he is worried that despite all the good intentions, that this will not happen because it is so hard to get all the right ingredients and synthesize all interests. He also pointed out the importance of including the non-profit sector, i.e. churches and YMCAs, in neighborhoods.

Commissioner Saltzman said this is a very challenging public/private partnership and requires a delicate balance between the various interests. He noted that if this area could easily have been developed into something productive, that would have happened by now.

Commissioner Sten said he realizes this is a tremendous and rare opportunity even though he is pushing hard on some elements. It is the most valuable space left in the City and will have a major impact on it. This differs from the River District in that there are a lot more property owners and a lot more constraints. Because so much of the tax increment money has to go into basic infrastructure, not a lot is left to fund things like affordable housing. The greenway and streets will define what happens and those cannot be changed once they are in place. While there is a lot of guessing here, he is excited about the framework plan as it is a vision for moving forward and developing the kind of place the City should have.

Mayor Katz said this plan is challenging and controversial, but a wonderful opportunity. She said her worries are about the design of the buildings and the whole environment on the

river, not just the land. She said she would like to see some "wows" here, such as significant public art. She said creating North Macadam will take 20 years but she hopes development can begin soon and create new opportunities along Macadam.

Disposition: Resolution No. 35815 as amended. (Y-5)

1165 Approve the North Macadam Urban Renewal Plan (Second Reading Agenda 1128)

Discussion: Commissioner Saltzman abstained from voting due to a conflict of interest.

Disposition: Ordinance No. 173651 as amended. (Y-4)

1166 Appeal of the Corbett/Terwilliger/Lair Hill Neighborhood Association against Hearings Officer's decision to approve the application of Sunset Fuel Company, property owner, and NSP Development, property purchaser, for a design and greenway review with modifications to construct a new, five-story building with office space and parking facilities (Hearing; 99-00197 DZ AD GW)

Discussion: Adrienne Brockman, Deputy City Attorney, outlined the procedures to be followed at this on-the-record hearing;

Commissioner Hales and Commissioner Saltzman reported possible ex parte contacts.

Livia Nicolescu, Office of Planning and Development Review (OPDR), said the Design Commission approved a land use review for a new five story office building with parking on a .92 acre site in the Macadam Plan District. She said the Design Commission found the proposal met the criteria for Greenway review and approved it with conditions. She noted that the Commission had approved two phases. In the first phase, a parking garage will take up the entire ground floor with 197 spaces. In the second phase, 27 of those parking spaces would be converted to office floor area of about 7,000 square feet, reducing the total number of parking spaces to 170. The Design Commission also approved modifications which make the building slightly more compact, allowing more open space and smaller-sized parking spaces. The second phase will take place when the Willamette Shore Rail Line becomes a new light rail facility linking Portland with Lake Oswego and West Linn.

Commissioner Francesconi asked if it is true the appellant is not contesting this and that the only appeal issues are whether the street and transportation systems are adequate. Those are not design criteria and no legal grounds are being contested. He also asked how much delay this has caused the builder and whether the City has anything that addresses what happens when there are no legal grounds for an appeal.

Jeff Josslin, OPDR and staff person to the Design Commission, said Commissioner Francesconi is correct about the lack of legal grounds but there is no requirement that an appeal specifically address the approval criteria. He said Council can either uphold the Design Commission's decision or apply additional conditions if, given the nature of the appeal, it wanted to give some direction to Transportation staff regarding other conditions that might be applied during the permitting process.

Anne Bradwell, Corbett/Terwilliger/Lair Hill (CTLH) Land Use Chair, said CTHL has no problem with this building but does have difficulty with the transportation system. Landing Drive is a tiny little street that starts at the boundary of the property and ends at Hamilton

AUGUST 11, 1999

Court. One of the neighborhood's major concerns is that this will not be the last building that will be built in this small area as they believe there are several other places where this type of building would be appropriate under the Code. She said no one seems to listen to their concerns about transportation and the appeal of this decision seems to be their only avenue for raising them.

Alan Kravitz, NSP Development, applicant, said they met with the neighborhood three times but wound up here anyway because obviously they are unable to make changes to zoning code.

Commissioner Hales asked why this development was proposed in two phases.

Mr. Kravitz said it was done in response to staff concerns that parking requirements would decrease in the future, when there is mass transit.

Commissioner Hales asked if PDOT asked for a street dedication for Landing Drive and if the applicant signed a waiver of remonstrance.

Mr. Kravitz said yes.

Martin Slapikas, President CTLH Neighborhood Association, said there is an evident lack of comprehensive transportation planning for the whole neighborhood and the previous hearing on North Macadam only exacerbates their concerns about additional traffic, particularly on Corbett. He said one can have a lot of nice individual designs but when built in a neighborhood like this, traffic becomes more of an issue than design.

Mayor Katz said since traffic is not a criteria for design review, it is inappropriate to use it as a vehicle for this appeal, even though it is a legitimate concern.

Commissioner Hales said if Council denies this appeal, he will ask PDOT to enact an agreement requiring property owners to agree to street dedication and to sign a waiver of remonstrance. That can be done separately and does not have to be attached to a design case as a condition.

Commissioner Francesconi moved to deny the appeal and adopt the findings as written. Commissioner Hales seconded.

Commissioner Francesconi said it is inappropriate to misuse the design review process to accomplish another purpose and there should be something in the Code to prevent that from happening

Commissioner Saltzman said this is his first Design Commission case and he is trying to understand how two transportation conditions regarding turn signals can be added when there are no transportation criteria.

Mayor Katz asked staff to see if other criteria need to be added to the design guidelines and whether there are enough to respond to the issues that have been highlighted.

Disposition: Appeal denied. (Y-5)

AUGUST 11, 1999

1167 Appeal of Tim Ralston, applicant, against Hearings Officer's decision to deny a planned unit development, major land division with variances and environmental review with adjustment, located at 7908 NW Gales Ridge Lane (Previous Agenda 1031; LUR 98-00882 PU SU EN)

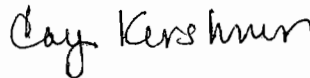
Discussion: Duncan Brown, OPDR, noted a memo issued by the City Attorney based on the original Gales Ridge Hearings Officer's report which the Hearings Officer for this latest request did not have access to. The memo explained the intent of the easement agreement and improvement and answered many of the questions the Hearings Officer had raised about the current request. The City Attorney concluded that Condition E in the original decision had been satisfied through the easement agreement and there was no requirement for either party to improve that easement at any time. Based on that information, OPDR staff recommends that Council overturn the Hearings Officer's decision and tentatively approve this Planned Unit Development with the conditions contained in the Hearings Officer's decision and modified by the City Attorney's memo. He said staff should be directed to prepare modified findings for final action and adoption.

Commissioner Francesconi so moved and Commissioner Sten seconded. Roll was called and the motion carried.

Disposition: Tentatively approve appeal and overturn Hearings Officer's decision; prepare findings for September 8, 1999 at 2:00 p.m. (Y-4; Hales abstained)

At 4:30 p.m., Council adjourned.

GARY BLACKMER
Auditor of the City of Portland



By Cay Kershner
Clerk of the Council