



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 29TH DAY OF DECEMBER, 1993 AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Blumenauer, Hales, Kafoury and Lindberg, 5.

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

Agenda No. 2020 was pulled from Consent. On a Y-5 roll call, the balance of the Consent Agenda was adopted as follows:

CONSENT AGENDA - NO DISCUSSION

- 2018** Cash investment balances for November 18, 1993 through December 15, 1993 (Report; Treasurer)
Disposition: Placed on File.
- 2019** Accept bid of Landmark Ford for furnishing five cargo vans for \$79,786 (Purchasing Report - Bid 63)
Disposition: Accepted; prepare contract.
- 2021** Accept bid of Schlumberger Industries, Inc., for small domestic meters for \$139,300 (Purchasing Report - Bid 66-A)
Disposition: Accepted; prepare contract.
- 2022** Accept bids of Kent Meters, Inc., Schlumberger Industries, Inc., and Grinnell Corp. for furnishing large service meters for \$108,227 (Purchasing Report - Bid - Bid 70-A)
Disposition: Accepted; prepare contract.
- 2023** Accept bid of Hunting Shack, Inc., for furnishing practice and new ammunition for \$261,210 (Purchasing Report - Bid 76-A)
Disposition: Accepted; prepare contract.

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Mayor Vera Katz

2024 Confirm appointment of Ed Sherman to the Portland Private Industry Council (Report)

Disposition: Confirmed.

***2025** Authorize General Obligation bonds to refund Improvement and Water bonds (Ordinance)

Disposition: Ordinance No. 167226. (Y-5)

***2026** Authorize contract with Decision Sciences, Inc., for professional surveying of City of Portland households to provide information to be utilized by the City Council in developing the annual budget (Ordinance)

Disposition: Ordinance No. 167227. (Y-5)

***2027** Establish four Police Officer, one Police Clerical Assistant and one Police Sergeant position(s) in accordance with the Personnel rules adopted by the City Council (Ordinance)

Disposition: Ordinance No. 167228. (Y-5)

***2028** Agreement to provide photographic developing services to the City of Troutdale (Ordinance)

Disposition: Ordinance No. 167229. (Y-5)

***2029** Accept a grant from the Oregon Department of Human Resources, Adult and Family Services Division, in the amount of \$95,200 to continue the Refugee Crime and Victimization Reduction Project (Ordinance)

Disposition: Ordinance No. 167230. (Y-5)

Commissioner Gretchen Kafoury

***2030** Call for bids to install carpet in the Justice Center building, 12th floor, authorize contract and provide for payment (Ordinance)

Disposition: Ordinance No. 167231. (Y-5)

***2031** Authorize execution of a Modification of Deed for property being used for the new 9-1-1 facility and communications center (Ordinance)

Disposition: Ordinance No. 167232. (Y-5)

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***2032** Contract with Vernon Neighborhood Action Group and Vernon Presbyterian Church for \$10,000 to carry out a program to upgrade residential property in the neighborhood and increase the opportunity for low income persons to become homeowners (Ordinance)

Disposition: Ordinance No. 167233. (Y-5)

***2033** Amend agreement with American Indian Association of Portland, Inc., for the Indian Cultural Center plan to increase the amount of compensation by \$2,200 and provide for payment (Ordinance; amend Agreement No. 28663)

Disposition: Ordinance No. 167234. (Y-5)

***2034** Amend agreement with Portland Women's Crisis Line to increase the amount of compensation by \$10,000 and provide for payment (Ordinance; amend Agreement No. 28864)

Disposition: Ordinance No. 167235. (Y-5)

Commissioner Mike Lindberg

2035 Accept contract with A. C. Schommer & Sons, Inc., for installation of emergency power provisions at Elk Rock pump station as complete and authorize final payment (Report)

Disposition: Accepted.

***2036** Amend City Code to revise regulations concerning forfeiture of residential solid waste franchises (Ordinance; amend Chapter 17.102)

Disposition: Ordinance No. 167236. (Y-5)

***2037** Authorize a contract with the lowest responsible bidder for the S.E. Sherman Street, S.E. 39th to S.E. 45th Avenues, sewer reconstruction project and provide for payment (Ordinance)

Disposition: Ordinance No. 167237. (Y-5)

City Auditor Barbara Clark

***2038** Contract with Virginia Gustafson, Attorney at Law, to provide Hearings officer services at a rate of \$27.00 per hour; contract renewable annually for up to five years (Ordinance)

Disposition: Ordinance No. 167238. (Y-5)

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REGULAR AGENDA

2014 TIME CERTAIN: 9:30 AM - Adopt draft Water Quality Implementation Plan for the Columbia Slough watershed (Resolution introduced by Commissioner Lindberg)

Discussion: Commissioner Lindberg said the Plan being developed is a dynamic long term vision for a regional recreational resource equivalent to Forest Park. He said it took decades and decades to cause this mess and it will take time to correct it and be an expensive project.

Noam Stampfer, Interim Director of the Bureau of Environmental Services, said the Slough is impacted by a lot of different public entities and this plan pulls together the different pieces into a comprehensive plan. The base program includes all the projects currently underway in the Slough which are pollution specific. The two largest projects that the City is involved in --the Mid-County Sewer Project and CSO program -- do not focus exclusively on the Slough. Under the CSO program, they plan to virtually eliminate overflows in the Slough and are accelerating that program. The Mid-County Sewer Project will help solve groundwater contamination problems. He described other projects already underway, including the remediation of contaminated sediments, point and non-point source control and the development of resource protection areas. He said the supplemental plan identifies gaps in terms of water quality protection. It emphasizes the control of pollution at its source whenever possible. Many solutions are simple, relatively low cost and lend themselves to partnerships with schools, environmental groups and private enterprise. The plan will be submitted to DEQ to determine acceptable pollutant load regulations and the next step is a review and public input process.

Liane Scull, Project Manager, noted that the Bureau hopes to go ahead and start implementing some of the program elements this winter, prior to final DEQ approval. She showed slides to illustrate the problems, including algae growth, CSOs, high bacteria levels, pollution and illegal dumping. All the CSOs are slated to be eliminated by the year 2000. She described the components needed to fill the gaps in the existing program, including dropping the water elevation in the Upper Slough by one foot in order to retard algae growth. Other components include increased public education, increased efforts to prevent pollution at its source, testing of industrial discharges, increased shading through more tree plantings and long term monitoring and data management.

Ms. Scull said until the CSOs are out of the Willamette, they will affect bacteria levels in the Lower Slough. She said the Bureau estimates a \$3 million capital cost and another \$3.3 million to implement the program. During the public input process several issues were identified that still need resolution. One is the effect of the low flow on the wetlands and

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Upper Slough. To address this, staff will do an assessment of the wetlands in late winter to determine those effects. They will also monitor vegetation growth on the bottom and mitigate if there are problems with equipment maintenance. Another concern is changing Inverness Pond from a deep water pond to an emerging wetland. The project team has decided that if these concerns cannot be resolved to the satisfaction of all groups, they will not proceed with this part of the plan.

Mr. Stampfer emphasized that this plan represents significant improvements in water quality, multiple benefits to the City and gives it the maximum amount of flexibility to pursue the most cost-effective plan.

Mayor Katz asked what would happen at the Slough if the DEQ gave the green light.

Ms. Scull said with the low flow program they would hope to see a reduction in algae and plan to restore the stream bank and add new plantings to shade the slough as well as to clean up illegal dump sites.

Commissioner Lindberg said they hope to have more youth involvement.

Mayor Katz said that could be an opportunity not only for youth but people in the Burnside area.

Commissioner Lindberg said they are trying to work with all the businesses along the Slough and with all the public entities that might have resources they can bring to bear.

Mike Houck, Urban Streams Council, praised staff for their work and for providing quick responses. He said this plan should include a statement that becomes part of the BES mission statement, namely that this is multi-objective in nature and projects should be designed with that in mind. Secondly, a technical advisory committee should be formed to use the advice of professionals. Lastly, this is not going to be solved quickly but is a long term project.

Commissioner Lindberg said he is exploring getting a federal grant which meets these multi-objectives.

Mr. Houck said he has been talking with the EPA about the possibility of using national service members. He emphasized that the plan is a low tech, cost effective program that is flexible enough to allow more expensive projects in the future if need be. Continual monitoring is critical for success.

Commissioner Hales noted that the list of objectives states that recreation is passive.

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Mr. Houck says passive recreation implies non-motorized craft which are more appropriate in the Slough.

Commissioner Hales said he did not think the term active recreation necessarily implies motorized activities.

Mr. Houck said there are areas of the Slough where neither active or passive recreation activities are appropriate.

Commissioner Blumenauer asked about the notion of unblocking the Slough rather than relying so heavily on pumping.

Mr. Houck said the low flow regime seems the best way to go, as opposed to opening it up to the Columbia River. There are a lot of concerns about stirring up the sediment but you could still go that route at a later time. He said what you do need to avoid, however, is getting into energy intensive pumping regimes.

Commissioner Lindberg said there is a \$7 million price tag on the pump and Fish and Wildlife have some concerns about salmon.

Mayor Katz said the low tech projects ought to involve as many people in the community as possible.

Mr. Houck said he thinks it is possible to train people in the technical skills and have them do monitoring and make recommendations on remediation.

Commissioner Lindberg said they will pursue that.

Paul Shirey, Portland Development Commission, said because the Slough is such an important water feature within the urban renewal district, it is of considerable interest to the development community and property owners along the banks. The Commission supports implementation of the plan for improving the water quality and for taking a multi-objective approach that allows business and industry to exist and be compatible with the natural resources. A continuing concern is with TMDLs (total maximum daily loads) based on a fishable, swimmable criteria which may be very costly to meet.

Juliann Lansing, 380 SE 27th, #1, said the Slough is still brown and she wonders why it took a 100 years for the government to wake up and decide to do something about it now. She criticized the City for spending money on the Blazer arena rather than spending money on projects such as this.

Mikey Jones, 2412 N. Mississippi, said there seems to be no way the City can remove management of the Slough from BES and those who made it

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what it is. He said the plan is bad and things will not go as expected. He objected to the use of consultants.

Commissioner Blumenauer said this is one of most critical items Council has faced since he has been on Council and is going to be a symbol of the City's ability to deliver on its promises. If the City can demonstrate that multi-objective management makes things better, it will serve as an example for other projects.

Commissioner Hales said the challenge will be to make sure that each of our agencies and other public agencies continue to cooperate. There are plenty of opportunities to miss connections if care is not taken.

Commissioner Kafoury said this is an exciting way to end the year.

Mayor Katz said one of the City's strengths is the fact that it is a green City and can become an international center for environmental technology and natural resource management. She said during the budget process they will look for opportunities for multi-agency projects for this. This is also a wonderful opportunity for workforce development.

Disposition: Resolution No. 35227. (Y-5)

***2015** **TIME CERTAIN: 10:00 AM** - Create an Energy and Environment Commission, establish its mission, powers and duties, and provide for the appointment of members and officers (Ordinance introduced by Mayor Katz; amend Code Chapter 3.112 and delete Code Chapter 3.71)

Discussion: Commissioner Lindberg said in creating such commissions, Council really needs to understand the work plan, the benchmarks and what difference it will make in the community a year from now. He said he has been discussing that with the combined commission and is very excited about their work plan.

Pamela Brown, Chair of the Energy and Environment Commission, said the work plan includes developing an environmental policy and making an annual environment status report which will track a dozen key indicators and support the City's larger benchmark process. It will help the City develop a clear vision of where it wants to go and pull together businesses and neighborhoods in new partnerships.

Commissioner Lindberg introduced members of the Commission.

Disposition: Ordinance No. 167239. (Y-5)

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2016 Confirm appointments to the newly created Energy and Environment Commission (Report)

Disposition: Confirmed.

S-2017 **TIME CERTAIN: 10:15 AM** - Express Council's support for deferring the Sunset Highway (US 26) improvements until after the Westside LRT is completed (Resolution introduced by Commissioner Blumenauer)

Discussion: Commissioner Blumenauer moved the substitute. Commissioner Lindberg seconded. Hearing no objections, it was so ordered.

Commissioner Blumenauer said he has been troubled by the timing and scale of the highway project since approval of the tunnel option for light rail in the Canyon. He said if care is not taken, the combination of light rail construction and a massive highway construction project will raise tempers, cause congestion, seriously impact Portland neighborhoods and have significant safety implications. He said this resolution can make a difference in terms of what happens in the Canyon and reflects regional consensus for some deferral. The substitute has three major elements: 1) it acknowledges the progress already achieved; 2) it sets a target of \$50 million for alternative modes of transportation and; 3) it seeks a target for downsizing what remaining work will be done and identifies a \$35 million Sunset/Sylvan cost. He said they will work with regional partners to open up the review process to try to solve some of the congestion problems with the least impact and most cost effectively.

Tom Walsh, General Manager, Tri-Met, said it is because of the partnerships that exist in this region that it has been successful in advancing the Westside light rail project. He said as ODOT faces the need to make \$130 million dollars in cuts in this region, cooperation will be tested and, he believes, will be proven. Discussions are underway about exceeding the \$130 million in cuts by perhaps as much as an additional \$50 million to make investments in alternative modes such as bikeways, pedestrian and transit improvements. This resolution requesting modifications and delay to certain components of the US 26 projects is appropriate. The forum for doing that will be JPACT.

Kay Durtschi, Southwest Neighborhoods Information (SWNI), supported the resolution, stating that historically projects like this have been very stressful for neighborhoods and this should relieve some of this stress. She called for continued work on Barbur and other Southwest area streets to relieve congestion. She suggested adding some Burma Shave type signs to educate drivers on US 26 about what has been done to mitigate problems there.

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Amy Benson, Southwest Neighborhood Information, read a letter from John Alland, Land Use Chair of SWNI, in support of the resolution.

Jay Mower, Hillsdale Vision Group, 777 SW Chestnut, supported the resolution, noting that his neighborhood has already been impacted by preparations for Westside Light Rail construction. Deferring these improvements until the time when people have the choice of light rail and alternate modes is a great decision.

R. Lee Smith, Southwest Hills Residential League, said this resolution will ease the current problems and increase ridership on Tri Met.

Chris Wrench, Friends of Forest Park, said doing the highway construction at the same time as the light rail will give the impression that all the tie-ups are the result of light rail. She said she fears Washington County commuters will go bananas and demand a new route downtown.

Mickey Rosen, past president of the Sylvan Neighborhood Association, supported the resolution and asked that any improvements be delayed at Sylvan on the collector distribution roads until the construction of US 26 takes place. Light rail should be given a chance to work first.

Wesley Risher, Wilson Neighborhood chair, 1627 SW Troy, supported the deferral and the additional cuts to support multi-modal projects. Speaking personally, he said he would like to see a review of all projects related to the US 26 construction, such as the Barbur Boulevard project between Miles and Hamilton.

Richard Stein, Hillsdale Vision Group, supported the resolution as a good way of getting people onto light rail.

Commissioner Hales said earlier Council approved the strategy for mitigation measures related to this project and these are still valid. He asked what road expansion projects, such as the turning lane on Barbur, were anticipated in that strategy and whether they would be affected by this resolution. Will JPACT take up the question of ancillary projects outside of the US 26 projects themselves?

Commissioner Blumenauer said they are attempting to come forward with recommendations that make sense in terms of sequencing or deferral. He said it is not their intention to delay any mitigation now in place. He said they are examining how to implement the multi-modal vision. He noted that Portland has the most at stake in these decisions as the spill-over effects will hit the neighborhoods. This can be a win-win in decreasing impacts on residential neighborhoods, boost ridership for light rail and mass transit and look at more appropriate sizing for some of the improvements.

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Commissioner Hales said to be a liveable place, every opportunity needs to be seized to change the balance from the old sequence to a new one that respects communities, pedestrians and other modes of transportation first.

Disposition: Substitute Resolution No. 35228. (Y-5)

Commissioner Earl Blumenauer

2020 Accept bid of Carpet Resource Center for Justice Center 12th floor carpet installation for \$49,999 (Purchasing Report - Bid 65)

Discussion: Cay Kershner, Clerk of the Council, said this was pulled from Consent as it needed to be approved after passage of Agenda Item 2030.

Disposition: Accepted; prepare contract.

2039 Consider vacating the most easterly N Bybee Lake Road south of N Marine Drive, as initiated by Resolution No. 35214, in order to consolidate property for development (Report; Hearing; C-9854)

Disposition: Approved. City Engineer prepare ordinance. (Y-5)

Commissioner Charlie Hales

***2040** Authorize acceptance of a Recreational Trail easement through Tax Lot 1, Leatherman's Addition, in the Columbia South Shore Slough area by T and W Equipment (Ordinance)

Disposition: Ordinance No. 167240. (Y-5)

***2041** Authorize acceptance of a Recreational Trail easement through Tax Lot 3, Block 6 in the Columbia South Shore Slough area by TimBerLand Development (Ordinance)

Disposition: Ordinance No. 167241. (Y-5)

Commissioner Gretchen Kafoury

2042 Adopt the "Strategy for Serving Homeless Single Adults in Portland/Multnomah County, Oregon" and direct the Commissioner of Public Affairs to return to Council with a proposed budget and timeline for implementation (Resolution)

Discussion: Commissioner Kafoury said this is a restructuring of the downtown shelter policy. It will downsize the shelters, provide specialized case management for the homeless and hopefully move them into

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productive lives. She said the increase in the homeless population has until now prevented the City from providing any more than emergency services. Emergency shelters do not resolve homelessness and here in Portland the focus is not on punitive measures on the homeless but instead on something more positive. She said this new strategy, moving from mass shelters to smaller ones, will work whether or not there are any additional resources. The commitment staff seeks from Council is to begin this shift.

Bob Durst, Bureau of Housing and Community Development, said they have not been doing a good enough job of moving people from transitional into permanent housing. The strategy will ultimately result in downsizing Recovery Inn and the Gleason Street project. This plan identifies three distinct populations - men, women and the mentally ill. Separate facilities will be sited for each and funding has already been received for a 50-bed shelter for men with mental health problems. They are also proposing a 40-bed facility for women. One goal is to create more private housing options and provide a continuum through which people can progress into permanent housing. Assessment will be the critical first step, including identification of those who have some income. Evaluation is another important element, as they are making a significant leap of faith regarding how services are provided. This plan makes the providers accountable for outcomes. It also looks to the individuals who use the resources to work on those issues, such as drug and alcohol problems, that keep them from permanent housing. He said they do not know how much basic minimum shelter is needed for those who are not suitable for this program. With regard to siting, they will have the option of siting four new facilities and hope to work with the business community to find the most appropriate sites.

Mayor Katz asked if sites had already been identified and if, because of the downsizing, people will be left on the street because there is no place to go. Also, what do the people themselves contribute.

Mr. Durst said they will not downsize until alternative housing is found and will ask landowners if they have suitable property for these facilities, hoping for a handful of options. The employment issue is the hardest one as it is very difficult for those on the lowest end of the economic scale to find employment.

Commissioner Kafoury said passage of the Fair Housing Strategy will help with siting and they will work with the community on affordable housing. She noted the focus of this is on downtown single people, not families, although families were addressed in the federal grant they are seeking.

Commissioner Hales asked about the implications for operating costs.

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Mr. Durst said the estimated cost is \$4.4 million and they realize there is a gap of about \$1.5 million which they hope to fill with commitments from businesses or foundations.

Mayor Katz asked what Multnomah County is doing to help.

Mr. Durst said the City is asking the County to redirect some of its resources in response to this plan. They also hope to increase basic services by \$136,000.

Chuck Currie, Burnside Advocates and Homeless Advisory Committee Chair, described involvement of the plan and the process, noting that they had interviewed the homeless in shelters and camps. He said this is a consensus document and the best vision for homeless shelters the City has had. It should help resolve some of the crises.

Greg Wentworth, Downtown Industrial Council, said this plan finally encompasses the whole City and recognizes that to warehouse people in mass shelters only compounds problems and creates a subculture that is harmful to the whole society.

Juliann Lansing, no address given, said some Police are against the homeless and steal from them. She called the plan a patch-up job and said it protects the almighty dollar and the businesses downtown, rather than the people.

Bill Elliot, Chair of Central Eastside Industrial Council, noted that Peter Fry had intended to state his support but had to leave. Mr. Elliot said the plan had received very favorable comments because of its wide coordination among a variety of interests and because it treats people as individuals rather than just trying to warehouse them as a group.

Debbie Wood, Executive Director, Central City Concern, said service-enriched housing ends homelessness. She said they know what works and this can have a tremendous impact. The next step is budget issues and her concern is the large unfunded gap.

Robert Wattenberg, no address given, said he has been homeless the majority of the last 12 years and fears that this will be similar to what happened when the mentally ill were dumped on the streets and that funding will disappear after the mass shelters are closed. Shelter space for single men will be reduced greatly and he does not see anything that will step in during the transition. He said he has been on a waiting list for housing since July and is still number 400.

Mayor Katz said that is her concern too. The City's job is to make sure that does not happen and not shut down something until there is

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something else in its place.

Jeffrey Liddicoat, New Clear Vision, 516 SE Morrison, objected to the lack of notice about this hearing. He said homeless people were not involved in this process, only hand-picked individuals. This is a shell game and the number of people served will not change even though everyone admits the numbers of homeless are increasing.

Susan Emmons, Chair of the Housing and Community Development Commission, said this is not a shell game, noting that there was a lot of community involvement, with at least four public hearings held in shelters. She said this plan is about permanence and about taking a different look at how people are sheltered and saying that it is inhumane to put people in mass shelters. She said it is not true that a homeless person would be 400th on a waiting list as homeless people get preferential treatment for placement into subsidized housing. She said with this plan they hope to get beyond the anecdotal and get to things that can be measured. The plan is very doable and puts people in housing, not mass shelters.

Commissioner Kafoury said while the number of homeless families has increased they have not seen an increase in demand for the emergency shelter system.

Commissioner Blumenauer said housing is an essential part of the City's infrastructure and while money is always important, how we spend it is even more important. This is an opportunity to do a better job.

Commissioner Hales said although there is a risk that the gap will not be met and there are financial challenges, the risk is worth taking. Services-intensive housing has been shown to work and this is a major step forward. Overall this plan is more humane and holistic than the present system.

Commissioner Lindberg thanked Commissioner Kafoury for her outstanding leadership in this area and for countering national trends which stress a punitive approach.

Mayor Katz said this is probably the most important of all the pieces on housing that have come to Council this year. She said she does not think this community has compassion fatigue as demonstrated by those involved in this project and especially Commissioner Kafoury.

Disposition: Resolution No. 35229. (Y-5)

2043

Revise requirements for Limited Passenger Transportation Businesses (Second Reading Agenda 2012)

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Disposition: Ordinance No. 167242. (Y-5)

Commissioner Mike Lindberg

***2044** Contract with HDR Engineering, Inc., to develop a maintenance management plan for wastewater pumping and treatment, sludge handling equipment and facilities, and provide for payment (Previous Agenda 2007)

Discussion: Commissioner Hales said he wanted to highlight this because he would like to know the basis for hiring outside contractors rather than using City staff. He said, however, this one seems to pass muster as staff will be gaining technical expertise.

Disposition: Ordinance No. 167243. (Y-5)

At Noon, Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 29TH DAY OF DECEMBER, 1993 AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Blumenauer, Hales, Kafoury and Lindberg, 5.

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

- 2046** Appeal of Portsmouth Neighborhood Association and the University of Portland, applicant, against Hearings Officer's decision regarding the conditional use master plan for the University at 5000 N. Willamette Blvd. (Previous Agenda 1888)

Discussion: Tom Dixon, Planning staff, reminded Council that at the December 1 hearing, staff was directed to put together conditions for Council consideration in adopting the master plan. These were outlined in his memo of December 27, 1993. In reviewing the record, there was some uncertainty about exactly what Council intended regarding the boundary expansion and that is why two alternatives have been noted for Condition A. The first alternative is the boundary proposed by the University in its original appeal while the second is an area reflecting the University's 20-year growth plan. The University believed Council was interested in a longer term boundary and crafted the second alternative to reflect a larger boundary expansion.

Commissioner Blumenauer and Mayor Katz said they did not believe that the intent of Council was to consider a larger boundary area.

Mr. Dixon said then Council will be asked to adopt Alternative 1 as Condition a. Condition i was imposed by the Hearings Officer and calls for an annual land use hearing for the University to evaluate the transportation demand management plan and the special events management plan. Commissioner Blumenauer suggested this would be better achieved through a series of workshops held biannually and such a condition was crafted by the Office of Transportation and agreed to by the University of Portland. Condition n had been previously agreed to by Council. Condition q is a new one, reflecting Council concern about demolition of any structures within an expanded University boundary area. This condition gives the University the ability to allow removal and relocation of houses. Finally, the Planning Bureau reviewed the agreement between Good Samaritan hospital and the Northwest District Association to see if it would be applicable to that of the University and

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the University Park Neighborhood Association and found there were significant differences, including reaching a private agreement outside City mandates. He said Planning believes approval of the master plan for 10 years will give both parties time to see if they can come up with such an agreement but, because of minimal City involvement, no condition requiring such an agreement has been added.

Commissioner Hales moved to deny the appeal of the Portsmouth Neighborhood Association and uphold the appeal of the University of Portland, modifying the conditions as proposed in Mr. Dixon's memorandum of December 27 and asking staff to return with findings.

Commissioner Kafoury seconded.

Commissioner Hales said this set of conditions is a reasonable balancing act between the needs of the neighborhood and the University for certainty. By pulling the boundary away from Willamette Boulevard, as has occurred through this modified expansion boundary, an important step has been taken in maintaining the residential character of the neighborhood. The requirement for periodic meetings on the transportation issue is appropriate also.

Disposition: Tentatively deny appeal of Portsmouth Neighborhood Association and grant appeal of University of Portland, with modified conditions; applicant prepare findings for January 26, 1994 at 2:00 p.m.

2045 TIME CERTAIN: 2:00 PM - Appeal of the Melvin Mark Properties against the Landmarks Commission's decision to give landmark designation to the Governor Building located at 408 SW Second Avenue (Hearing; 93-00709 DM)

Discussion: Ben Walters stated the procedures for today's hearing and for appeals.

Susan Feldman, Planning staff, said the two applicable approval criteria for meeting the historic property designation (33.845.060) are architectural significance and historical importance. She said this is a review for landmark designation in anticipation of demolishing the Governor Building. The Landmarks Commission approved the landmark designation which was applied for by the appellants concurrently with demolition review. At the time of the hearing the Landmarks Commission did not have enough information to address the demolition approval criteria of 33.222. At the hearing the applicants withdrew their request for demolition so they could proceed with the landmarks designation. If Council designates the building a landmark that will trigger the demolition review hearing before the Landmarks Commission on January 10. Staff has already issued a recommendation of delay of demolition for that hearing so the building could

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hearing so the building could not be demolished for 150 days. If Council denies the landmark designation, the building could be demolished once findings were adopted in several weeks.

Commissioner Lindberg said the two choices then are to delay demolition for 150 days or approve it immediately. He asked if there was any prohibition on demolition.

Ms. Feldman said if Council approved the landmarks designation, the Commission denied demolition and it was appealed to Council, an additional 90 days delay could be imposed.

Commissioner Lindberg said he thought the aim of the ordinance was to slow down demolition in order to initiate a dialogue and give more time to try to save the building.

Ms. Feldman said that was correct.

Sue Donaldson, Planning staff, described how the building meets the approval criteria for landmark designation. She said there is more than one type of landmark and the City's landmark list should include a representative range of the kinds of buildings which tell something about the history of the City. She showed slides of the Governor building, a second renaissance revival building, to illustrate its characteristic features. She said one consideration is whether this is a master work, meaning that it demonstrates the achievement of competence by the architect. This is an early work of his mature period by David Lewis. Physical integrity is another consideration and this building has had no major renovations or repairs and is basically intact.

Ms. Donaldson contended that while the building meets the test of architectural significance its historic importance is even more important. The building represents a picture of urban succession even though it is not connected with a single person who was historically important. She noted that it was originally built to be a lumber exchange building and that the Klu Klux Klan had an office in the building at one time. The building remains as a remnant of the boom period associated with the Lewis and Clark Exposition and is one of the few that has not been demolished. While the building stands out there like a loose tooth now, it maintains a very important connection between the old structure of the City and the new, allowing citizens to understand the growth and historical development of the City.

Commissioner Hales asked if there were other examples of second renaissance revival on the list.

Ms. Donaldson said there are earlier examples but this is much more

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restrained and very characteristic of the post 1900 time.

Commissioner Hales said the Code provision calls for the building to be a prime example of a stylistic or structural type, or representative of a type once common and one of the last surviving examples in the City. He said he would like to know how this building meets that test in terms of the renaissance revival style.

Ms. Donaldson said it represents the next phase of that style and most of those buildings have been demolished so the Landmarks list does not have one in that style from that time period.

Commissioner Hales said if it were the only building on the list from that time period maybe that would qualify it. The Code does not talk about time periods, however, it talks about styles. If landmark status is granted it ought to pass muster with that Code provision. He said he needs more explanation as to how it does.

Ms. Donaldson said many of the buildings on the landmarks list do not meet every criteria. Some criteria overlap and, in terms of the building having to be the prime example of its type, that does not take into consideration the context of all the criteria and other ways in which the building also meets them.

Mayor Katz asked about the history of the request for landmark designation for this building.

Ms. Donaldson said the owners requested it in 1984. There is a letter from the State Historic Preservation Office stating that it would have qualified as historic landmark under today's standards.

John James, owner of the building, described the intent of the owners to erect an office building as market conditions allow. Recently they made a decision to form a joint venture with Melvin Mark Properties and seek a tenant prior to development of the entire block. He noted several City plans which envisioned this block as the site for a multi-storied office building. While the Governor building is 90 years old, he questioned that this makes it historical. When they decided to develop the block they checked with both the City and State and were reassured that the Governor Building was not viewed as a historic building. He said they believe the motivation of the prior property owner in applying for the historic designation was because of the substantial tax advantages that would accrue. Up until the time they found they needed to go before the Landmarks Commission regarding the demolition permit, they had no reason to be concerned about landmarks designation. He noted the Commission's vote was not unanimous and there were questions in the minds of at least two members as to whether this was a historic building.

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He said if the City delays demolition by 150-240 days, it could preclude them from build-to-suit competitions.

Commissioner Lindberg asked Mr. James who in the City assured him this was not a historic building.

Mr. James said he did not recall. Zimmer, Gummer and Frasca began conceptual plans and during many discussions with staff was assured this was not a building the City wanted to preserve.

Commissioner Lindberg asked if they were 100 per cent sure they would build a building or if this was just one step.

Mr. James said they would continue to operate the Governor building until such time as market conditions allow them to develop the block.

Commissioner Hales asked him if he was told the building was on the inventory list.

Mr. James said he cannot recall, other than being told that this was not regarded as an important building by the City of Portland.

John Tess, President, Heritage Investment Corp., said in 1984 the building would have been on the inventory but it was not until the Code rewrite that the owner would have to come in for landmark review prior to seeking a demolition permit.

Mr. Tess said in 1984 he evaluated the building and determined that while it is old it does not merit landmark designation. He said he has not changed his opinion since that time. He showed slides of renaissance revival buildings which meet the landmark criteria, such as the New Market Theatre and the Schnitzer concert hall. He said it is unfortunate that the language in the Landmarks Code can be construed to go either way, making a case either for or against historic designation. He said the Governor Building is a nice in-fill building which replaced a building of earlier vintage.

Mayor Katz referred to the staff report and recommendation to the Landmarks Commission (page 5) and asked which structures are ranked lower than the Governor Building.

Supporters of the appellant included:

Bill Naito, 5 NW Front St., 97208

Wally Mehrens, Executive Secretary, Columbia Pacific Building Trades

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Ed Barnes, Business Manager and Financial Secretary for the Electrical Workers and President, Columbia Pacific Building Trades Council
David Soderstrom, architect, 1200 NW Front, Suite 410
Frank Van Deventer, 7475 SW Kimberly Ct., Beaverton, 97005
John Stirek, Pacific Stationary, 415 SW 2nd, 97204, Pacific Stationary
Robin White, Executive Vice President of BOMA
Grant Davis, 707 SW Washington, 97205
Bob Frasca, architect for the proposed project

Supporters said this is not a historically or architecturally important building but just an old building which sits on a sea of asphalt on a block which cries out for redevelopment. They pointed out the economic benefits to the City a new office building could bring, arguing that meeting current seismic and ADA requirements would make renovation of the present building economically unfeasible. Unless the City plans to buy this building and preserve it, it is senseless to delay demolition. Several stressed the need to define the Morrison bridgehead as a major gateway to the City's core.

Deborah Gruenfeld, Vice Chair of the Landmarks Commission, said the issue is whether or not this building meets the criteria and should be designated as a landmark. While the Landmarks Commission decision was not unanimous, the two dissenting members do not have a background in historic preservation. It is true that it is not very economically feasible to renovate these old buildings but the Governor building meets the criteria in the existing Code. Title 33 is very ambiguous about how designation and demolition are handled concurrently. She pointed out that the State Historic Preservation Office sent a letter stating that they believe the building would qualify for historic designation. No one is saying the property should not be developed but those who favor saving the building would like to see it integrated into new construction.

Commissioner Hales said given the economic situation, what effect would landmarks designation have, other than five months of delay.

Ms. Gruenfeld said the entire purpose of the delay is to explore every alternative to demolition. Buildings are designated on whether they meet the criteria, not whether it is economically feasible to use the building.

Commissioner Hales asked who they thought the architect was.

Ms. Gruenfeld it is very difficult to tell, as it is with many historic buildings.

Mayor Katz asked if there was any discussion about building around the Governor Building.

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Ms. Gruenfeld said the Commission did not get into that very much although one member raised the issue about whether it would be better for the City to develop the whole block. A majority of members based their decision on the very narrow issue of whether the building met the criteria for landmarks designation. The issue of economic feasibility comes into play later when demolition is discussed.

Supporters of the historic designation included:

Bill Lennertz, 1025 NE 35th, architect and tenant of the building
Jim Milligan, representing Historical Development Advocates (HDA)
Alfred Staehli, architect and Fellow of the American Institute of Architects
Charles Fall, building tenant at 408 SW 2nd, Suite 407
Louise Klemperer, building tenant at 408 SW 2nd
Cynthia Jetter, building tenant and operator of a sandwich shop
John Beardsley, building developer
Jerry Kruger, building tenant
Greg Winterowd, land-use planner representing Historic Development Advocates
Dick Mathews, former Director of the Historic Preservation League of Oregon
Ezra Erickson, building employee

Governor Building supporters asked Council to concur with City staff and the Landmarks Commission in designating this a historical landmark. They contended the building played a historic role in the district and is a good, quality building as demonstrated by the number of people who are fighting for it. It merits historic designation. Mr. Staehli noted that failure to designate the building a landmark precludes getting any federal funds to save it. Tenants spoke to their wish to stay in the building and many suggested a compromise which allows for the incorporation of the existing building into any architectural design for the block. As a building with a 2 ranking, it is more worthy of the landmark designation than many of lesser rank which have received it.

Tom Alkire, building tenant, presented a petition signed by 1600 people urging that the landmarks designation be upheld and encouraging the building owner to pursue renovation. He said the building has been a home for small businesses and non-profit agencies and the tenants like it. If a new office tower is needed, other blocks should be used.

Mayor Katz noted that some buildings with a 3 ranking were on the inventory.

Ms. Feldman said of the five buildings referred to by Mr. Tess, four are ranked as 3s.

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Commissioner Lindberg asked if the Commission looked at other plans, such as the Downtown Plan which talks about the gateway concept, or at what was intended for density. Or is the building looked at in isolation.

Ms. Feldman said the approval criteria does not call for looking at other policies or plans.

Commissioner Blumenauer said the Central City plan envisions this block as being redeveloped for higher use. There was discussion about the gap between the two historic districts and what is being requested by the applicant is entirely consistent with the Plan. The bridgehead study, however, was not incorporated.

Ms. Feldman said the Central City Plan incorporated a transfer of development rights for historic buildings as an incentive to save historic buildings.

Commissioner Kafoury said she thought Council could review only the criteria for landmark status today.

Ms. Feldman said that is correct and theoretically this helps implement the Central City Plan.

Mayor Katz said the point is the Central City Plan is not incompatible with historic designation. You can have both but Commissioner Kafoury is right, that is not the issue.

Commissioner Hales said he is trying to figure out at what time these policies are cross-referenced. He noted the City does have a Central City plan which designates this property for a gateway building. Landmark designation of this does not permanently frustrate that outcome.

Ms. Feldman said the City does not have demolition denial, only demolition delay. She said it is not incompatible with the Central City Plan but this is the only approval criteria.

Commissioner Blumenauer said he sympathizes with the Landmarks Commission which is struggling with Code provisions of another era which are not cross-referenced with other plans but superimposed on top. He said people on both sides have acknowledged that the historic designation and accompanying tax treatment have gotten out of hand since passage by the legislature in 1975. The whole economics of the issue has changed and it is appropriate for Council to pull the pieces together in a way that makes the most sense. He said he feels evidence for the historic designation is thin and could be counterproductive in terms of inspiring building owners to demolish buildings sooner. He stressed that Council is unlikely to approve a surface parking lot on that quarter block if the

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building is demolished before there are actually plans for a new building. He said his inclination is to grant the appeal.

Commissioner Hales agreed. He said in the larger context of the Central City Plan and light rail, you can make a judgment that the appeal is warranted. He said he personally found this building scored weakly in four of the eight criteria and not at all in the other four. In order to pass muster, the building has to have more than some historic significance and more than a little architectural merit. The question is whether this building is of real, not some, significance and does it have a real, assessable history associated with it rather than just having been around.

Mayor Katz asked for clarification about what Council is really looking at in terms of the criteria -- what does real significance mean?

Ms. Feldman said Council is interpreting the Code by voting on this and has to make the determination as to significance.

Commissioner Lindberg asked if there was a plan to rewrite this Code.

Ms. Feldman said the Bureau hopes to get funding to meet State Goal 5. That work is not complete and it involves rewriting this Code section.

Commissioner Blumenauer said it would be useful for Council to have a joint meeting with the Landmarks Commission to talk about expectations and problems.

Mayor Katz said until the Code is reviewed she will take a narrow approach in terms of looking at the architectural and historical significance. She supported the Landmarks Commission recommendation even though she thinks other elements have come into play that need to be reexamined.

Commissioner Kafoury said she tends to support staff and the Landmarks Commission but asked about the practical outcome of this, which delays but does not deny demolition.

Commissioner Blumenauer said that is why he was going to vote to support the appeal as he believes it is Council's job to set the standards because the Commission reflects City policy and he would like Council to interpret it. He said granting the appeal, given that Council would not approve a parking lot, means the building is unlikely to be torn down unless there is real redevelopment.

Mayor Katz agreed that the owners are not likely to tear it down right

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away. If part of the decision is the economic future of this site, this ought to be discussed although that was not within the scope of today's discussion. She said she did not think a delay would make much difference.

Commissioner Hales said since this is a de novo hearing, the threshold question for Council is not to determine whether Council should substitute its judgment for the review body, in this case the Landmarks Commission, but to interpret the Code against the facts of the case. He said Council must exercise its best judgment in cases like this as there is no way to make the criteria scientific. Staff recommendations are merely recommendations and advice.

Mayor Katz said she found more testimony supported giving the building landmark designation than did not. She said there is a history of other buildings in a lower category receiving this designation.

Commissioner Hales said it is a subjective judgment call, not just a matter of whether staff did a good or bad job.

Commissioner Blumenauer said this is a rare opportunity for Council to send a signal about which direction it wants to go, perhaps calling for a narrower interpretation.

Commissioner Hales moved to tentatively grant the appeal and overturn the Landmarks Commission decision. Commissioner Blumenauer seconded.

Commissioner Lindberg said this is a close call but in his judgment this is a very thin case and the building does not have a tremendous amount of significance. He said balance is needed and not everything that is new is bad for the City.

Mayor Katz voted no, noting that it was a difficult decision.

Commissioner Blumenauer asked if the Council feels comfortable in clarifying its intention that no surface parking lot will be allowed here.

Council members agreed that the existing building is economically viable and should remain until something better can be built.

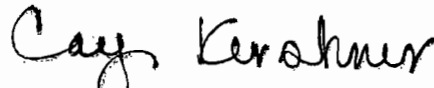
Mayor Katz noted that the issues raised here need to be discussed with the Landmarks Commission.

Disposition: Tentatively grant appeal (Y-3; N-2, Kafoury and Katz); applicant prepare findings for January 19, 1994 at 2:00 p.m.

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

BARBARA CLARK
Auditor of the City of Portland

A handwritten signature in cursive script that reads "Cay Kershner".

By **Cay Kershner**
Clerk of the Council