



CITY OF

PORTLAND, OREGON

OFFICIAL
MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 29TH DAY OF JUNE, 1994 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.

Commissioner Lindberg issued Water Bureau awards to Wacker Siltronics and Bliss Repair Shop for excellence in meeting industrial wastewater discharge standards. He said these two firms have taken extraordinary measures to keep pollutants out of the waste stream.

Agenda Nos. 1065, 1074, 1082 and 1086 were pulled from Consent. On a Y-5 roll call, the balance of the Consent Agenda was adopted as follows:

CONSENT AGENDA - NO DISCUSSION

- 1047** Accept bid of Alliance Corporation for St. Johns "B" basin drainage system for \$3,872,217 (Purchasing Report - Bid 161)

Disposition: Accepted; prepare contract.

- 1048** Accept bid of James W. Fowler Company for Burnside Central sanitary sewer for \$3,921,656 (Purchasing Report - Bid 190)

Disposition: Accepted; prepare contract.

Mayor Vera Katz

- 1049** Confirm appointment of Samuel Adams, Margaret Garza, Ann Sherman, Kenneth Wilson, James Verdick, and Daniel Vizzini to the Hospital Facilities Authority (Report)

Disposition: Confirmed.

- 1050** Confirm appointment of Jeanenne S. Handley to the Plumbing Code Board of Appeal (Report)

Disposition: Confirmed.

- 1051** Confirm appointment of Roger Argetsinger, Eric Hayford, Joseph Higgins,

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Renee Kajimoto and Patrick O'Day to the Advisory Board for Special Inspections (Report)

Disposition: Confirmed.

- 1052** Confirm reappointment of Jim Francesconi, Vern Ryles, Cindy Summers, Paul Kreider and John Young to the Private Industry Council (Report)

Disposition: Confirmed.

- 1053** Confirm appointment of L. Randall Weisberg to the Police Internal Investigations Auditing Committee (Report)

Disposition: Confirmed.

- 1054** Recommend approval of Oregon Business Development Fund Loan for Jewell Manufacturing, Inc. for \$100,000 (Resolution)

Disposition: Resolution No. 35288. (Y-5)

- *1055** Authorize extension to legal service agreement with Lehner, Mitchell, Rodriques and Sears (Ordinance; amend Contract No. 29111)

Disposition: Ordinance No. 167829-B. (Y-5)

- *1056** Amend contract with Sylvia Gillpatrick for IBIS project management services (Ordinance; amend Contract No. 28170)

Disposition: Ordinance No. 167830. (Y-5)

- *1057** Amend contract with Debbie McCabe for Portland-Multnomah County Progress Board services (Ordinance; amend Contract No. 27694)

Disposition: Ordinance No. 167831. (Y-5)

- *1058** Amend Code to add Parking Patrol Division's fitness center to organizations eligible to use the payroll deduction system (Ordinance; amend Code 5.08.140)

Disposition: Ordinance No. 167832. (Y-5)

Commissioner Earl Blumenauer

- 1059** Set hearing date, 9:30 am, Wednesday, July 27, 1994, vacate a portion of SW 2nd and SW Front Avenues (Report; Petition C-9843)

Disposition: Adopted.

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- 1060** Accept completion of installation of traffic signals, beacons and signal interconnect cable, approve change orders and make final payment (Report; Contract No. 28993)

Disposition: Accepted.

- *1061** Revise Code to allow the City Engineer to submit petitions to the Auditor (Ordinance; amend Code 17.08.050 and 17.08.060)

Disposition: Ordinance No. 167833. (Y-5)

- *1062** Amend contract with W & H Pacific to provide additional engineering services and contract time for the SW Caraway Court and SW Palatine/Boones Ferry Local Improvement District projects (Ordinance; amend Contract No. 28535)

Disposition: Ordinance No. 167834. (Y-5)

- *1063** Amend contract with OTAK, Inc. to provide additional engineering services and increase contract time for the SW 47th/Palatine District LID improvement (Ordinance; amend Contract No. 28536)

Disposition: Ordinance No. 167835. (Y-5)

- *1064** Establish the rules of procedure for administration of the City's purchasing function and other matters involving public contracts (Ordinance)

Disposition: Ordinance No. 167836. (Y-5)

- *1066** Authorize a contract and provide for payment for street light conversion and installation of street lights in newly annexed areas of Southeast Portland (Ordinance)

Disposition: Ordinance No. 167837. (Y-5)

- *1067** Contract with the Portland Development Commission to design and construct a cul-de-sac on SW Harbor Way and provide for payment in the amount of \$22,151 (Ordinance)

Disposition: Ordinance No. 167838. (Y-5)

Commissioner Charlie Hales

- 1068** Accept completion of the earthwork and grading of the eight soccer fields at East Delta Park, approve Change Order 1, authorize final payment and release retainage to John L. Jersey & Son, Inc. (Report; Contract No. 29218)

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Disposition: Accepted.

- *1069** Contract with Silco Construction for \$581,500 to construct a maintenance facility at Eastmoreland golf course (Ordinance)

Disposition: Ordinance No. 167839. (Y-5)

- *1070** Contract with Cedar Landscape for \$267,295 to construct an irrigation system at Washington Park (Ordinance)

Disposition: Ordinance No. 167840. (Y-5)

- *1071** Authorize a contract with Hydro Temp Mechanical, Inc. for \$74,400 to replace heating systems at Mr. Tabor Yard and Woodstock Community Center for Parks and Recreation (Ordinance)

Disposition: Ordinance No. 167841. (Y-5)

- *1072** Contract with Neighborhood Association District Coalition Boards and the Association for Portland Progress for operation of seven neighborhood office programs, including citizen participation and crime prevention, for July 1, 1994 through June 30, 1995 and provide for payment (Ordinance)

Disposition: Ordinance No. 167842. (Y-5)

- *1073** Amend Ordinance authorizing the use of Walker and Sckavone baseball stadiums by the Portland Amateur Baseball Association for the 1990-95 season and provide conditions and terms of use (Ordinance; amend Ordinance No. 158424)

Disposition: Ordinance No. 167843. (Y-5)

Commissioner Gretchen Kafoury

- 1075** Reappoint Sam Galbreath and Donna Beegle to the county-wide Housing and Community Development Commission through June, 1997 (Resolution)

Disposition: Resolution No. 35289. (Y-5)

- *1076** Authorize an order with PRC Public Sector, Inc. in the amount of \$76,959 for the purchase of 100 automatic vehicle locator units (AVL) for Bureau of General Services (Ordinance)

Disposition: Ordinance No. 167844. (Y-5)

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- *1077** Authorize new consortium agreement with Multnomah County and the City of Gresham for participating in the U.S. Department of Housing and Urban Development's HOME Investment Partnership Program under Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended (42 USC 12701 et seq.) (Ordinance)

Disposition: Ordinance No. 167845. (Y-5)

- *1078** Contract with Oregon Human Development Corporation for \$12,000 for two on-site VISTA volunteers at the Villa De Clara Vista project and provide for payment (Ordinance)

Disposition: Ordinance No. 167846. (Y-5)

- *1079** Contract with The Enterprise Foundation, Inc. for technical assistance in support of the City's affordable housing goals (Ordinances)

Disposition: Ordinance No. 167847. (Y-5)

- *1080** Amend agreement with Central City Concern by increasing the amount of compensation by \$7,296 and provide for payment (Ordinance; amend Agreement No. 28916)

Disposition: Ordinance No. 167848. (Y-5)

- *1081** Amend contract with Linda Moro by increasing the amount of compensation by \$1,260 and provide for payment (Ordinance; amend Contract No. 28608)

Disposition: Ordinance No. 167849. (Y-5)

Commissioner Mike Lindberg

- *1083** Authorize a grant with PacificCorp dba Pacific Power and Light Company to augment the BEST Program in the City (Ordinance)

Disposition: Ordinance No. 167850. (Y-5)

- *1084** Authorize agreement with Northwest Natural Gas Company to provide Enhanced Water Conservation packages to NNG customers without advertising for bids (Ordinance)

Disposition: Ordinance No. 167851. (Y-5)

- *1085** Contract with the Boys and Girls Clubs of the metropolitan area to hire youth for work experience positions in the Water Bureau and provide for payment of \$94,000 (Ordinance)

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Disposition: Ordinance No. 167852. (Y-5)

- *1087** Authorize agreements with ERF Company, Inc. and Weather-Sphere, Inc. to provide long-range weather forecasting for summer water supply projections and authorize payment (Ordinance)

Disposition: Ordinance No. 167853. (Y-5)

- *1088** Amend current engineering services contract with Cornforth Consultants, Inc. to provide for an increase in work scope, fees (\$60,000) and contract expiration date (Ordinance; amend Contract No. 28857)

Disposition: Ordinance No. 167854. (Y-5)

- *1089** Authorize an agreement between Bureau of Water Works and Portland Development Commission to relocate water facilities within the South Waterfront Development project and provide for payment (Ordinance)

Disposition: Ordinance No. 167855. (Y-5)

- *1090** Authorize purchase of property by the Bureau of Environmental Services, subject to certain conditions being fulfilled (Ordinance)

Disposition: Ordinance No. 167856. (Y-5)

- *1091** Authorize continuance of negotiations for the purchase of seven permanent sewer easements and four temporary construction easements required for construction of the Gilbert sanitary sewer project, authorize the City Attorney to commence condemnation proceedings and obtain early possession (Ordinance)

Disposition: Ordinance No. 167857. (Y-5)

- 1092** Authorize an Intergovernmental Agreement with Portland State University for \$214,543 for professional services in setting up and evaluating recycling systems in multifamily residences (Second Reading Agenda 1023)

Disposition: Ordinance No. 167858. (Y-5)

City Auditor Barbara Clark

- *1093** Approve contract for financial audit of FY 1993-94 with Coopers and Lybrand, CPAs, and authorize payment (Ordinance)

Disposition: Ordinance No. 167859. (Y-5)

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- *1094** Increase maximum payment on contract with Virginia Gustafson from \$10,474 to \$25,000 (Ordinance; Contract No. 29065)

Disposition: Ordinance No. 167860. (Y-5)

REGULAR AGENDA

- 1044** **TIME CERTAIN: 9:30 AM** - Recognize the first citizens who have been certified for Neighborhood Emergency Teams and acknowledge their contribution to the disaster preparedness of the City (Resolution introduced by Commissioner Hales)

Discussion: Commissioner Hales said this resolution presents the results of the Fire Bureau's very successful pilot project and recognizes the volunteer team members.

Fire Chief Robert Wall said it is very unusual to see this kind of citizen participation in earthquake preparedness and disaster planning. He described the program, which trained 86 volunteers as teams in four geographical areas to respond in the event of an earthquake and other natural disasters. A video about the program was shown.

Connie Pluchos, 623 N. Tomahawk Island Drive, chair of High Net, the Hayden Island Emergency Team, said the neighborhood teams are an integral part of the emergency preparedness program and described the training program volunteers underwent.

Trudy Jones, Parkrose Heights team member, said more training is needed in initial rescue efforts, triage and teaching people to safeguard their own homes in the event of an earthquake. She thanked Fire Bureau staff and said it has been a very good experience.

William Warren, 5026 NE 31st, Concordia Neighborhood team, said this program is a proactive disaster response by Portland residents to provide emergency assistance. It is dollars well spent as it fosters cooperation between City employees and citizens. He urged funding for an advanced training component as well as continuing to train volunteers under the current program.

Commissioner Hales said the City is at risk for a major earthquake and it is the City's duty to be prepared in case of such a disaster. He recognized the 86 people who have completed the core NET training and have committed to working in their neighborhoods to save lives and property. These citizens

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will be the key to recruiting other volunteers and new NET teams. Passage of the resolution seals the first very successful stage in this experimental program.

Disposition: Resolution No. 35290. (Y-5)

***1045** **TIME CERTAIN: 10:00 AM** - Amend Code, Fees for Street Use Permits, to provide for adjustments in street use permit fees and establish an effective date (Ordinance introduced by Commissioner Blumenauer; amend Code 17.24.020)

Discussion: Commissioner Blumenauer said the first of these items is a fairly routine adjustment of the annual fee structure while the second, which deals with the cost of service study, has raised some issues that Council will hear testimony about today. Staff will then return with an analysis and final recommendations.

Don Gardner, Bureau of Transportation Engineering, said this ordinance authorizes the annual rate adjustment, based on a rate model with performance standards and a commitment to clients that if rates go down, fees will be reduced. Staff also committed to do everything it could to contain the rates. This adjustment averages out to 3.1 percent, or \$27,600 in additional annual revenue. He said utility fees have increased 3.6 percent, the first increase since the rates were adopted in 1991. Sidewalk and driveway fees have increased 4 percent, which is the first increase in 13 years. House move permits have dropped 27 percent. He said the Bureau has done a good job of cost containment, noting that fees have been about 29 percent of the inflation rate over the last three years. He said there has been no negative response from customers.

Commissioner Lindberg asked about sidewalk cafes.

Mr. Gardner said the fees were not adjusted at this time because the Sidewalk Task Force has not yet completed its work.

Disposition: Ordinance No. 167861. (Y-5)

1046 Establish fees for services provided by the Bureau of Traffic Management (Ordinance introduced by Commissioner Blumenauer)

Discussion: David Logsdon, Bureau of Traffic Management, said the fees being proposed today resulted from a cost of service study completed in February and done in compliance with the City's revenue policy and in response to a specific budget note in this year's budget. He cited some of the report's key findings and conclusions, including the finding that it would be appropriate to provide fees for many of the services the Bureau provides but currently receives no fees for. The Bureau concluded that this included lost

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meter revenue attributable to special parking zones and permits and that it would be appropriate to recover this. He said weighing private vs. public benefit of these services is not a science and when the Bureau was unable to identify a specific benefit to the general public, the Bureau concluded it had exclusive benefit to the users and sought full cost recovery. Because they are proposing many new fees as well as significant increases in current fees, they recommend phasing in the new fees over a three-year period to ease the initial impact. He said a public review process has resulted in a number of modifications, including those for non-profit, commercial and film permits plus maintenance hoods.

Commissioner Lindberg asked if there was still room for further adjustments.

Commissioner Blumenauer said it is his intention to prepare a matrix based on the testimony presented today, giving people a rationale for the fees and the cost impact. He said since the Bureau was instructed to take this step, this revenue is a part of this year's budget.

Mr. Logsdon said \$400,000 in revenue, based on these fees, is included in this current budget, rising to \$750-800,000 in the third year.

Commissioner Lindberg noted that the Budget Office analysis states that current revenues are \$285,000 so that if Council did not approve this, \$115,000 in revenues would have to be cut. He noted that those fee increases were included in the budget presented to Council in March and April.

Mindy Feely, financial analyst for the Office of Transportation, said the \$285,000 is the current FY93-94 amount so the \$400,000 is due to the additional fee increases.

Larry Harvey, representing the Tri-County Lodging Association, said he understood that this would not be implemented during the current budget cycle and would not go into effect until January 1, 1995. Referring to the fees on hotel parking spaces, he said the people who use the space already pay a six percent surcharge on their hotel rooms and he does not understand the difference between paying a tax to the City for staying in a hotel room and charging a user's fee for unloading luggage. He said there are other equity issues, including the number of hotel rooms, amount of public space, etc.

David Frazier, General Manager, Riverplace Hotel, said it is not possible to meter the area in front of his hotel so the premise of lost revenue at this location does not apply.

Bob Parsons, General Manager, Benson Hotel, said hotel owners believe they already make a significant contribution to City revenues, noting that the nine percent occupancy tax on hotels is expected to add about \$6.8 million to the City's General Fund. He said staff justifies the tax on hotel parking spaces

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on the premise that it is of "exclusive benefit to the users" but in actuality 60 percent of what hotel guests spend is not spent in the hotel but in other restaurants, stores, etc. He said hotel zones, generally staffed with doormen and valets, contribute to the safety and livability of downtown. He said Portland hotels also need to remain competitive, both downtown and in the region.

Commissioner Blumenauer said next week he will recommend an adjustment dealing with the equity issues raised here. He said it is true that major hotels are treated differently and having a hotel zone downtown aids circulation and traffic flow. For instance, the Marriott has two curb cuts, the equivalent of two parking spaces, but since these take traffic out of the flow, the question is should hotels which do not have them be penalized. He said he is prepared to offer an adjustment to hotels that do not have curb cuts to provide equity and to facilitate traffic circulation.

David Woolson, Executive Director, Oregon Film and Video Office, said they believe the proposed fee structure for the film industry will have a very negative impact on their ability to bring film and television production to the City. He noted the proposal calls for a \$495 entry fee plus a \$100 business license. It also charges \$100 per location and \$100 for each change in location. He compared these proposed fees to other cities such as New York which provides free or nominal charges for permits, parking and Police, contending that these fees will erode the City's reputation as a place that is film friendly and will have a significant negative impact.

Commissioner Kafoury asked about the permit fee in Vancouver, BC.

Mr. Woolson said a permit is required but there is no fee.

Joanna Guzzetta, Portland film location manager, said she is very concerned about these fees and argued that charging \$100 for every location change will cause film makers to select other locations.

Jim Thompson, General Manager, Radio Cab Company, opposed the increases in cab fees, noting that the cost of License Bureau fees has increased substantially in the last three years. Paying additional fees for cab zones will overburden the taxi cab industry.

Commissioner Blumenauer said he personally has some reservations about the cab spaces, again based on issues of equity and traffic circulation. He said if Council wants to subsidize the film and video industry, that is its prerogative. However, if the Police are expected to provide a lot of service to the industry the cost should not come out of the Police budget. If Transportation has to provide similar services, at a time when the Office of Transportation budget has been reduced 20 percent per capita, another cut in neighborhood services should not result. He said he would support the

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Council putting aside money to subsidize some of the film and video fees but this ordinance deals strictly with Council's request for equity and cost recovery. If Council wants to subsidize the industry it should call it what it is, economic development.

Mayor Katz said if there are major changes Council may need to hold another public hearing on those.

Bob Elliott, President, Portland Taxi Company, cited his March 22 letter to Mayor Katz objecting to any increase in the permit fee for taxi stands. He said taxi zones are a purely public benefit, not a private one, and are part of the total transportation system which serves the general public. Taxi zones are located strategically so the public can readily locate a taxi. They also permit taxi drivers to get their cabs out of heavily congested traffic lanes. Adding this tax unfairly singles out certain users of designated parking zones.

Dan Noelle, Bureau of Police, cited recent notification from Transportation indicating that the Police Bureau has 177 parking permits and that they would cost \$1,100 each or a total of \$194,000 by the third year. That is equal to five and one-half police officer positions, a fact he asked Transportation to consider. Transportation told him that this money was going to offset lost money from parking meter revenues going into the General Fund. He said the only cars that use these permits are unmarked investigative and staff cars which rarely use them. He said they are not going to pay \$194,000 and, while they would be willing to get ticketed, City ordinances do not allow the Bureau to pay the ticket. He said they could issue quarters to officers, but this becomes an accounting nightmare, or bill Transportation on those occasions when police respond after traffic lights have gone out. He said such cross billing does not make sense and suggested restructuring the ordinance so that general fund bureaus are removed.

Rick Howard, KATU-TV, said under the proposal their 25 permits will cost them about \$27,500 per year. Their biggest concern is that they have 25 vehicles with permits but very seldom are one or two vehicles in the downtown area in a single day. He said right now permits are issued to specific vehicles and cannot be rotated. Even if they could rotate them there would be difficulties. He said the cost of the permits could have a chilling effect on what kind of coverage occurs.

George Van Hoomison, President, Broadway Cab, said the hotel and taxi stands were not put in place to benefit the hotels or taxis but to benefit the public as a whole. Any private benefit that occurs is incidental. He said the Taxicab Board of Review is likely to adopt new standards for wheelchair accessibility which will be very costly for the cab companies. In light of that, this would be a particularly bad time for the City to put additional taxes on the cab companies.

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Dennis Nelson, Manager, Bureau of Licenses, supported the comments of the Police Bureau regarding staff permits. He said his employees use them sparingly and yet the fee is calculated on the use of a meter for the entire week. He said if this passed they would be faced with the bags of quarters and accounting nightmare as well. He also expressed concern about the analysis of public benefit proffered by Transportation. He said the amount of public benefit has been underweighted and he would support a review of that aspect. He said the bottom line is what does it take to make a viable City with sound economic policy as it relates to business. He said he would rather see the City err on the side of making it easier to do business here, rather than harder.

John Sears, News Director, KPTV, cited the downsizing currently going on in the television industry and noted the disparity in vehicle use hours. He said this tenfold fee increase over the next three years would have an "editorial" effect and as a result certain City issues would simply not be covered. A major issue here is the public's right to know and he expressed concern about any action taken which would limit the media's ability to exercise unconditional editorial control.

Commissioner Lindberg asked if he was referring to the increase from \$100 to \$1,100 in three years.

Mr. Sears said yes.

Duane Bosworth, attorney representing Channel 12, KPTV, said, regarding public benefit, that although these organizations are commercial enterprises, 200 years of jurisprudence has emphasized that news gathering organizations represent the public. He asked Council to consider this when it considers the cost of service study.

Commissioner Hales asked if most of the fees cited today were assessed based on the use of street frontage in areas of the City where there are parking meters.

Mr. Logsdon said yes, the primary driving force for the fees is lost meter revenue.

Commissioner Hales said he is concerned about the impact on downtown, as it is already more expensive to do business here. He said if this fee is a tax on being urban, rather than suburban where there would be no such fees, the differential effect on the downtown needs to be addressed.

Commissioner Kafoury asked what the motivation for these fees is.

Mr. Logsdon said in 1992 the City adopted a comprehensive financial management policy that included a revenue policy which requires bureaus to

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analyze the services they provide, identify where new fee systems would be appropriate, weigh public versus private benefit and create fees that proportionally recover the private benefit cost of those services. It is a matter of City policy that these studies be conducted.

Commissioner Blumenauer said some of these issues have grown up over time and no one ever wants to address them. The Office of Transportation is now in a difficult situation. For instance, under existing policy anyone who identifies themselves as a newsperson can get a free parking permit. And while some non-profit organizations need permits, others seem to have an inordinate number which they may not really need. He said he does not want Transportation to have to act as arbiters about who deserves the permits. He said this policy helps people who really need parking. Council can tweak this policy as much as it wants but there is no reason why news gatherers cannot pay to park in parking lots.

Mr. Logsdon said these permits were not meant to be a substitute for paying a meter or obtaining off-street parking. They are intended to be used to respond to special and emergency situations.

Commissioner Lindberg asked if these fees had been approved during the budget process.

Mr. Logsdon said there was no specific approval of the fees. However, the revenue to be generated from those fees is recognized in the budget.

Commissioner Lindberg noted that if this is not approved there would be a \$115,000 shortfall in the Transportation budget to be dealt with.

Mayor Katz said one of the key bases for this study was recovery if the parking meter was in full use and asked if this a fair criteria to be used in determining cost of service. The other issue, similar to the discussion on the planning fees, concerns public and private benefits. She cited Mr. Logsdon's memo which also states that fees shall be assessed at the full cost of services unless a special rate is required to achieve City goals and carry out public policy, including encouraging economic development and City livability. She said she did not see much reference in the report as to how much those benefits ought to be discounted. Regarding public value, she did not see enough focus on that aspect. She said she also wants to consider approving the fees for just the first year. Mayor Katz said while a cost of service study was needed, all these pieces need to be built to the actual cost of doing business. She said she is a little uneasy about the recovery of parking space revenue because of the issues of equity.

Commissioner Blumenauer, noting that a cost of service study does not make anyone happy, asked staff to return to Council with a matrix addressing the issues raised. He recommended concluding the hearing now and discussing

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the matrix next week.

Mayor Katz asked Mr. Logsdon to poll the Commissioners to see where they are on these issues.

Commissioner Kafoury asked if staff had worked with the Economic Development Commission to get some idea of the impact on film and video. She suggested that they get involved. She said she does not know if the \$1,000 fee will price the City out of the market and would like some analysis of this.

Mayor Katz said her issues are: 1) full recovery of the meter; 2) the effect on economic vitality and livability and; 3) public versus private benefit.

Commissioner Lindberg noted that five groups that will be impacted were heard from today. He asked if there was any negative feedback in any of the areas not heard from today.

Mr. Logsdon said they made some revisions to the delivery permits, a use which they encourage. He added that all other major constituencies had been heard from, noting that many of the other fees are quite minor and may have no recognized constituency. The only other major constituency not heard from today concerns the area parking permit program. Letters were sent to parking committee chairs and neighborhood associations but there was little response. Those fees, which have not been adjusted for five years, would go from \$10 to \$15 per year for each vehicle owned.

Commissioner Lindberg noted that commercial permits go from \$300 to \$1,100 per year.

Mr. Logsdon said they reduced the fees for commercial permits and the ordinance proposes a maximum charge of \$550.

Disposition: Continued to July 6, 1994 at 9:30 a.m.

***1065** Authorize Bureau Directors to approve change orders adjusting the contract price and time construction contracts subject to certain limitations (Ordinance)

Discussion: Commissioner Blumenauer said this applies a uniform standard for all bureaus regarding change orders. He said this was delayed to permit City staff to meet with building trade council representatives to make sure they understood this. That has occurred and they feel comfortable with this.

Mayor Katz said she thought there was some concern about approving changes of up to 25 percent on public works contracts.

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Carlton Chayer, Purchasing Agent, said 25 percent is the natural dividing point and currently change orders come to Council in the form of an ordinance at the 25 percent accumulative level. He said after talking with other public agencies and looking at the existing check and balance system for changes under 25 percent, he concluded that was the most appropriate level. He said some jurisdictions have delegated unlimited authority to managers for change orders.

Commissioner Blumenauer said it makes no sense for different City bureaus to have different standards. This makes it uniform for contractors and bureaus and makes it easier for Council to track. It is also a small step towards having the City act like a private business and give more authority to managers.

Disposition: Ordinance No. 167862. (Y-5)

- 1074** Extend contract with amendments with the Portland Amateur Baseball Association for concession privileges at Sckavone and Walker Stadiums through March 31, 1998, notwithstanding Code Section 5.32.070 (Ordinance)

Discussion: Cay Kershner, Clerk of the Council, said a correction to Section 2 had been distributed. It changes the name of the person to be contacted.

Commissioner Kafoury moved the amendment. Commissioner Lindberg seconded and, hearing no objection, the Mayor so ordered.

Disposition: Passed as amended to Second Reading July 6, 1994 at 9:30 a.m.

- 1082** Accept completion of the NW Doane Avenue and St. Helens Road sanitary sewer system, approve Change Orders 2 through 4, and authorize final payment to Copenhagen Utilities & Construction, Inc. (Report; Contract No. C9826)

Discussion: The Clerk said there had been a request to continue this one week.

Disposition: Continued to July 6, 1994 at 9:30 a.m.

- *1086** Contract with The Private Industry Council to hire 27 youth for work experience positions in the Water Bureau and provide for payment of \$70,000 (Ordinance)

Discussion: Commissioner Lindberg noted that an individual had contacted the Auditor's Office and asked that this be pulled. However, no one was present to speak to this.

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Disposition: Ordinance No. 167863. (Y-5)

Mayor Vera Katz

1095 Authorize application for amendment to the North/Northeast Portland Enterprise Zone boundaries for Pasco Corp. (Resolution)

Discussion: Mark Clemons, Acting Economic Development Director, Portland Development Commission, said this project meets the intent of the enterprise zone and also the intent of existing economic development policy now in place. It creates 68 new jobs and \$20 million in investment in a targeted industry for the City. He described the beneficial economic impacts, particularly in international trade, adding that this is the last project Council will see until an economic incentive policy is adopted. A draft is in the pipeline and it is hoped that the policy can be adopted within the next month but the company needs to make a decision on an investment location now. He said if the policy is not adopted very quickly other development projects will be held up.

Mayor Katz said the Office of Finance and Administration will analyze the draft in terms of revenue and taxes while PDC will analyze it from an economic development point of view. That may take some time but the two perspectives should be integrated. She said she has also asked Mr. Clemons to take a very critical look at their report on the five enterprise zones, particularly in terms of the data.

Mr. Clemons asked for support of this proposal as it does meet existing policy, including such goals as job creation, new investment, enhanced international trade, etc. PDC also has some internal guidelines regarding enterprise zone boundary amendments which have also been met.

David Loudon, Port of Portland, said the Port believes this will enhance the region's standing as a manufacturing, distribution and transportation center, particularly as food processing has been designated a targeted industry by the State, the Port and the City. Pasco will be a quantum leap in turning this area into an added-value manufacturing center for food products and give the area an opportunity to establish a critical mass of food processing investment here that can lead to additional foreign investments in food processing without having to grant additional incentives. The transportation system benefits are also substantial as Pasco will help create a stable demand for container shipping services.

Gary Roth, International Trade Manager, Oregon Department of Agriculture, said the amount of processed foods or value-added food products produced in the State continues to lag behind the national average. Oregon lets go of many of its agricultural products too soon, rather than adding value to the items here. To remedy this, the State can either provide incentives for

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existing businesses or recruit new businesses to invest here. He stressed the trade opportunities Pasco will provide for existing Oregon businesses, particularly in developing trade partnerships.

Commissioner Blumenauer said this proposal actually creates jobs and is better than the last one Council wrestled with. Most significant is the moratorium on these enterprise amendments until Council deals with the policy. He said he supports this but is disappointed that the City did not consult with Multnomah County and other partners who should be involved since the City is spending their money.

Commissioner Hales said he is interested in a policy discussion about enterprise zones that includes a housing component within the formula that is applied to enterprise zone benefits. He would like to pursue Emanuel Hospital's program of home ownership incentives in the enterprise zone.

Commissioner Kafoury acknowledged that her yes vote on this amendment is entirely inconsistent with her no vote last week on Oregon Steel Mill. She said she is not convinced that enterprise zones are an effective tool but in this case jobs are created and the tab is significantly lower.

Commissioner Lindberg said 68 jobs and a \$20 million investment will have many spinoff benefits for the Port and container business, adding up to millions of dollars annually in net gain to the economy. He said over the 10-year period there would be a net gain in revenues with this investment, noting also that the State is coming up with money to train people in this industry.

Mayor Katz said adding value to a raw product is what the timber industry should have been doing a long time ago. She said there are other requests for enterprise zone designation in the pipeline and she hopes the policy is in place soon but some flexibility may be needed to deal with those.

Disposition: Resolution No. 35291. (Y-5)

- *1096** Amend the FY 1993-94 budget by transferring appropriation within City funds to prevent overexpenditure in controlled expenditure categories (Ordinance)

Disposition: Ordinance No. 167864. (Y-5)

- *1097** Authorize the continuation of a pilot catastrophic leave sharing program (Ordinance)

Disposition: Ordinance No. 167865. (Y-5)

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- *1098** Authorize and direct the Mayor, Auditor and Chief of Police to sign an intergovernmental agreement with Multnomah County to provide for transfer of law enforcement services between the City and County and for the personnel rights of affected employees (Ordinance)

Discussion: The Clerk noted a request to continue this to the afternoon session.

Disposition: Continued to June 29, 1994 at 2:00 p.m.

- 1099** Adopt the annual budget of the City and establish appropriations for the fiscal year beginning July 1, 1994 (Second Reading Agenda 1026-1)

Discussion: Commissioner Blumenauer said during the budget process citizens identified education as their major concern and while the City is doing more Council has fallen short of the mark when it had an opportunity to do more. He said traffic safety is another major concern and while the City has the worst safety record of any city in Oregon with a population over 19,000, this Council has failed to increase traffic enforcement to restore dramatic reductions that have occurred in the past. Transportation was singled out for more than a 20 percent reduction per capita. He agreed with Commissioner Kafoury that there are higher priorities than continuing the Portland Development Commission (PDC) service mix unchanged and it is unacceptable to continue a separate system of administration. He said, however, he is confident there will be changes over the course of this two-year budget and will work to achieve a better match of resources with what citizens need and want. He voted no.

Commissioner Kafoury said she is voting no but hopes she and Commissioner Blumenauer will not hear again that they have not been supportive of what is in the budget for education or public safety. Her continued objection is primarily with PDC, where she believes Council missed an opportunity to set clear priorities during a time of change. She said she believes the agency is not in tune with the current needs of residents, noting that construction activity is way up and does not need to be encouraged. She said what people look to the City to provide is public safety, roads, sewers and water. If the City does a good job on these basic services, economic development will occur without putting this much money into a development function that has no separate resources from the City general fund.

Commissioner Lindberg voted yes, adding that he believes that Portland is one of the best financially managed cities in the country. He said he believes PDC has an incredible track level in housing and development and is very impressed with their five-year plan. Overall, this is an excellent budget, reflecting the City's priorities.

Mayor Katz said the work plan and budget reflect Council values set at the

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retreat. She said there is an unprecedented amount set aside for schools, \$5 million in two years, and the non-resident golf fee, which could generate an additional \$400,000 will be discussed this afternoon. Regarding PDC, she said this agency went through an enormous amount of change from the bottom up. The priorities are clearly set in the five-year plan and she feels very good about where it is going even though there are still changes to be made. However, it is headed in the right direction and has very aggressive standards and expectations.

Disposition: Ordinance No. 167866 as amended. (Y-3; N-2, Blumenauer & Kafoury)

- 1100** Levy taxes for the City for the fiscal year beginning July 1, 1994 and direct the Director of Financial Planning to submit said tax levy and other certifications to the County Assessors of Multnomah, Clackamas and Washington counties (Second Reading Agenda 990)

Disposition: Ordinance No. 167867. (Y-5)

- 1101** Close three City funds and transfer the remaining balances effective June 30, 1994 (Second Reading Agenda 992)

Disposition: Ordinance No. 167868. (Y-5)

Commissioner Charlie Hales

- *1102** Authorize application to the State's Liveable Communities Team for Transit Oriented Development Program funds (Ordinance)

Disposition: Ordinance No. 167869. (Y-5)

Commissioner Gretchen Kafoury

- *1103** Contract with the Portland Development Commission for \$14,447,825 for portions of the FY 94-95 Housing and Community Development program and provide for payment (Ordinance)

Discussion: Commissioner Kafoury said more than 50 percent of the block grant funds is going to PDC. Clearer goals have been set than ever before and they plan to return to Council in late summer with an in-depth discussion of where things are headed.

Disposition: Ordinance No. 167870. (Y-5)

- *1104** Contract with Absolute Towing, Inc. for towing, storage and disposal of abandoned vehicles (Ordinance)

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Discussion: Dennis Nelson, Chair, Towing Board of Review, asked that this be set over to July 13 to allow Council to hear the appeal of Absolute Towing on the status of the current contract before this new one is awarded.

Disposition: Continued to July 13, 1994 at 2:00 p.m.

City Auditor Barbara Clark

- 1105** Assess property for private plumbing loans through May, 1994 (Hearing; Ordinance; P0004)

Disposition: Passed to Second Reading July 6, 1994 at 2:00 p.m.

- 1106** Assess property for sewer system development charges through May, 1994 (Second Reading Agenda 1034; Z0575 through Z0577)

Disposition: Ordinance No. 167871. (Y-5)

- 1107** Assess property for large lot deferral contract through May, 1994 (Second Reading Agenda 1035; L0046)

Disposition: Ordinance No. 167872. (Y-5)

- 1108** Assess property for sidewalk maintenance for period through May, 1994 (Second Reading Agenda 1036; Y1000)

Disposition: Ordinance No. 167873. (Y-5)

Commissioner Blumenauer asked City Attorney Kathryn Imperati whether the City plans to petition for review of the Court of Appeals decision on the Water Avenue ramp.

Ms. Imperati said the petition was due to the Supreme Court today but she has asked for additional time to file.

Commissioner Blumenauer said he is concerned about the implications if the City decides to appeal. He said he does not think it is wrong to make findings consistent with the Comprehensive Plan and believes you could go either way on the ramp and still be consistent. However, he hopes Council reviews that decision and the implications for the City if it wins.

Commissioners Lindberg and Hales asked him to discuss this further with them.

At 12:05 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 29TH DAY OF JUNE, 1994 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; Ruth Spetter, Senior Deputy City Attorney; and Chuck Bolliger, Sergeant at Arms.

- *1098** Authorize and direct the Mayor, Auditor and Chief of Police to sign an intergovernmental agreement with Multnomah County to provide for transfer of law enforcement services between the City and County and for the personnel rights of affected employees (Ordinance)

Discussion: Mayor Katz noted that an amendment had been distributed.

Liana Columbo, Deputy City Attorney, said this amendment is a substitute for paragraph 3 in the appendix attached to the intergovernmental agreement. The appendix is an agreement worked out between the City and County and the two affected unions outlining employee rights. The County had some concern regarding who defends law suits if they occur. The amendment addresses that issue so that only one government agency would be handling any given law suit.

Commissioner Kafoury moved the amendment; Commissioner Hales seconded and, hearing no objections, the Mayor so ordered.

Commissioner Blumenauer said this is a small but significant step for both jurisdictions.

Mayor Katz said this is the culmination of a long process of annexation and the willingness of the County to take a look at its role in delivering services to urban areas. Citizens will benefit because most of the 23 deputies who are transferring have had many years of experience.

Disposition: Ordinance No. 167874 as amended. (Y-5)

Commissioner Blumenauer left the meeting after the vote was taken.

Commissioner Charlie Hales

- 1109** Tentatively deny appeal of Corbett/Terwilliger/Lair Hill Neighborhood Association and Jeff Champion against Landmarks Commission's decision and approve application of Andre Cozzetto, et al, for a demolition and design review at 3403 SW First Avenue (Previous Agenda 1041; Findings; 93-00832 HL DZ)

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Discussion: Commissioner Hales moved the adoption of findings. Commissioner Lindberg seconded and the motion carried.

Disposition: Findings Adopted. (Y-4)

- 1110** Tentatively deny appeal of Amy Welch, Steve Posey, et al, against Hearings Officer's decision and approve application of Winmar of Jantzen Beach for a zone change, adjustment, environmental review and code interpretation on property located south of N. Tomahawk Island Drive and N. Jantzen Avenue between I-5 and Lotus Isle Subdivision (Previous Agenda 945; Findings; 93-00869 CP ZC AD EN)

Discussion: Commissioner Hales noted that the findings were subject to some revision and said he assumed that all the issues were covered.

Larry Epstein, 722 SW 2nd Avenue, representing Winmar, said they prepared findings at the request of Council which were reviewed by the City Attorney and Planning Bureau. After review by the attorney for the appellants, changes were suggested to correct several typographical errors and to reflect Council's decision to refund the appeal fee. These changes are reflected in the findings.

Commissioner Hales moved adoption of the findings. Commissioner Lindberg seconded and the motion carried.

Disposition: Findings Adopted. (Y-4)

Commissioner Kafoury was elected (Y-4) to serve as President of Council from July 1 through December 31, 1994.

At 2:15 p.m., Council adjourned.

BARBARA CLARK
Auditor of the City of Portland

Cay Kershner
By Cay Kershner
Council Clerk