



CITY OF

PORTLAND, OREGON

OFFICIAL
MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 26TH DAY OF OCTOBER, 1994 AT 9:30 A.M.

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

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

Agenda Nos. 1691, 1701 and 1704 were pulled from Consent. On a Y-4 roll call, the balance of the Consent Agenda was adopted as follows:

CONSENT AGENDA - NO DISCUSSION

Mayor Vera Katz

- *1688** Extend the Excused-Time (E-Time) policy for City employees for the period of July 1, 1993 through June 30, 1995 (Ordinance)

Disposition: Ordinance No. 168230. (Y-4)

- *1689** Pay claim of Steven J. Doyle (Ordinance)

Disposition: Ordinance No. 168231. (Y-4)

- *1690** Settle claim of John C. Oppenlander (Ordinance)

Disposition: Ordinance No. 168232. (Y-4)

Commissioner Charlie Hales

- *1692** Assign McCalls Waterfront Restaurant lease to Riverplace Investment Company (Ordinance)

Disposition: Ordinance No. 168233. (Y-4)

- *1693** Update the tree nuisance abatement waiver conditions and amounts (Ordinance; amend Code Chapter 20.40.205)

Disposition: Ordinance No. 168234. (Y-4)

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Commissioner Gretchen Kafoury

1694 Accept Northeast Community Policing Center at 449 NE Emerson as complete, authorize Change Order No. 24 and make payment to Koll Construction (Report; Contract No. 28973)

Disposition: Accepted.

1695 Accept construction work on contract with First Cascade Corporation for tenant improvements at Police Metro Headquarters as complete, waive retainage requirements, and make final payment (Report; Contract No. 29136)

Disposition: Accepted.

***1696** Intergovernmental Agreement with the Oregon Department of Human Resources for access to the City's 800 MHz trunking radio system (Ordinance)

Disposition: Ordinance No. 168235. (Y-4)

***1697** Agreement with City Center Parking to provide parking facility operator services at the Goose Hollow replacement parking lots (Ordinance)

Disposition: Ordinance No. 168236. (Y-4)

Commissioner Mike Lindberg

1698 Accept completion of the Columbia Boulevard Wastewater Treatment Plant aeration tank modifications project and authorize final payment to the Wildish Building Company (Report; Contract No. 28068)

Disposition: Accepted.

1699 Accept completion of the Bayard Basin CSO sump project, Unit 1, and authorize payment to Marshall Associated Contractors, Inc. (Report; Contract No. 29107)

Disposition: Accepted.

1700 Accept completion of Project 5242, Bayard Basin CSO sump Unit 4, and authorize final payment to Brundidge Construction, Inc. (Report; Contract No. 29149)

Disposition: Accepted.

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- 1702** Accept completion of the Chautauqua Basin CSO sump storm sewer project and authorize final payment to Brundidge Construction, Inc. (Report; Contract No. 29220)

Disposition: Accepted.

- *1703** Amend contract with CH2M Hill Northwest, Inc. for the Commercial /Industrial Class Charge Study to extend the contract period to January 15, 1995 with no change in cost (Ordinance; amend Contract No. 28955)

Disposition: Ordinance No. 168237. (Y-4)

- *1705** Extend final completion date of contract with Fletcher Farr Ayotte for architectural services for Water Bureau to December 31, 1994 (Ordinance; amend Contract No. 28278)

Disposition: Ordinance No. 168238. (Y-4)

- *1706** Agreement with Black and Veatch for \$82,834 for engineering services to prepare plans and specifications for the Hayden Island crossing and provide for payment (Ordinance)

Disposition: Ordinance No. 168239. (Y-4)

REGULAR AGENDA

- 1686** **TIME CERTAIN: 9:30 AM** - Declare Portland City Council's opposition to Ballot Measure 13 (Resolution introduced by Mayor Katz)

Discussion: Jeff Rogers, City Attorney, summarized an analysis his office made of the possible effects passage of this measure would have. He said its constitutionality is questionable and, coupled with its many ambiguities, passage would certainly result in extensive litigation. The measure would nullify the City's civil rights legislation and the protections it offers to homosexuals and bisexuals against discrimination in housing, public accommodations and employment. It would also prohibit recognition of domestic partnerships and the provision of City benefits in this area. He noted other instances where the expenditure of public funds might be prohibited, such as counseling for City employees regarding their sexual orientation as well as possible restrictions on grants for the arts, public event permits and the issuance of business licenses.

Mayor Katz said of all the measures on the ballot, this was the only one that Council as a whole decided to make a statement about.

Supporters of the resolution (opponents of the measure) included:

Jeanne Knepper, 3920 SE 147th, #4, Co-director of Shalom Ministries,
United Methodist Outreach Ministry with the Gay and Lesbian
Population

Anne Bliss, President, Portland Chapter, Parents, Families and Friends
of Lesbians and Gay Men

Becket Lawten, Peace and Justice Commission, St. Philip Neri Catholic
Church, 16th and Division

Alice Knotts, 3920 SE 147th, #4, Co-director of Shalom Ministries

Greg Jackson, Executive Director, Right to Privacy Political Action
Committee, 921 SW Morrison, #546

Lynn Nakamoto, Asian Pacific American Political Action Committee,
1 SW Columbia, Suite 300, 97258

Scott Nakagawa, 909 NE Brazee, National Gay and Lesbian Task Force
Asian Pacific American Political Action Committee

Opponents of the measure said this fosters a climate of fear and intolerance. Gays and lesbians fear they will lose housing, jobs and health care services regarding sexual orientation if this measure passes. They argued the measure does not protect children but only teaches them to be afraid of certain people while barring access to information about them. Passage would send a message throughout the country that Oregon is a state which has written injustice into its Constitution and may encourage hate crimes since it does not allow redress for crimes based on sexual orientation.

Mayor Katz suggested suspending the testimony midway and allowing Commissioner Kafoury to vote before she has to leave. Council agreed and Commissioner Kafoury voted aye.

Commissioner Hales, Commissioner Lindberg and Mayor Katz made statements in support of the resolution. The Mayor said if this passes the City will file suit to challenge its constitutionality and will ask for an injunction barring its implementation while it is in the courts.

Disposition: Resolution No. 35319. (Y-4)

1691

Approve City of Portland greenspaces project list (Resolution)

Discussion: Amanda Fritz, Land Use Chair, West Portland Park Neighborhood Association, expressed concern that there is not a specific designation on the local share list for the Tryon Creek linkages, adding that in the preamble it specifically states that the Tryon Creek watershed is not covered because it is on the regional list. She said, however, the original \$6 million on that list for Tryon Creek was cut in the final package and it is not covered either by regulations or City

funding in the way that the other watersheds are, i.e. Johnson and Fanno Creeks. Ms. Fritz said they are also concerned about the \$4.5 million Metro staff estimates should be spent to purchase land in the Tryon Creek watershed. She said Jim Sjulín in the Parks Bureau has allotted \$1.5 million for locally significant spaces and has indicated some of that could be used for Tryon Creek. She asked the City to look after lands that cannot be bought, adding that some of the land along Arnold Creek has already been cleared despite environmental laws and Bureau of Buildings enforcement efforts. She asked for support for the greenspaces local share and the bond measure.

Elizabeth Callison, 6039 SW Knightsbridge Dr., described a forum on parks and land-use presented to the Southwest Neighborhood Coalition. Questionnaires returned by 20 of the 80 forum participants showed strong interest in Tryon Creek. She said it is imperative for the City to dedicate at least a small portion of its local share allotment to the Tryon Creek watershed and some commitment from the Parks Bureau in protecting the watershed is needed.

Patty Barker, 12115 SW Orchard Hill Way, Lake Oswego, 97035, requested that Council be generous in its support of the Tryon Creek watershed as this part of the City is too often treated as a stepchild, an area with no City parks and few pedestrian pathways or streetlights. At the same time, development proposals are encroaching on the Creek area and may destroy it if action is not taken.

Jim Sjulín, Parks Bureau, said this resolution responds to one passed by Metro in July when the Greenspace bond measure was being prepared for submission. The measure has a local share component, with the City's portion set at \$7.4 million. In response to Metro, the City has developed a list of local projects that the money would be spent on, including \$1.15 million on locally significant natural areas. He said the Tryon Creek watershed would be eligible to compete for those funds with other similar areas.

Commissioner Hales said if the voters approve, the City will have an opportunity to fund some of these areas before they are lost. He said Parks needs to preserve its flexibility within this framework and find out what other bureaus and Metro will be doing in the area of watershed protection. Then the City can act appropriately to fill in the gaps and protect areas not covered by some other initiative.

Disposition: Resolution No. 35320. (Y-4)

1701

Accept completion of the Bayard Basin CSO sump Units 5-6 and authorize final payment to Brundidge Construction, Inc. (Report; Contract No. 29172)

Discussion: Cay Kershner, Clerk of the Council, noted that an amendment had been circulated changing the final contract amount.

Hearing no objections to the amendment, the Mayor so ordered.

Disposition: Accepted as amended. (Y-4)

***1704**

Repeal City Code Chapter 21.08, Extensions of Water Mains, and substitute a new Chapter 21.08; amend Section 21.12.010, Service to property adjacent to Water Main (Ordinance; amend Code Chapter 21)

Discussion: The Clerk said an amendment was needed to remove some garbled language.

Commissioner Lindberg moved the amendment; Commissioner Kafoury seconded and the motion carried. (Y-4)

Disposition: Ordinance No. 168240 as amended. (Y-4)

1687

TIME CERTAIN: 10:30 AM - Adopt the Enterprise Zone Investment Strategy Interim Guidelines for Enterprise Zone Boundary Amendment / Five Year Exemption (Resolution introduced by Mayor Katz)

Discussion: Mayor Katz said for the last eight years the State has allowed local jurisdictions to grant investment opportunities such as tax abatements to existing and new companies. Many have felt the City should have requirements beyond those imposed by the State and today interim guidelines are being proposed which do that. She said serious thought has been given to these guidelines and other jurisdictions have been included also in the hope that the region can share the same guidelines rather than taking advantage of each other. She noted the guidelines are targeted for North/Northeast Portland where unemployment is much higher than in any other part of the City and where income is 32 percent lower than elsewhere. She said it is very important that residents clearly benefit when the City provides tax benefits. She stressed that the guidelines are only for the interim and will have to be tweaked, adding that the guidelines are a joint effort of the Portland Development Commission (PDC) and the Office of Finance and Administration (OFA).

Mark Clemmons, Director, Economic Development, Portland Development Commission, highlighted the major changes in the guidelines, noting that the State Enterprise Zone program has been in effect in the North/Northeast area since 1986. Through June, 1994, companies using the program have invested a total of \$75 million and

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created 884 jobs. Of those jobs, 336 were filled by Enterprise Zone residents while the total tax abatement was approximately \$4 million or six percent of the total investment.

Mr. Clemmons said a number of changes have been made since the program's inception to make it more responsive to local community needs. The number one objective is the creation and retention of jobs. These guidelines respond to the community's desire to enhance educational and training opportunities, increase support services for Enterprise Zone residents and businesses and fulfill a variety of other economic goals. In addition, the incentives should be reasonable and give the public a good cost benefit. A company can receive either a three- or five-year tax abatement but if it goes from three to five it would be required to meet the guidelines for the five-year abatement, even though Council approval would not be needed if the company is already within the guidelines.

Commissioner Kafoury asked if Wacker met the guidelines.

Mr. Clemmons said yes.

Mayor Katz said the City made very sure when it negotiated with Wacker that it would meet the guidelines.

Mr. Clemmons noted that the State requirement is that 25 percent of all new hires come from the Zone for a three-year abatement with an additional 25 percent required for a five-year abatement, or compensation at 150 percent of State minimum wage. The guidelines add significant new requirements for companies requesting a five-year abatement or a boundary amendment. They set a maximum property tax exemption tied to the number of Enterprise Zone residents hired so that the net cost to the City's general fund, divided by the number of employees, is less than \$40,000, the maximum allowed for a three-year abatement. For a 5-year abatement, the maximum is \$25,000. The difference reflects the fact that the City makes a lesser investment for three years than for five. PDC's prior internal guidelines required an investment of \$20,000 per total number of jobs created. The guidelines have gone from requiring that a percentage of Enterprise Zone residents be hired to requiring that a fixed number of positions be filled by Enterprise Zone residents. Second, companies must cover 25 percent of City costs for servicing the new facility through a combination of license and utility franchise fees and taxes paid to the City. Currently there is no cost recovery requirement. Third, for a five-year tax abatement, a company must retain 50 percent of Enterprise Zone hires for a minimum of two years. This gets at the issue of job retention. Fourth, the guidelines create a community benefit matrix which puts

value on the quality of the job being created and other employee and community development efforts. The matrix addresses wages paid, benefits, training opportunities and advancement potential. A company receiving a five-year abatement must meet half the points contained in the matrix, which is designed to offer some flexibility and respond to situations where significant capital investments are being made but where the number of jobs created does not meet the guidelines.

Bill Scott, Economic Director for the State of Oregon, provided an overview of the State's use of incentives which they believe communities should consider using as well. He said technological advances, global competition and changes in natural resource management present tremendous challenges to job stability. A major concern is that the world will be divided into the haves and have nots based on skills and education. In response, State strategy focuses on preparation of the workforce to make sure Oregonians are ready for the kind of jobs that will add value in the future. However, that does not mean incentives for businesses to relocate here can be overlooked as communities must do what it takes to compete for business and make sure costs are competitive with those elsewhere in the world. To that end, the State provides a means for local governments to ameliorate property taxes, which tend to fall heaviest on businesses that invest the most in capital equipment, far exceeding any cost of services the business requires. He said what is being proposed here seems appropriate in view of the current global competition.

Commissioner Kafoury said she comes to exactly the opposite conclusion as it seems to her the last thing they should do is take away resources from education, where funding is in crisis. In the case of the Oregon Steel Mills and other abatements, money is taken away from the schools. She said the City's role should be preparing the infrastructure and defending the quality of life, which it does by providing police, parks, etc., rather than trying to measure the benefits of tax abatements. She said no one wants to discuss whether tax abatements are the way the City ought to be spending local government money.

Mr. Scott said he could not guess the tradeoffs the City would have to make, but without some form of property tax relief, a new steel mill would never locate in the City. He said every tax break should not be looked at as an expense because if the investment is not made there is no revenue to give away.

Commissioner Kafoury said she does not think the City is having an appropriately broad discussion with the community on what is the best and highest use of its dollars. She said businesses like Oregon Steel

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Mill have saved a lot of money because of Measure 5 and that has not been factored in.

Mr. Scott said you have to look at what is happening around the world, not just in Oregon, in order to get the perspective to make the tradeoff decision. Even though businesses have gotten tax breaks here that still may not make them competitive with other locations.

Mayor Katz said the issue is that the City really cannot know if a business would expand or relocate here without the tax break and it has nothing unless that investment occurs. When the investment is made revenues are guaranteed in future years. However, the City cannot give away the store and some guarantees are needed for citizens in the community with the hope that lost revenues will be recovered later.

Mr. Scott said sometimes a jurisdiction will lose revenue because the investment would have been made anyway.

Commissioner Kafoury said the value of paying \$40,000 to create a job versus spending the money for more police, parks or teachers, must be weighed. She questioned what good it does to have businesses here if families move out of the Portland area because the schools are in terrible shape.

Commissioner Lindberg said benefits from new companies locating here also flow to subsidiary businesses and add to the taxes paid, mostly to the State. He said if the City makes the sacrifice but the financial benefit flows to the State that raises the question of the State's role.

Mayor Katz said dollars for schools now go to the State also and the question becomes, at what point does the Portland School District get its fair share. She said the whole issue here is jobs and there are tradeoffs about which people may disagree.

Dave Mazza, Labor Environmental Solidarity Network, said tax abatement is a tool that is both dangerous to the long term economic health of the community and one that should, at best, be used sparingly. He said the interim guidelines seem loose and encourage PDC to spend dollars it does not have. He said PDC should instead start looking at community-based, bottom-up economic development, building systems to ensure that the money stays within the community rather than relying on the caprice of out-of-state corporations. He said the City should recognize that real dollars are being spent and called for a ceiling on the total amount of abatements. He said there is a lack of proper analysis of dollars generated and the economic impacts on the community when tax breaks are given. He called for a much fuller

public participation process, adding that the matrix itself is overly complex and yet vague. Finally, he said language calling for coordination with other jurisdictions is needed.

Bill Resnick, Committee for Sustainable Economic Development of Jobs with Justice, said Council should schedule full scale hearings and really deliberate on these policies. He said pressures should be put on Malaysia and similar countries to become much more like us rather than the other way around. He said the guidelines are both full of loopholes and yet, at the same time, highly complex, creating incentives for the relocation of low wage companies. As an example, he presented the hypothetical case of Gizmo Industries which, under the matrix, could qualify for the incentives and yet still pay very low wages by hiring temporary and part time employees, not paying benefits, etc.

David Lohman, Port of Portland, urged adoption of the interim guidelines to encourage industrial development in Northeast Portland and the Columbia Corridor. However, he said, the Port has strong reservations about the effectiveness of the guidelines and called for close monitoring of the impacts during the interim period. The Port believes the guidelines are as complex, hard to understand and cumbersome as the IRS Code and yet still fail to include a process and time frame for determining eligibility. The Port fears the guidelines will serve more as a foreboding sign of a City with elaborate restrictions on businesses rather than inducing new investment and job creation. He recommended: 1) simplifying the guidelines; 2) treating them as guidelines, not rigid rules; and 3) consideration of a wholesale change in existing boundaries to reflect current conditions. He referred to other recommendations contained in a letter submitted for the record.

Mayor Katz said Mr. Resnick's point that companies may be able to pick and choose among items on the matrix and still get the abatement needs to be addressed.

Mr. Clemmons said he has not had time to analyze Mr. Resnick's material but that his example (Gizmo) does not bring benefits to Portland and is not the type of company PDC wants to invest in. However, it would ultimately be Council's decision.

Commissioner Hales said he would be interested in seeing an analysis by PDC of the companies granted incentives in the past and how they would have done with respect to these guidelines.

Mr. Clemmons said they would be pleased to do that.

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Commissioner Hales said he shares the same reservations Mr. Lohman expressed and asked how long the interim period will last.

Mr. Clemmons said he would hope to have the permanent policy in place by the end of this fiscal year. He said they ran some companies given subsidies in the past through the guidelines and found that Wacker met them but that Oregon Steel Mills and Pasco would have had to do additional work.

Commissioner Lindberg said he would also be interested in knowing how many people these companies hired, at what wages, and whether they provide benefits.

Mr. Clemmons said they produced such a report several months ago and he will see that he gets a copy.

Commissioner Lindberg suggested a performance audit, perhaps by the Auditor's Office.

Mayor Katz said a review ought to be done outside the agency.

Drew Bardon, City Economist, said the calculations on the cost per job are simple and awarding the matrix points was an attempt to get at the qualitative aspects of the firm applying for the incentive. He said there will probably always be some tension between the marketing and the wider needs of the community. He said the matrix is something to try to see if it works.

Commissioner Kafoury said the guidelines are too complex and asked for a cost per job analysis. Her other concern is whether the community benefit is a reinvestment in PDC's programs or an investment in community programs.

Mr. Clemmons said PDC does not get the money.

Commissioner Kafoury said the permanent guidelines must have a cap on how much any one firm may receive. She said language should be added calling for the involvement of other jurisdictions since money is being taken away from schools and county services. She said she hopes there will be a broader public review process before the permanent guidelines are adopted to allow a real community dialogue. She does like the retention aspect as she still believes a company could meet the guidelines by hiring several highly-paid managers from the Enterprise Zone and then pay the rest at minimum wage. The aim is to encourage family-wage jobs but there seems to be no way to measure this.

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Commissioner Hales said it is healthy to debate this and broader discussion needs to occur as the permanent guidelines are prepared. But it is also ironic that Portland examines its conscience, trying to do things in a principled way, while it competes with jurisdictions which are profligate in throwing revenue away through incentives. He said PDC and OFA have different philosophies and because they do not agree, they are building a Rube Goldberg system that does not work very well in practice. He reinforced Mr. Lohman's points, stressing that the standards are much too complex. He suggested that the same matrix apply to both three- and five-year abatements rather than having different ones. He said he expects these interim standards to be gone by the beginning of the next fiscal year and very reluctantly supports these as a prototype for something better.

Commissioner Kafoury said her files indicate that PDC will administer the \$450,000 a year contribution of Oregon Steel Mills for job training. She said this is an issue that should be addressed and, noting her prior comments, voted no.

Commissioner Lindberg said he would support the interim guidelines, noting that Enterprise Zones help residents in some of the neediest areas of the City. He said it is significant that every community-based organization in Northeast Portland supports the Zone and the interim guidelines. He said many are extremely impressed with the results of Job Net and the Work Force Center. He said the benefits far outweigh the cost of the incentives as even if there is a loss for a few years, the gains over a 10-year period far exceed that loss. He said the City needs to work with the State to get a better return on the revenues it generates as the cities generate tremendous spinoff benefits. He said it is ironic that because of increased demands for accountability the City may have ended up with something so burdensome and complex it does not work for anyone. Finally, he is committed to the principles of Jobs with Justice but believes their allegations concerning the Enterprise Zone do not always jibe with the facts. He asked for additional evaluation and a broader community dialogue.

Mayor Katz said the unanswered question is whether these companies would invest in this community and "do the right thing" without any oversight by the State or any incentives. She said they may be able to identify whether these restrictions are too complex and cause the City to lose companies that might be interested in investing in Portland. She said she shares some of the concerns of Jobs with Justice and wants to make sure that jobs are created and retained, and that penalties are imposed if individuals are not on the payroll for at least two years. She added that she talked to both Jack Bierwirth (Portland Public Schools) and Bev Stein (Multnomah County) and neither feels comfortable commenting on these policies but both feel it is important

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that the community have job opportunities. They also understand the City is not giving money away, but delaying the possibility of receiving those resources. She said it also comes down to an issue of trusting City agencies to make the right decisions, knowing that if there is any question about a company's suitability, staff can come to Council. She called for always retaining some flexibility rather than relying on hard numbers and matrices.

Disposition: Resolution No. 35321. (Y-4)

Agenda Items 1707 and 1708 were continued to the 2:00 p.m. session.

At 11:50 a.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 26TH DAY OF OCTOBER, 1994 AT 2:00 P.M.

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

OFFICERS IN ATTENDANCE: Cay Kershner, Clerk of the Council; Pete Kasting, Deputy City Attorney; and Officer Edward Cummings, Sergeant at Arms.

Mayor Katz noted that two items continued from the morning session would be considered first.

REGULAR AGENDA

Mayor Vera Katz

- *1707** Establish purposes, process, limits and timing of inventories of personal property to be conducted by members of the Portland Police Bureau and the Port of Portland Police Department (Ordinance; add Code Chapter 14.10)

Discussion: Roberta Weber, Assistant Police Chief, said this ordinance responds to the need for a legislative action giving officers the authority to do inventory searches.

Tom Williams, Deputy City Attorney, said this responds to a direct mandate from the Court of Appeals and Oregon Supreme Court following U.S. Supreme Court dictates in regard to inventories of people taken into custody and automobiles that have been impounded. He said inventories are distinct from searches where authorities are looking for evidence and the courts have said there must be a legislatively-mandated procedure for police officers to follow.

Mike Graham, Chief of Security, Port of Portland, said this affects all police officers in the State and, because of its close relationship to the City, the Port requested that it be included in this ordinance.

Disposition: Ordinance No. 168241. (Y-4)

Commissioner Charlie Hales

- 1708** Appoint a Task Force on Neighborhood Involvement to conduct an assessment of Portland's neighborhood network/citizen involvement system and to report to Council (Resolution)

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Discussion: Commissioner Hales said they have put together a very diverse and energetic group to conduct this assessment and asked for Council affirmation.

Disposition: Resolution No. 35322. (Y-4)

1709

TIME CERTAIN: 2:00 PM - Citizen Advisors 1994 Second/Third Quarter Monitoring Report to Police Internal Investigations Auditing Committee (Report introduced by Mayor Katz)

Discussion: Sue Porter, Subcommittee Chair, PIIAC Advisory Committee, highlighted portions of the report, which includes an overview of the 21 cases monitored. The largest category was complaints about the use of force and advisors felt that the case decisions were fair overall, although there were possible inconsistencies in the criteria used in assigning a designated finding. They also identified a problem with timeliness and thoroughness of investigations as most cases did not meet the 45-day turnover goal. However, the turnaround time has shown marked improvement in 1994, indicating that new Internal Investigations Division (IID) staff has made improvements in this area. Additional staffing for IID should be considered.

Ms. Porter said the report also notes a case where the use of a collapsible baton seems to have been a problem and calls for further monitoring. The main problem regarding inadequate investigation and reporting was a lack of explanation for time delays and failure to explain why witnesses were not contacted. A check list for investigators has since been developed which should help remedy these problems. The report notes that claimants have not been receiving acknowledgements of their complaints and these acknowledgements are being reinstated. In some cases PIIAC advisors found that officers were making improper remarks during interviews; they will continue to track this as well as other concerns, including monitoring officers' complaint histories. In other cases the committee is having a problem with inappropriate behavior on the part of claimants, either in approaching staff or at meetings, and are reviewing possible strategies for responding to angry and upset claimants. Some concerns were also raised regarding the IID use of LEDS (Law Enforcement Data System) and PPDS (Portland Police Data System). Finally, they are reviewing Risk Management data to see if trends or problem areas can be identified.

Lisa Botsko, PIIAC staff, said she is very happy with the committee but noted there are currently four vacancies. Currently a quorum requires seven members, resulting in meetings where the advisors could not act because they lacked a quorum. However, they hope to add more

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flexibility by designating that a quorum is a percentage of the total number of members serving at a given time.

Ms. Botsko said it is premature to draw a lot of conclusions but IID seems to be very responsive to the advisers and willing to make changes.

Mayor Katz noted one case (Page 3) regarding the use of risk management and IID statistics, where she thought the Police response was quite weak.

Ms. Botsko said one problem with using Risk Management data is that an officer can be named in an original claim but his name may later be dropped. Also, sometimes Risk claims do not go to litigation and it is difficult to know whether there is any truth to allegations against an officer. There are so many grey areas it may be difficult to incorporate that information.

Commissioner Kafoury, referring to working with difficult people, asked if they were satisfied that Police were getting adequate training.

Ms. Porter said she thinks two hours is inadequate as it is a real problem.

Commissioner Kafoury noted that Project Respond might be helpful in developing training for Police working with the chronically mentally ill.

Commissioner Hales said it looks like there are situations where detectives performed very well and others where they did not. He asked if such examples are fed back into the training process.

Ms. Botsko said she is not sure how to go about doing that but IID is willing to look at it. PIIAC advisors are trying not to have officers automatically disregard complainants who they believe to be mentally ill and, instead, approach each case on its own merits.

Regarding officer complaint history, Commissioner Lindberg said the report suggests that PIIAC should have the history of that officer with respect to previous complaints. He said it sounds like the Police are saying that is a disciplinary problem and they will not provide such information. He asked who responds to this report.

Ms. Botsko said this report goes to Chief Moose who responds in writing. PIIAC advisors cannot check an officer's history but PIIAC is asking that something go in the file to show that an IID detective did so.

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Commissioner Lindberg said he would be interested to see if certain officers had a overall pattern of inappropriate behavior.

Ms. Porter said she believes they cannot look at the disposition, only the the complaint history, and that could be misleading if a complaint was not substantiated.

Ms. Botsko said she would like to do an audit of all complaint history files to see if a command review was ordered. However, IID believes it is not within PIIAC's purview to learn the disposition of command review for any disciplinary proceeding.

Mayor Katz said she believes that is part of the collective bargaining agreement on disciplinary action.

Pete Kasting, Senior Deputy City Attorney, suggested raising that issue with the City Attorney advising PIIAC.

Mayor Katz said they can see if there is a pattern with certain officers whose names keep coming up.

Ms. Porter said she believes that kind of oversight is happening internally.

Commissioner Lindberg said the Police might send a report to PIIAC without naming names.

Ms. Botsko said they also want to review whether the complaints are being categorized appropriately in the first place, thus avoiding the triggering of command review.

Mayor Katz said in that case the total number of complaints ought to be considered if there is too much discretion in labelling. She said she gets a lot of complaints about the use of language and in some cases it does appear to be inappropriate. If Police are using harsh language they are in violation of the courtesy standard and other standard operating procedures. Such incidents should not just slip by as it triggers angry feelings between both parties.

Commissioner Lindberg said there seemed to be a lot of collisions where it is alleged that officers ran stop signs.

Ms. Porter said there have not been complaints from citizens about this.

Commissioner Hales said that is not really a PIIAC problem, but questioned why, out of 61 claims, there were 38 collisions when the police were not chasing anyone.

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Mayor Katz said automobile collisions for every bureau are quite high, especially for the Police.

Ms. Botso said there were 61 claims, not all collisions, adding that she plans to look at the individual backgrounds.

Tracy (no last name stated), 435 SE 3rd, said the Supreme Court has decided that if a police officer is disciplined, the information is confidential but if he is not disciplined, that is public information.

Disposition: Accepted. (Y-4)

Commissioner Charlie Hales

***1710** Amend the Comprehensive Plan map and change the zone of property at 8245 N. Interstate Avenue from R2ad, Residential, to CSd, Commercial (Ordinance; LUR 94-00514 CP ZC)

Discussion: Pete Kasting, Senior Deputy City Attorney, outlined the procedures required under the Code for quasi-judicial hearings.

Susan McKinney, Planning Bureau, showed slides of the site, noting that both staff and the Hearings Officer approved this proposal with two conditions. This proposal corrects an error in the existing residential zoning, as prior to the Comprehensive Plan Map land use inventory process the site was zoned C2 (general commercial) and a building permit was granted. At about the same time the property was recommended for residential zoning in the inventory. Ten years later the building lost its non-conforming status when the original use was changed and, because the owners never sought a variance, the site cannot now legally operate in a residential zone. However, Ms. McKinney said, the site is appropriate for commercial (CS) zoning and is on the proposed South/North light rail route. Regarding the housing loss, the applicants have requested removal of three units from the housing pool. Ms. McKinney said they met the criteria for removal based on the finding that the applicant does not have the resources or expertise to obtain other housing to mitigate for the lost housing potential. The Neighborhood Association supports the change and realizes this fell through the cracks during the Albina Plan process.

Larry Reed, Jim Griffith & Associates, representing the owners, said the site was zoned general commercial until 1981 when it was rezoned to residential, based on a belief that the site was vacant. The building was thought to be non-conforming until last year when the owners received notice from the City that they were in violation. The owners had no reason to question the legal status of the use based on the 1980 building permit. Other options, such as residential development or

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abandonment of the building did not seem feasible or desirable and that is why the owners are requesting this change.

Pam Arnold, 1517 N. Winchell, former chair of the Kenton Neighborhood Association, said the tenants of the building were upset when they received a notice to vacate the property within 24 hours. She said this would not have come to anyone's attention except for the fact that the owners rented to a chop shop called "The Hood" which was involved in illegal activity. She said the current tenants have a long term lease and will be a good addition to the neighborhood. The neighborhood fully supports this zone change.

Disposition: Ordinance No. 168242. (Y-4)

1711

Reaffirm denial, on LUBA remand, of landmarks designation granted by the Landmarks Commission for the Governor Building located at 408 SW 2nd Avenue and owned by Beim & James Properties (Findings; 93-00709 DM; Previous Agenda 1624)

Discussion: Commissioner Hales said he believes Council is simply readopting its old findings.

Ruth Selid, Planning Bureau staff, said changes were made to describe the reason for the remand and reflect the results of the Council hearing on that remand. The additions are shown on pages 3 and 4.

Commissioner Hales moved adoption of the findings. Commissioner Kafoury seconded.

Commissioner Kafoury said while she did not like the original decision, the appellants (Historical Advocates) failed to take proper advantage of the rehearing. She said their testimony was pathetic, adding that she did not understand until later that the applicants had offered to do a voluntary remand but Historical Advocates declined, dragging this on for months. It was clear at the hearing they had no new information to present. She said a legislative change in the State LUBA process might be in order.

Disposition: Findings Adopted. (Y-4)

At 2:55 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 27TH DAY OF OCTOBER, 1994 AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Hales and Lindberg, 3.

OFFICERS IN ATTENDANCE: Cay Kershner, Clerk of the Council; Linda Meng, Chief Deputy City Attorney; and Douglas Swail, Sergeant at Arms.

1712

TIME CERTAIN: 2:00 PM - Amend the boundaries of the North/Northeast Portland Enterprise Zone to add land to be purchased by Kanto Corp. (Resolution introduced by Mayor Katz)

Discussion: Mark Clemmons, Portland Development Commission (PDC), said Kanto Corporation, a manufacturer and distributor of high purity chemicals used by high technology companies, is considering construction of a \$17 million facility and purchase of property in the Rivergate area which is half within and half without the Enterprise zone. The property was all within the Zone until the Port added more land by filling it. The agreement with the company meets the three-year interim guideline requirements. The company's net property tax savings on a \$17 million investment will be approximately \$564,000 and it will hire a total of 29 individuals. To meet the \$40,000 incentive requirement, the company has agreed to hire a minimum of 16 individuals from the Enterprise Zone, for a \$35,000 average cost-per-hire. He thanked the Port and the company for sticking with this site at a time when PDC had committed not to bring any more projects to Council until the interim guidelines were adopted. He said this would add to the base of the semiconductor industry and create guaranteed jobs for Northeast residents.

Drew Bardon, Office of Finance and Administration, said the project meets the guidelines adopted yesterday in terms of cost per job and is a good project.

Commissioner Lindberg said the report states that compensation will vary between \$8 and \$15 per hour including benefits. He said that is quite a gap.

Mr. Clemmons said the types of positions vary greatly. Most compensation packages are 25 to 40 percent on top of the pay; thus \$8.00 would translate into an entry level of \$6.75.

Mayor Katz asked how that compares to entry level jobs at Intel.

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Mr. Clemmons said many Intel jobs are for technicians who earn in the \$10-12 per hour range. The company has made a strong commitment to retain employees and wanted to enter into an agreement that it would retain 95 percent of its employees during the tax abatement period. Because the retention requirement in the interim guidelines applies only to the five-year abatement, it instead committed to adding 16 employees.

Commissioner Lindberg asked what the highest and lowest wages would be for the 29 jobs.

Mr. Clemmons said the majority would be in the \$10-12 range.

David Lohman, Port of Portland, supported this boundary amendment as the company's proposal meets the guidelines adopted yesterday. Kanto is a support industry for the high tech industry and this kind of infrastructure is important. Also, but for historic accident the company would already be within the boundaries and, as a result of being half in and half out, it has to meet much tougher requirements than if it were solely within the Zone.

Bill Resnick, Committee for Sustainable Economic Development, said the public first saw this today and if Council is serious about public input more time is needed for review. He said Washington County has much higher requirements for its 36-86 application guidelines (for \$100 million+ investments) and Kanto Corporation would not pass muster there as half the covered jobs must pay more than the median wage in Washington County, which is approximately \$27,000. He said the City's guidelines have absolutely no guidelines for wages although a reward is offered in the matrix. However, since the matrix offers so many things, there is no incentive for a company to seek those points. He said this is the last chance for Council to consider the Kanto Corporation as all future negotiations will rest with PDC. Without Council or public scrutiny, the pressure is off PDC, which itself has lost authority since Kanto can do pretty much it wants as long as it meets the three-year tax abatement requirements. For instance, under the guidelines it could start hiring people at minimum wage with no benefits. He called the guidelines completely porous and said they should never have been passed. He said subsidizing low wage companies is a terrible idea because it creates a low-wage work force and only attracts more people to the area, never reducing the unemployment rate, but lowering wages throughout the industry.

Commissioner Lindberg asked about Washington County guidelines.

Mr. Clemmons said their guidelines apply to the strategic investment program which puts the first \$100 million on the tax rolls; investment

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above that level can be removed from the tax rolls with the company paying community service fees of up to 25 percent or up to \$2,000,000 in lieu of taxes. The County can negotiate additional fees if it wants and has guidelines regarding those projects.

Commissioner Lindberg asked if they actually regulate the wages.

Mr. Clemmons said the guidelines require 50 percent of the positions to pay greater than the County's median wage.

Mayor Katz confirmed that was not part of State law.

Commissioner Lindberg asked if OFA and PDC had discussed such a requirement for the City.

Mr. Clemmons said these are two different programs, two different work forces and two different goals. A company that pays \$4.50 or \$5.00 an hour would not have very many applicants for those jobs. Also a company that wants to keep their labor force is not one that will turn over low-wage employees. Kanto has said they want zero turnover.

Mayor Katz said she believes an economic development strategy is needed to make companies more competitive by putting resources into training the workforce and doing other things, such as ensuring high wages and benefits. She reassured Mr. Resnick and Commissioner Kafoury that she will be reviewing these guidelines and if a company meets the guidelines but PDC does not think it is a good company, it does not have to bring it forward.

Mr. Clemmons said nothing has changed in the process PDC follows since adoption of the guidelines.

Mayor Katz said she will recommend that PDC come back to Council with the five-year extensions so that Council is aware of what is being recommended as it is important for Council to be involved.

Mr. Clemmons said the guidelines are not laws and PDC has not given away its authority to negotiate.

Linda Meng, Chief Deputy City Attorney, said the resolution needed to have an emergency clause removed.

Mayor Katz so moved and, hearing no objections, so ordered.

Commissioner Hales asked if the map could be legislatively amended to make the boundaries more real, rather than having to amend the boundary case by case.

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Commissioner Lindberg said he would like to discuss all the options, including what other jurisdictions do, prior to adoption of permanent guidelines. He said this is a spinoff industry for high tech companies and an important one to have here.

Mayor Katz said the issue of how to keep companies competitive internationally needs further discussion. She said having highly trained workers will make this community more competitive. Other investments, however, cannot be dismissed and Council may want to look at reinvesting resources to make companies more competitive. This will be a topic for discussion at the State legislature. In this case, a job with benefits is more than a lot of people in Northeast Portland have now and if the company is committed to retention, a career ladder will be there for them. This is something that can be audited to make sure has occurred.

Disposition: Resolution No. 35323 as amended. (Y-3)

At 2:40 p.m., Council adjourned.

BARBARA CLARK
Auditor of the City of Portland

Cay Kershner

By Cay Kershner
Council Clerk