



CITY OF

PORTLAND, OREGON

OFFICIAL
MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 15TH DAY OF FEBRUARY, 1995 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; Harry Auerbach, Deputy City Attorney; and Officer A. L. Marshall, Sergeant at Arms.

Agenda Nos. 177, 187 and 190 were pulled from Consent. On a Y-5 roll call, the balance of the Consent Agenda was adopted as follows:

CONSENT AGENDA

170 Accept bid of Jones Chemical, Inc. for Group I (containers) and bid of Elf Atochem North American for Group II (tank cars) for furnishing chlorine in containers and tank cars for \$397,972 annually for two years (Purchasing Report - Bid 80-A)

Disposition: Accepted; prepare contract.

171 Reject all bids for construction of the SE 45th Avenue and Harney Drive sanitary sewer system (Purchasing Report - Bid 81)

Disposition: Accepted.

172 Accept bid of H.D. Fowler Co. for annual supply furnishing brass service fittings for \$75,107 (Purchasing Report - Bid 83-A)

Disposition: Accepted; prepare contract.

173 Accept bid of Courtesy Ford for five compact 4X4 sport utility trucks for \$101,123 (Purchasing Report - Bid 88)

Disposition: Accepted; prepare contract.

Mayor Vera Katz

***174** Extend agreement for investigative services with Richard F. Robert Associates, Inc. (Ordinance; amend Contract No. 29684)

Disposition: Ordinance No. 168510. (Y-5)

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- *175** Establish one class and one salary rate for Legal Assistant Supervisor, establish one class and one salary rate for Fire Marshal, and correct the Sr. Fire Inspector salary rate in the Compensation Plan in accordance with the Personnel Rules adopted by the City Council (Ordinance)

Disposition: Ordinance No. 168511. (Y-5)

- *176** Provide Portland Police Data System services to the City of Beaverton (Ordinance)

Disposition: Ordinance No. 168512. (Y-5)

Commissioner Earl Blumenauer

- *178** Authorize a contract and provide for payment for the NE 15th/16th Avenue Decouple Project, Phase II, 16th Way Project (Ordinance)

Disposition: Ordinance No. 168513. (Y-5)

- *179** Authorize acceptance of parcels of land appropriated, condemned and vested in the City of Portland, as plaintiff in the Circuit Court of the State of Oregon, for the County of Multnomah, Case No. 9403-02180, in connection with the N Marine Drive project, Rivergate-N Portland Road section (Ordinance)

Disposition: Ordinance No. 168514. (Y-5)

Commissioner Charlie Hales

- 180** Accept completion of Montavilla lunchroom remodel by M. Stearns Construction, make final payment and authorize release of retainage (Report; Contract No. 29450)

Disposition: Accepted.

- *181** Accept 2.11 acres in northeast Portland from Multnomah County for parks purposes (Ordinance)

Disposition: Ordinance No. 168515. (Y-5)

- *182** Permit a parcel of land in Forest Park to be used for storm drainage purposes needed for the Balch Creek stormwater management project (Ordinance; repeal Ordinance No. 167894)

Disposition: Ordinance No. 168516. (Y-5)

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***183** Authorize Intergovernmental Agreement with the City of Gresham to provide fire response assistance (Ordinance)

Disposition: Ordinance No. 168517. (Y-5)

184 Authorize Intergovernmental Agreement with the City of Oregon City to provide fire response assistance (Ordinance)

Disposition: Passed to Second Reading February 22, 1995 at 9:30 a.m.

***185** Apply to the City of Gresham for a Community Development Block Grant in the amount of \$5,603 to fund "S.A.F.E. Subsidized Housing Ombudsman Services for Seniors" (Ordinance)

Disposition: Ordinance No. 168518. (Y-5)

186 Appoint Thanh Nguyen to the top pay grade of \$25.41 in Systems Programmer classification (Second Reading Agenda 144)

Disposition: Ordinance No. 168519. (Y-5)

Commissioner Gretchen Kafoury

***188** Increase Purchase Order with Richard J. Fowler, AIA, for Printing and Distribution remodel (Ordinance; amend Purchase Order No. 1017082)

Disposition: Ordinance No. 168520. (Y-5)

***189** Declare surplus and accept sale agreement and convey property at SW 51st Avenue and Marigold Street (Ordinance)

Disposition: Ordinance No. 168521. (Y-5)

***191** Transfer \$8,471 from the contingency fund to Transition Projects, Inc. for outreach services to homeless persons (Ordinance)

Disposition: Ordinance No. 168522. (Y-5)

***192** Contract with the City of Gresham to implement activities under the HOME Investment Partnership Program and provide for payment (Ordinance)

Disposition: Ordinance No. 168523. (Y-5)

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Commissioner Mike Lindberg

193 Accept contract with JASCO Construction, Inc. for remodel of customer service area as complete, approve Change Order No. 1 and make final payment (Report; Contract No. 29085)

Disposition: Accepted.

***194** Authorize negotiations for the purchase of four permanent sewer easements required for construction of the NE 158th Avenue south of NE Airport Way sanitary sewer project, authorize the City Attorney to commence condemnation proceedings, and to obtain early possession (Ordinance)

Disposition: Ordinance No. 168524. (Y-5)

***195** Authorize the continuance of negotiations for the purchase of eight permanent sewer easements required for construction of the Parkrose #13 sanitary sewer project, authorize the City Attorney to commence condemnation proceedings, and to obtain early possession (Ordinance)

Disposition: Ordinance No. 168525. (Y-5)

***196** Contract with Black & Veatch for \$398,407 for engineering services to prepare plans and specifications for the Parkrose supply mains Phases I and II and provide for payment (Ordinance)

Disposition: Ordinance No. 168526. (Y-5)

197 Amend the Wholesale Water Supply Agreement with Burlington Water District by deleting Section 8 - "Growth" (Ordinance; amend Agreement No. 18427)

Disposition: Passed to Second Reading February 22, 1995 at 9:30 a.m.

198 Amend the Wholesale Water Supply Agreement with City of Gresham by deleting Section 8 - "Growth" (Ordinance; amend Agreement No. 18899)

Disposition: Passed to Second Reading February 22, 1995 at 9:30 a.m.

199 Amend the Wholesale Water Supply Agreement with Lake Grove Water District by deleting Section 8 - "Growth" (Ordinance; amend Agreement No. 19289)

Disposition: Passed to Second Reading February 22, 1995 at 9:30 a.m.

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200 Amend the Wholesale Water Supply Agreement with Lusted Water District by deleting Section 8 - "Growth" (Ordinance; amend Agreement No. 18682)

Disposition: Passed to Second Reading February 22, 1995 at 9:30 a.m.

201 Amend the Wholesale Water Supply Agreement with Palatine Hill Water District by deleting Section 8 - "Growth" (Ordinance; amend Agreement No. 18577)

Disposition: Passed to Second Reading February 22, 1995 at 9:30 a.m.

202 Amend the Wholesale Water Supply Agreement with Pleasant Home Water District by deleting Section 8 - "Growth" (Ordinance; amend Agreement No. 19313)

Disposition: Passed to Second Reading February 22, 1995 at 9:30 a.m.

203 Amend the Wholesale Water Supply Agreement with Powell Valley Road Water District by deleting Section 8 - "Growth" (Ordinance; amend Agreement No. 18823)

Disposition: Passed to Second Reading February 22, 1995 at 9:30 a.m.

204 Amend the Wholesale Water Supply Agreement with Raleigh Water District by deleting Section 8 - "Growth" (Ordinance; amend Agreement No. 18458)

Disposition: Passed to Second Reading February 22, 1995 at 9:30 a.m.

205 Amend the Wholesale Water Supply Agreement with Rockwood Water PUD by deleting Section 8 - "Growth" (Ordinance; amend Agreement No. 18848)

Disposition: Passed to Second Reading February 22, 1995 at 9:30 a.m.

***206** Amend the Wholesale Water Supply Agreement with City of Tigard-Water Department by deleting Section 8 - "Growth" (Ordinance; amend Agreement No. 20528)

Disposition: Passed to Second Reading February 22, 1995 at 9:30 a.m.

207 Amend the Wholesale Water Supply Agreement with City of Tualatin by deleting Section 8 - "Growth" (Ordinance; amend Agreement No. 18531)

Disposition: Passed to Second Reading February 22, 1995 at 9:30 a.m.

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208 Amend the Wholesale Water Supply Agreement with Tualatin Valley Water District by deleting Section 8 - "Growth" (Ordinance)

Disposition: Passed to Second Reading February 22, 1995 at 9:30 a.m.

209 Amend the Wholesale Water Supply Agreement with Valley View Water District by deleting Section 8 - "Growth" (Ordinance; amend Agreement No. 19151)

Disposition: Passed to Second Reading February 22, 1995 at 9:30 a.m.

210 Amend the Wholesale Water Supply Agreement with West Slope Water District by deleting Section 8 - "Growth" (Ordinance; amend Agreement No. 18684)

Disposition: Passed to Second Reading February 22, 1995 at 9:30 a.m.

City Auditor Barbara Clark

211 Approve Council Minutes for October 5, 1994 through December 28, 1994 (Report)

Disposition: Approved.

REGULAR AGENDA

169 **TIME CERTAIN: 9:30 AM** - Direct the Bureau of Environmental Services to develop City Code amendments that will require Portland businesses and multifamily complexes to recycle beginning in January 1996 (Resolution introduced by Commissioner Lindberg)

Discussion: Commissioner Lindberg said this is another important step forward in a three-year process to improve commercial recycling. In the residential sector, about 75 percent of all households in the City are involved in recycling, an outstanding rate. He noted the State mandated recycling goal, which is 50 percent for the year 2000, while the City's goal is 60 percent by 1997. This would mean 60 percent of the contents of the solid waste stream would be recycled. Currently the City is only recycling at a 40 percent rate and needs to strengthen efforts in the commercial and multi-family building sectors if it is to meet this goal. To gain consensus for these efforts, a Task Force was formed and over 60 meetings were held with the commercial community.

Sue Keil, Industrial and Solid Waste Group Manager, Bureau of Environmental Services (BES), said residential recycling has worked very well but the City will not get where it needs to go without adding

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the commercial sector. This strategy is on the cutting edge of such efforts in the country and still gives the business community the flexibility it needs.

Lee Barrett, Commercial Recycling Program Manager, BES, said the regional mandate set by Metro is for 56 percent recycling by 2010 while City Council's mandate is for 60 percent by 1997, with a 10 percent waste reduction goal. Right now the region is at about a 40 percent recycling rate and commercial is a major portion of the wastage, representing about 60 percent of the wastestream. Seventy percent of businesses do some sort of recycling but only 20 percent recycle more than two items, compared with 70 percent residential, with most recycling five or more items. This resolution asks businesses to do a little more than they are already doing.

Mr. Barrett said the work group narrowed down its choices after eight months of work to about six different alternatives. After feedback from the business community and further analysis, the decision was made to require businesses to recycle. A recycling bin will be issued to small businesses while medium and larger businesses will determine with their individual haulers what size bins to use. Regarding the multi-family sector, City Code will be amended to state what is already required by State law, that all owners of multi-family complexes must provide on-site recycling for tenants.

Mr. Barrett said while many cities tell businesses that they must recycle, Portland will leave that up to them and will work with them to make those decisions. No franchising or rate regulations are being proposed and businesses may negotiate rates with the hauler of their choice. The program is slated to go into effect in January, 1996.

Chuck Martin, Vice President, Alliance of Portland Neighborhood Business Associations, said while the recycling plan proposed appears to be reasonable, they hate to see it mandated as 70 percent of all businesses are already recycling voluntarily. They ask that education be made the cornerstone of any recycling program. He said if the education aspect is handled properly no new bureaucracy should be required for enforcement. If the measures contained in the implementing ordinance appear to be draconian, economically unsound or create additional bureaucracy, they will be opposed.

Bill Ostrie, member of the Commercial Workgroup and President, Restaurant Management Northwest, Inc. (Burger King), supported the resolution. It will accomplish the goal of achieving the requisite amount of recycling in the least offensive manner possible. He said he does not believe it will create bureaucracy and that peer pressure and the press will act as the enforcement agency. He said they like the fact that it

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allows them to choose their own hauler and negotiate rates, as they have found rates are much more expensive in franchised areas.

Estle Harlan, representing the Tri-County Haulers, said this is a compromise by all those affected. She said without some sort of regulation, commercial recycling is used as a competitive bargaining chip, with the chip being "will it be cheaper if I don't have recycling." This resolution focuses on the customers and requires them to file acceptable recycling plans. An implementation team will develop guiding standards for the program and these standards, as well as their enforcement, will determine its ultimate success. The collector industry has reservations about whether this will produce the hoped-for results as they believe that a strong economic factor will work against success without a rate structure to create an incentive for the customer to embrace recycling. While that is not on the table now, it should not foreclose future remedies. The program needs careful monitoring to determine its success and, if the goals are not achieved, Portland should avail itself of the traditional methods of commercial regulation used with success in surrounding communities for quite some time.

Commissioner Lindberg noted the support of OSPRIG.

Commissioner Blumenauer said the bottom line with these programs is that they have been user-friendly, adding to their success.

Commissioner Hales said people have to be willing participants in recycling and the stage for that has certainly been set here. Having broad support bodes well for its success.

Commissioner Lindberg said they expect this to achieve 60,000 tons of additional recyclable materials. This mandatory program will affect 20,000 businesses but the City has 10 months to educate them about it.

Disposition: Resolution No. 35364. (Y-5)

Mayor Vera Katz

177

Contract with KPMG Peat Marwick LLP for assistance in the development of the City's Comprehensive Organizational Review and Evaluation (CORE) process (Ordinance)

Discussion: Commissioner Kafoury said this should have been moved off Consent and not voted on until after approval of the budget adjustments.

Tim Grewe, Director of Financial Planning, agreed and said this should have been on the Regular Agenda. He said the CORE concept was born

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when Council decided to go to a two-year budget process, responding to a desire for a more efficient budgetary process and more time for comprehensive reviews. The CORE approach provides a self-administering tool that bureaus can use to assess themselves and provide information for Council to review. It will be a standard process for all bureaus, and the Office of Financial Planning plans to train a cadre of bureau personnel to apply the necessary analytic tools. Using a five-year plan format, the CORE process will produce five-year operating and management improvement plans. Once adopted by Council, the plans will form the basis of future budgets and the Office of Financial Planning will provide information on how these budgets comply with the plans. They hope to complete three to four reviews annually but, because this is self-administered, any bureau can initiate one at any time. This contract is for a one-time expenditure of \$196,000, exceeding by \$103,000 what was budgeted. A request for \$100,000 is being made today and Financial Planning will absorb the remaining \$3,000.

Commissioner Kafoury said she is still concerned about having too many management initiatives. She suggested transferring the \$100,000 budgeted last year for Total Quality Management (TQM) training to pay for this as too many layers of activity are being imposed by Council on bureaus and Council has also greatly expanded reporting requirements. She noted that Housing and Community Development has almost finished its five-year plan but, because they do not have this tool yet, they may have to go back and redo it in a different format. She said she cannot believe other bureaus are not saying stop giving us all these gimmicks to try.

Mr. Grewe said this CORE concept is sensitive to that issue as they heard clearly from bureaus that too much is being thrown at them on an annual basis. That is why a three to five year product is being recommended for these comprehensive reviews.

Commissioner Kafoury asked if bureaus will be asked to use other management tools in the meantime.

Mr. Grewe said he could not promise they would not.

Mayor Katz asked Mr. Grewe how flexible they will be about connecting such things as benchmarks into the CORE review.

Mr. Grewe said they plan to be very flexible and benchmarks will have to be a component of bureau operating programs as well as other results measurements. He said issues which Council members want included will be incorporated into the reviews.

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Commissioner Hales said if Council simply superimposes this on bureaus and does not correlate it with their own ad hoc planning efforts or with the Auditor's audits, the result could be a Tower of Babel that provides a lot of information and no program. The success of CORE depends on OFA's flexibility and the attentiveness of Commissioners to their bureaus and the programs already underway. He asked how the consultant would be tasked to produce something that merges all this.

Mr. Grewe said the consultant has already been informed of the other systems and OFA's intent is not to replace systems already underway, such as the Bureau of Housing and Community Development's plan and the Fire Bureau's strategic plans. The plan will be brought back to Council for review and a steering committee will provide guidance to the consultant. They are trying to be very flexible and participatory.

The item was continued until later in the session.

212

Adjust FY 1994-95 Budget for Period One adjustments (Ordinance)

Discussion: Mayor Katz noted the difficulties of moving from a one- to a two-year budget process. This ordinance deals with contingencies and other informal commitments and some of the process has been a little messy to manage. After hearing from all the Commissioners about this budget, she wants OFA and Council to talk through the two-year budget process.

Ruth Roth, Office of Finance and Administration, summarized the charges against contingency. She said they are taking additional property tax dollars and additional beginning fund balances and first honoring the commitments Council made previously for \$500,000 for City Hall design, \$250,000 for the Multnomah County Homeless Fund and then dealing with the other requests. These include requests for funds for the Fire Bureau training academy, CAD liaison positions and 12 new emergency operator positions at the Bureau of Emergency Communicaitons.

Mr. Grewe said anytime a new system change of this significance occurs, some process improvements may be needed.

Mayor Katz said the contingency fund should not be considered an emergency fund and only those items where there was a Council commitment or which are truly contingencies were left on the list.

Ms. Roth said three other funds are also being adjusted in the minor supplemental budget. Additional lodging tax revenue is recognized in the Convention and Tourism Fund, some of which will be paid to the

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Portland Oregon Visitors Association (POVA). Housing and Community Development is recognizing additional Multnomah County contract dollars and PDC and the Emergency Communications fund reflect increased interagency revenues.

Commissioner Kafoury asked Ms. Roth where the Housing Trust Fund is referenced in her memo.

Ms. Roth said it is in the ordinance (page 3-B of the Minor Supplemental) and shows up in the table on the last page of her memo but was not mentioned in the text.

Commissioner Blumenauer said it is unclear what happened to a request from Purchasing for \$50,000 for additional work space, adding that the relinquishment of space in the Portland Building by BES provides an opportunity to meet that need. He said he did not feel comfortable taking the \$50,000 from contingency, however, despite the real need. He noted that 75 percent of Purchasing's budget comes from overhead and said if they were able to get an advance for about \$25,000 from contingency, they could recapture most of it through overhead charges and Purchasing would eat the remainder.

Ms. Roth said that would require an amendment from the floor.

Commissioner Blumenauer moved to have the smaller amount advanced. Commissioner Kafoury seconded.

Mr. Grewe noted that Purchasing is an overhead-supported organization so if Council approves this amount, it would be covered by overhead resources, at least at the \$25,000 level.

Mayor Katz said Council has not really resolved whether to centralize or decentralize the minority contracting tasks. She asked if more space will be needed if Council decides to centralize that.

Commissioner Blumenauer said they can deal with that later but in the short term there must be some place for the people there now to work as the current situation is unacceptable.

Mayor Katz asked if the money would come only from General Fund overhead.

Mr. Grewe said it would come from the overhead revenues that other funds pay into the General Fund for provision of central services.

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Ms. Roth said once the tenant improvements are made, the requirement to pay for the additional space is \$12,000 on an ongoing basis. She said the amendment should include a directive to make that adjustment for next year too as then 75 percent of that \$12,000 will be recovered.

Roll was called on Commissioner Blumenauer's amendment with the additional directive stated by Ms. Roth. (Y-5)

Disposition: Passed to Second Reading as amended February 22, 1995 at 9:30 a.m.

213 Authorize partnership agreement with First Interstate Bank, U.S. Bank, Bank of America, Oregon, Key Bank of Oregon and Washington Mutual for Portland Police Bureau Mortgage Loan Program (Second Reading Agenda 165)

Discussion: Commissioner Kafoury said she hopes they can look at ways to get bank support for similar programs for other City workers.

Disposition: Ordinance No. 168527. (Y-5)

Commissioner Charlie Hales

***214** Adopt Elk Rock Island Natural Area Management Plan (Ordinance)

Discussion: Don Trotter, President, Milwaukie City Council, said while Elk Rock Island is a unique regional natural area, the adjacent neighborhood has been concerned with controlling the vandalism and restoring the natural area. The Milwaukie Council adopted this plan at its January meeting and it now needs to be adopted by North Clackamas Park District and the City so they can move forward on implementation.

Commissioner Hales noted the high level of intergovernmental cooperation in the region and added that this is an opportunity to have the logical provider of services do so rather than worrying about turf or ignoring a resource because it is at the boundary of two local governments.

Disposition: Ordinance No. 168528. (Y-5)

***215** Revise fees at municipal golf courses and establish effective dates (Ordinance; amend Code Section 20.20.010)

Disposition: Referred to Commissioner of Public Safety.

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177 Contract with KPMG Peat Marwick LLP for assistance in the development of the City's Comprehensive Organizational Review and Evaluation (CORE) process (Ordinance)

Disposition: Passed to Second Reading February 22, 1995 at 9:30 a.m.

***187** Authorize contract with MacKenzie/Saito & Associates, P.C., for design of a new East Precinct facility (Ordinance)

Discussion: Commissioner Hales said he has three questions about new precincts. First, what is a precinct needed for in this age of mobile data terminals, etc. Second, what will the public involvement process be in designing this. Finally, does it meet the spirit of the City's design regulations in terms of transit and pedestrian access, neighborhood compatibility and other values private developers must comply with when they build something.

David Kish, Director, Bureau of General Services, said the Northeast Community Policing facility serves as a prototype of what a police precinct will look like. Even though about 20 community policing contact centers have now been opened, there is still a need for a central facility where police can get their assignments, change clothes, write reports, etc. In the past the City was served by three facilities and now is on the verge of building a fifth precinct, with a sixth planned for outer Southwest. He described a number of uses at the Northeast facility, including a much-used community meeting room and space for staff from the District Attorney's and other offices that deal with community issues. At that location they are also combining retail, contributing to community revitalization.

Regarding public involvement, Mr. Kish said they have been meeting with the neighborhood groups and plan to continue that outreach. They also see opportunities for commercial development and community partnerships with such entities as the David Douglas School District and the Parks Bureau, as the property is directly behind Mall 205 and adjacent to a school and park.

Commissioner Hales asked how their suggestions would be fed into the design specifications.

Mr. Kish said the architects have done similar projects with a lot of community involvement in Milwaukie and McMinnville. The site is an odd-shaped property, currently zoned residential but with an overlay that allows a public safety facility to be built. He described a number of design options, including adding retail spaces, sharing parking with Mall 205 or placing parking underneath an adjacent running track at Floyd Light Middle School. He said they would like to see the

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surrounding four to six blocks treated as a kind of master plan site so that everyone has a consistent vision of what should be there.

Commissioner Hales asked how they plan to get to the ultimate design.

Mr. Kish said they will cost out all the ideas and pare them down, bringing the final design ultimately to Council.

Commissioner Hales said since it has been so long since the City has built something brand new, he wants to make sure that it prepares well.

Mr. Kish said the same thing was done with the 9-1-1 facility where there was lots of community input, particularly regarding the Ed Benedict Park improvements. He said they are on a tight time frame because their lease with the air base runs out in April, 1996. For that reason some of the process has been compacted.

Commissioner Blumenauer said the City is always on a tight time table but it is never too early to signal that Council wants a project consistent with its highest expectations for the private sector and one that can serve as a model.

Commissioner Hales said every project the City does ought to be a model of those ideas. He said staff should not be rebuffed if the Parks Bureau says no the first time to improvements. The same goes for the School District. He said there is more opportunity for creativity here than in the Walnut Park or 9-1-1 facilities.

Mr. Kish said the only no they have heard so far has been from the Parks Bureau. This facility will greatly increase business and property values at Mall 205 and there is no reason they should not bring some assets to the table.

Commissioner Blumenauer said allies such as Commissioner Hales should be tapped.

Commissioner Hales said he would take another look at the park situation. He suggested contacting businesses as well.

Mayor Katz said time constraints should not prevent consideration of these possibilities. She said she wants to make sure that Cherry Blossom Park, which has no trees, gets some as neighbors have committed to taking care of it.

Mr. Kish said that park has some bond money targeted for it. The one he is referring to belongs to the School District.

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Mayor Katz said she hopes Outer Southeast neighbors will have an opportunity to be involved and that the Livable Cities concept can be captured.

Disposition: Ordinance No. 168529. (Y-5)

***190**

Amend contract with SERA Architects for professional services for City Hall renovation (Ordinance; amend Contract No. 29088)

Discussion: David Kish, Director, Bureau of General Services, said this extends the contract's scope for expanded space planning and will provide a six-year view regarding employees stationed outside City Hall and the Portland Building. With respect to City Hall renovation, the intent is to move as few people twice as possible.

Barbara Clark, Auditor, said the contract under consideration today is based on unexamined assumptions about future staff in such offices as the Office of Neighborhood Associations (ONA), which projects increases from 10 to 15, while Affirmative Action goes from 8 to 11 and the City Attorney from 39 to 55. These staffing assumptions should not be used until specifically accepted by Council as a whole. In particular, a clear explanation is needed of how such staffing supports Council's goal for credible, efficient, responsive, affordable and accessible delivery of public services. Other service delivery bureaus, such as Water, are being asked to do more work with fewer staff and they may assume that City Hall staff is increasing at the expense of theirs. This is a policy issue the Council cannot delegate to anyone, especially not the architects.

Mr. Kish said the intent of this contract is to bring back to Council within three to four months a series of options as to who is in the building and who has what space.

Mayor Katz said at issue are the assumptions about growth.

Mr. Kish said they reached these assumptions by asking City Hall offices how many employees they planned to have in five years so they know there will be room as staff expands. Council will select among options and confirm the final plan.

Commissioner Lindberg asked why the various offices projected that particular increase in staff.

Mr. Kish said probably for the same reason that they have grown in the past -- the work has expanded. He said no Council member staffs are projected to increase but, because of past growth, City Attorney's staffing has been projected to grow some more over a reasonable period

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of time. Space planning needs to be done not just for the day you move in but for a few years down the line.

Mayor Katz said 100 years down the line.

Mr. Kish said they are not projecting that long.

Auditor Clark said she still thinks the only people who can decide what City Hall is for is Council. She said it is bad policy for Council to choose among alternatives rather than giving direction at the front end.

Commissioner Hales said City Hall exists for the conduct of public business and should house elected officials and other agencies that can be fitted into the space. Office space other than City Hall could house the City Attorney, ONA, etc. It is fair to ask what ONA will be like in 20 years and if it is smart to house it in City Hall. However, they are not held to any different standard in terms of staff growth just because they are housed here now. He said the same constellation of bureaus housed here after the renovation may not be the same as today

Mr. Kish said it will be reasonably close but some, such as Personnel, may be difficult to fit back in. That would be Council's choice. It would be shortsighted to put all the people here today back and forget about any future expansion.

Commissioner Lindberg said he did not realize those staffing assumptions were built in. However, one cannot plan for the future and have everything static. The ideal would be to have an idea of what options there are, including decreases in staff. He commented that in the past it could have been assumed that Council staff would grow but instead it has been reduced, noting a 40 percent reduction in Commissioners' staffs.

Mr. Kish said in May when the plan was brought to Council there were tentative ideas about how many people would work in City Hall. He said they want to get as close to 212 as they can but do not want to move people back in and then have to move them out again because staff has expanded. He said he would like to allow for what Council determines is a reasonable expansion.

Ms. Clark said the renovation of City Hall will stand as a potent symbol of what its elected officials want the community to be. She said Council needs to discuss this now rather than after the carpet is laid.

Commissioner Kafoury noted that the contract extension is not for additional money.

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Ms. Clark said she raised this issue in May and nothing has been done. She said there is also concern about the Auditor's office space but she would prefer to keep this discussion to policy making. She acknowledged that her office has been shoved into a corner because all the other offices show increases.

Commissioner Kafoury said General Services is not in the role of telling offices how many people they will have in 10 years. It is simply information they try to factor into the space planning.

Commissioner Blumenauer said there will be wild changes in technology in the next 10 years that could have a large impact on the way things are done in City Hall, such as legal research, counter activity, etc. He said he would like to see something that shows ranges.

Ms. Clark said even if the Auditor's Office space is doubled it will not remove her concern about the process here.

Commissioner Lindberg agreed with Commissioner Blumenauer, noting talk of "paperless city halls" and similar advances. He asked if that issue will be addressed when the options are presented.

Mr. Kish said they have had dozens of meetings on what offices will look like and how much work space people need. More work is needed. He noted that other offices have projected larger staff in the future while the Auditor's Office has projected a smaller staff so, obviously, more space would not be allocated to it.

Mayor Katz asked if it is possible to design a facility that accommodates multi-uses before a particular bureau fills it. She said she was joking that attorneys could work from home and asked if the City will have the flexibility to make those changes 20 years from now.

Mr. Kish said yes, other than the ceremonial and public meeting spaces, all work space will be designed to be very flexible, much more so than currently.

Mayor Katz noted there is no plan to increase the City Attorney's staff, although down the road that might be logical, as is the impact of technological change on space needs.

Mr. Kish said there are traditional space standards and the City Attorney has requested more private offices than open work spaces because of the nature of their work. All that can be discussed when this comes back to Council.

Ms. Clark said she has no problem with space standards per person. It

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is the number of persons. It is not a decision for administrative assistants to say how large a staff they will have in five years. It is a Council decision.

Commissioner Lindberg said when that information comes back Council can decide whether to plan for 70 attorneys or 50. It can also look at having it designed in such a flexible way that less staff space is needed. He said he agrees with Ms. Clark that the number of people should be a Council decision but is not assuming that will happen today.

Ms. Clark said Mr. Kish is talking about a set of tools but this is time to take a fresh look at the mission of City Hall and not say it is just the sum of its parts. She said even with the new technology, it still has to be decided, technology on behalf of what.

Commissioner Lindberg said it is on behalf of improved accessibility and efficiency. When the options come back then a discussion about goals and whether the plan meets them can be held.

Disposition: Ordinance No. 168530. (Y-5)

At 11:30 a.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 15TH DAY OF FEBRUARY, 1995 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 Chuck Bolliger, Sergeant at Arms.

Mayor Katz asked Commissioner Hales to conduct the meeting.

Commissioner Charlie Hales

216

Council review of Hearings Officer's recommendation to approve a modification to Condition A of CU 99-89/S 37-89 regarding medium-density areas of the Forest Heights PUD (93-00901 PU; Previous Agenda 93)

Discussion: Commissioner Hales asked Tom Bizeau, Planning Bureau staff to address Condition A and the issue of what is substantially equivalent to the original PUD in terms of total amount of units.

Commissioner Kafoury said that was her question because she thought Molly O'Reilly had made a pretty compelling case about the numbers.

Tom Bizeau, Planning Bureau, noted Commissioner Lindberg's request for a review of the history on the density issue. He said in 1991 a lot of that history came together when Council heard an appeal of Phase 3 which dealt with a lot of the medium density issues. Previously, in 1975, an ordinance was adopted which talks about "substantially equivalent to 2,103 units." That is what Forest Heights and the City have been using as their goal in achieving substantially equivalent density. In Phase 3 the Hearings Officer approved a condition which stated that as phasing, or final development plans, was approved, the medium-density development should also be approved. The applicant appealed that, arguing that it could not predict the market or other aspects of medium density development and believed this condition would limit its ability to develop the low-density areas as well. So that condition was eliminated and replaced with a condition (Condition A of Phase 3) which describes how the medium-density tracts will, at a minimum, be set aside for that purpose in covenants with the City. That is what the applicant did in subsequent recordings with the County. He read from Council's findings on Phase 3 which acknowledge the concern raised by staff and the Hearings Officer that the promised medium-density housing be built. However, Council found no basis for

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requiring construction of a specific quantity of medium-density housing as a precondition to City approvals of final development plans for future phases. Then the condition was applied which basically states that the project must have medium-density areas. The Hearings Officer is changing that condition (Condition A) to accept a modification which shows where new medium-density area is being placed, close to Miller Road, and that there is a reduction in the medium density from the overall total originally established. Flexibility is also established in the condition allowing for medium density to actually reach the maximum originally approved. However, there is a minimum that must be reached.

Commissioner Kafoury asked if the original R10 density would have been 2,284, adding that the argument was made that the medium density keeps being chipped away and is now down to about 80 percent of the total.

Mr. Bizeau said he is not sure that number is accurate. He said it was originally calculated to say that 20 percent of the whole PUD would be taken out for streets. Subsequently, that street area has been reduced, particularly because of the skinny street standards, and, because of site constraints, streets have been moved around to avoid difficult areas. That means the density could be increased, if Council wants to use the strict calculations.

Commissioner Kafoury said that is not what Council is doing.

Mr. Bizeau said what the City is doing is going back to the ordinance, which says substantially equivalent to 2,103 units. That is what the Hearings Officer and staff had to look at, as that was the limit established by ordinance.

Commissioner Kafoury said she feels like Council is chipping away at that, noting that because of the skinny streets density could actually be added.

Commissioner Hales said the effect of adopting the Hearings Officer's recommendation, however, would not require that the additional increment of land would necessarily be used for more units. The question before Council is whether 1,898 units is substantially equivalent.

Commissioner Kafoury said it seems like the number is continually reduced.

Commissioner Hales said the number is being reduced but the question is whether it has been reduced so much that the substantial equivalency

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test is not met.

Mr. Bizeau said one of the major issues all along has been related to transit and whether or not Cornell Road would be able to accommodate the additional traffic generated by the 2,000 units. A transit condition was applied and one of the big issues is whether there will be enough density to support it.

Commissioner Lindberg asked if both Planning and Transportation staff believe that the density is not so substantially reduced that transit opportunities are lost. Did staff agree with the Hearings Officer on this?

Mr. Bizeau said yes, both Planning and Transportation came to that conclusion.

Mayor Katz asked how they arrived at that lower number. Did they conclude that people in Forest Heights really would not ride the bus?

Mr. Bizeau said both Transportation and Planning want a transit system to work in Forest Heights. They thought that since Miller Road was dead ending as a neighborhood collector at Thompson Road and the medium density was being moved off of Phase 7 down around Miller Road, transit would serve all the medium-density units around Miller Road as well as some of the low density. They felt the necessary density had been reached in that area to support transit.

Commissioner Hales said if Council agrees with the Hearings Officer's rationale, it would then approve the modification (Item 217) with the new language about the covenant which sets both the minimum densities and contains the theoretical maximum density. The key policy question is whether 1,898 units is substantially equivalent to 2,103. He said he believes it is and will support the Hearings Officer's recommendation.

Commissioner Kafoury said she is very uncomfortable with this as she thought Molly O'Reilly gave a very solid argument about the level of densities needed. She noted other suggestions made by Ms. O'Reilly for changes in the Hearings Officer's recommendation if Council did not want to require the 2,103 and asked if these had been reviewed.

Mr. Bizeau said he was not sure exactly what she was getting at in terms of the changes to get up to 2,103. Staff has indicated the possibility of gaining density elsewhere and the applicant admits that too.

Commissioner Kafoury said the reality, however, is that they want to

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build at the lowest possible density.

Commissioner Hales said this case has an enormously long history and Council is trying to deal with subsequent phases of a PUD which was launched under a completely different Code. There is also a peculiar situation where some people in the neighborhood are arguing for more while others are arguing for less. Most applicants will increase density if the market allows and for this part of the City to have medium density and a commercial node at all is probably as good as it gets given the prevailing density and lack of transit service there now. He said he is comfortable with a PUD which shifts the density down along Miller Road near the school and commercial sites, particularly with some of the other changes before Council today, such as the Thompson Road improvement which is considerably more transit-oriented than typically seen in the City. This is a substantial gain and he is not inclined, at this point, to mandate another 100 units here or there out of a 2,000 unit project, given its general direction. He said even though there has been a lot of testimony about the minutiae of those density calculations it is hard to pull out practical suggestions about how Council might hold the applicant to a slightly higher standard than the 1,898. By giving them the opportunity to basically double the number of medium-density units over the minimum, Council is providing that opportunity but not mandating it. That is why he supports the Hearings Officer's recommendation.

Commissioner Lindberg asked Laurel Wentworth, Office of Transportation, if Transportation felt upholding the Hearings Officer would break the back of transit system.

Ms. Wentworth said no. What the City is trying to do is provide the greatest density at the point where the greatest service could be provided easily, in an area which Tri-Met does not service today. As the transition is made over time from a private facility to public transportation, the latter could more easily be served.

Commissioner Lindberg asked if she meant that the Hearings Officer's recommendation actually enhances the density, despite the lower number of units.

Ms. Wentworth said in terms of location that is certainly the case. In terms of overall density, it is a difficult decision since the higher the density, the more opportunity there is for transit to work. Here there is a clear tradeoff between where the density occurs -- in a very steep, arduous situation for transit to work at all -- and where one might make gains in the actual numbers. She said she cannot say whether or not this is at the point where it breaks the back of the transit system but this project is well within Tri-Met's density requirements with

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regard to the minimum number of units per acre needed to make transit work in the classic situation. This is not a classic situation, however, because it is not in a topographical location that can easily be served by transit. Instead, it is very difficult and both Transportation and Planning staff believe this is a good trade off.

Commissioner Kafoury asked if this is the end of Council and Planning Bureau oversight.

Mr. Bizeau said no, all the medium density development proposals will need to come through a Type III hearing review.

Commissioner Kafoury, noting Commissioner Hales' comment that the Barnes and Noble store should have had residential units on the second story, asked if there was room to be creative in this regard.

Mr. Bizeau said when the commercial area was originally conceived, that was not considered. He said it would be nice to be able to have residential over some of the commercial.

Commissioner Hales asked if some of those units could be built on or over the commercial project if Council approves the Hearings Officer's recommendation and there is room between the minimum and maximum medium density. He said this is a PUD with a commercial node, not zoned CN. Could Council approve a project with ground floor retail and housing on top and use some of the 400 units in between the minimum and the maximum medium density?

Mr. Bizeau said the only way that could be done today is through a major modification as the density is designated in pods throughout the PUD. If Council wants to put any into the commercial area, it would have to be done either in the contest of this condition or through a major modification to the plan.

Commissioner Kafoury said that means more time and money and does not seem fair to the developer.

Commissioner Hales said that is one option, but presumably Council could add a condition allowing that type of development without a major modification. It would still, however, be subject to review.

Mr. Bizeau said they would have to go through a Type III for any commercial project they bring in anyway.

Commissioner Hales asked if Council could specify in the conditions that multi-family units above the minimum provided in each of the remaining medium density phases could be added without major

modification.

Mr. Bizeau said yes.

Commissioner Hales asked the applicant and major opponent to respond to this suggestion.

Richard Whitman, attorney representing Forest Heights, said it would take a modification or a change in the condition before Council to allow this. He said conceivably they could get another 60 units in that area and have no objection to such a condition but would like it left as an option. He said putting additional residential development in the center next to the commercial and on the bus route makes sense.

Commissioner Hales said this would not count against the units they are required to build in the medium-density pods already but would be above that number, but below the ceiling.

Mr. Whitman said that was fine.

Arnold Rochlin, speaking for Forest Park Neighborhood Association, said they would like to see these units in addition to the 2,103 but that does not appear likely. He said they have no objection to enabling the applicant to use the commercial area for additional medium density housing, providing it does not result in a decrease in commercial use of the site.

Commissioner Kafoury moved to add a condition to accomplish this and make it easy for the developer to make modifications above the minimum floor.

Commissioner Hales said he believes that would be more appropriately added to Agenda Item 217.

Commissioner Hales called for the roll on acceptance of the Hearings Officer's recommendation to approve a modification.

Disposition: Tentatively accept Hearings Officer's recommendation. Applicant prepared findings for March 1, 1995 at 2:00 p.m. (Y-3; N-1, Kafoury)

***217**

Approve modification of the Preliminary Development Plan for Forest Heights approved in CU 68-81, at NW Miller Road and NW Cornell Road (Ordinance; LUR 93-00901 PU)

Discussion: Commissioner Hales moved to remove the emergency clause so that it can be modified as Council discussed above.

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Commissioner Lindberg seconded and, hearing no objections, it was so ordered.

Commissioner Hales moved to approve Commissioner Kafoury's motion to allow the development of additional housing units on the commercial site but not remove any units from the minimums required in each of the medium-density portions of the project and not reduce the floor area of the commercial area. Hearing no objection to that motion, Commissioner Hales moved to tentatively uphold the Hearings Officer's recommendation.

Disposition: Passed to Second Reading as amended March 1, 1995 at 2:00 pm. Applicant prepare findings.

218

Appeal of Forest Park Neighborhood Association against Hearings Officer's decision to approve modification to the street circulation plan for Phase 7 of the Forest Heights PUD (93-00902 PU; Previous Agenda 94)

Discussion: Commissioner Hales said the principal issue in this case was the connection of Miller Road through to Skyline versus the modified plan approved by the Hearings Officer which does not make Miller Road continuous north from Thompson to Skyline but instead establishes it as a neighborhood street system north of the Miller Thompson intersection and provides connection, not as a collector street, but through neighborhood streets instead.

Mr. Bizeau said essentially what Council would do here is uphold the Hearings Officer's decision to remove that portion from the preliminary plan as a modification, effectively at Thompson Road.

Commissioner Hales moved to uphold the Hearings Officer's recommendation in this case. Commissioner Lindberg seconded.

Mr. Kasting said findings will be needed and all the findings will be brought back as a package.

Commissioner Lindberg said he will vote aye based on the testimony of the Office of Transportation as he believes they made a persuasive case as to why the Hearings Officer's recommendation conforms to existing arterial and local neighborhood streets policies. Also, it is not totally cut off as there are connections allowing people to get through. It just is not a major thoroughfare.

Mayor Katz said she was voting yes for the same reason, that Transportation thinks this is the best alternative to keep the traffic from dramatically increasing on Skyline.

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Disposition: Tentatively deny appeal and uphold Hearings Officer's decision. Applicant prepare findings for March 1, 1995 at 2:00 p.m. (Y-3; N-1, Kafoury)

219

Appeal of Forest Park Neighborhood Association against Hearings Officer's decision to approve Phase 4 of the Forest Heights PUD (93-00898 PU SU IR; Previous Agenda 95)

Discussion: Commissioner Hales noted Mr. Bizeau's January 26, 1995 memorandum which recommends rewriting Condition HH (Page 6, Item 7) to deal with two lots that were deleted from the proposed site plan. The Condition makes it clear that prior to approval of some other phase where those two lots are added they will be dealt with through a Type II or III process. The second recommendation for a modification was to deal with the drainage reserve issue and make it clear that all water courses within the site must be located and that the measurement be 16 feet from the bank. (Pages 6 & 7 of Bizeau memo). He moved the recommendations for modifications included in Mr. Bizeau's memorandum of January 26. Commissioner Lindberg seconded. Hearing no objection, it was so ordered.

Commissioner Hales moved to deny the appeal and uphold the Hearings Officer's recommendation with those modifications. Commissioner Lindberg seconded.

Disposition: Tentatively deny appeal and uphold Hearings Officer's decision as amended. Applicant prepared findings for March 1, 1995 at 2:00 p.m. (Y-3; N-1, Kafoury)

220

Appeal of Forest Park Neighborhood Association against Hearings Officer's decision to approve Phase 5 of the Forest Heights PUD (93-00899 PU SU IR; Previous Agenda 96)

Discussion: Commissioner Hales said a number of issues repeated themselves in each of these phases and that is the case with one condition he would like to modify. That is the question of improvements on Thompson Road. It was unclear in the record as to whether Thompson Road would have to be improved to City standards as a condition of approval of these projects. He said he believes it should be, citing Exhibit D.1.b which requires that NW Thompson Road be designed and improved as a 28-foot curb-to-curb roadway with sidewalks on at least one side and selected widening and narrowing to fit the topography from the western to eastern boundary of the property. He said there are sections where the applicant does not own both sides of the road and Exhibit D.1.b. deals with that by making it clear that the sidewalk system must be continuous regardless of ownership. They may have to construct improvements on both sides in order to deal with

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the frontage question but there is language in the exhibit which makes those specifications clear and also deals with the intersection improvements at NW Thompson and Miller. He moved the addition of condition NN which includes the language from Exhibit D.1.b. Commissioner Kafoury seconded and, hearing no objection, it was so ordered.

Commissioner Kafoury asked about the storm drainage issue. She said it concerned plans for the creek areas and mitigation.

Mr. Bizeau said there was a concern that development of the storm and sewer lines in the drainage areas would impact the slopes and other adjacent lots, which were actually quite a distance away. He said the Hearings Officer's approval includes a very good mitigation plan which would be applied to any disturbances for sewer lines. The lines were also narrowed down from the original construction easement area.

Commissioner Hales moved to deny the appeal and uphold the Hearings Officer's decision with the addition of Condition NN. Commissioner Lindberg seconded.

Disposition: Tentatively deny appeal and uphold Hearings Officer's decision as amended. Applicant prepare findings for March 1, 1995 at 2:00 p.m. (Y-3; N-1, Kafoury)

- 221** Appeal of Forest Park Neighborhood Association against Hearings Officer's decision to approve Phase 7 of the Forest Heights PUD (93-00900 PU SU IR; Previous Agenda 97)

Discussion: Commissioner Hales said this is essentially the same set of issues as considered in Phase 5 and because both these phases abut Thompson Road, those improvements need to be added to this approval as well. He moved to add new Condition NN as referred to above to the conditions for this phase. Mayor Katz seconded. Hearing no objection, it was so ordered.

Commissioner Hales moved to uphold the Hearings Officer's recommendation and deny the appeal with addition of condition N-N.

Disposition: Tentatively deny appeal and uphold Hearings Officer's decision as amended. Applicant prepare findings for March 1, 1995 at 2:00 p.m. (Y-3; N-1, Kafoury)

- 222** Appeal of Nauru Phosphate Royalties, applicant, against Hearings Officer's decision to impose Condition I in approving application for Phase 5 of the Forest Park PUD (93-00899 PU SU IR; Previous Agenda 98)

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Discussion: Commissioner Hales noted that applicant objected to the fact that the condition requiring treated cedar shakes was being applied only here. He said he will recommend that the appeal be denied and that Condition I be maintained but outside this land use proceeding, he will ask the Fire Bureau, under an Oregon law which allows local exceptions to the Building Code, to seek a special exception for this entire area so that these conditions will apply to all construction in this area, not just this project. The objection was legitimate as it does not make much sense to require one developer, in a land-use process, to use treated shakes if others right down the street are not subject to it. He will ask the Fire Chief to take this request to the State Buildings Code Agency and designate an area in the Northwest hills for coverage by that exception. That, however, is outside this hearing and Council should go ahead and impose the condition in this case with the understanding that it will try to equalize its application through the other route.

Commissioner Hales moved to deny the appeal and uphold the Hearings Officer's decision.

Commissioner Lindberg asked when the administrative action would take effect.

Commissioner Hales said the project next door would be affected as soon as the State Building Code exemption was approved. Since this would go into effect at the building permit stage, it will apply to a lot more houses than would be affected by a land-use process.

Disposition: Tentatively deny appeal and uphold Hearings Officer's decision. Staff prepare findings for March 1, 1995 at 2:00 p.m. (Y-4)

At 2:50 p.m., Council adjourned.

BARBARA CLARK
Auditor of the City of Portland

Cay Kershner

By Cay Kershner
Clerk of the Council