



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 24TH DAY OF MAY, 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; Linda Meng, Chief Deputy City Attorney; and Officer Peter Kurranen, Sergeant at Arms.

On a Y-5 roll call, the Consent Agenda was adopted as follows:

CONSENT AGENDA - NO DISCUSSION

760 Accept bid of Basic Fire Protection, Inc. for installation of fire sprinkler system at fire station No. 3 for \$49,216 (Purchasing Report - Informal Bid)

Disposition: Accepted; prepare contract.

761 Accept bid of McCoy Plumbing, Inc. for plumbing retrofit for fire station No. 1 for \$89,000 (Purchasing Report - Bid 132)

Disposition: Accepted; prepare contract.

762 Accept bid of S-2 Contractors for Sellwood Basin CSO sump project unit 1 for \$583,086 (Purchasing Report - Bid 138)

Disposition: Accepted; prepare contract.

763 Accept bid of Copenhagen Utilities & Construction for Wheeler Basin phase 2, unit 2 for \$993,498 (Purchasing Report - Bid 139)

Disposition: Accepted; prepare contract.

764 Accept bid of HSE Mechanical, Inc. for odor control system installation at the Columbia Blvd. Wastewater Treatment Plant for \$279,700 (Purchasing Report - Bid 154)

Disposition: Accepted; prepare contract.

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765 Accept bid of K & R Plumbing for SE Sherman Street from SE 30th to 31st sewer reconstruction for \$200,763 (Purchasing Report - Bid 155)

Disposition: Accepted; prepare contract.

766 Accept bid of Advanced American Diving Service, Inc. for furnishing log booms - Dam No. 2 for \$125,538 (Purchasing Report - Bid 159)

Disposition: Accepted; prepare contract.

767 Vacate a certain portion of NE Jarrett Street, east of NE 138th Avenue, under certain conditions (Ordinance by Order of Council; C-9870)

Disposition: Passed to Second Reading May 31, 1995 at 9:30 a.m.

768 Vacate a portion of NE Flanders Street between NE First and Second Avenues, under certain conditions (Second Reading Agenda 707; C-9768)

Disposition: Ordinance No. 168822. (Y-5)

769 Vacate the east 20 feet of SE 7th Avenue north of SE Division Place, under certain conditions (Second Reading Agenda 708; C-9868)

Disposition: Ordinance No. 168823. (Y-5)

770 Vacate a portion of SW Virginia Court, under certain conditions (Second Reading Agenda 709; C-9874)

Disposition: Ordinance No. 168824. (Y-5)

Mayor Vera Katz

***771** Pay claim of Martha Guembes (Ordinance)

Disposition: Ordinance No. 168825. (Y-5)

***772** Pay claim of Shaheen Brodle (Ordinance)

Disposition: Ordinance No. 168826. (Y-5)

***773** Authorize Capital Improvement Notes (Ordinance)

Disposition: Ordinance No. 168827. (Y-5)

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Commissioner Earl Blumenauer

***774** Authorize the purchase of 12 microcomputers through the Oregon State Price Agreement and provide for payment (Ordinance)

Disposition: Ordinance No. 168828. (Y-5)

***775** Authorize the purchase of furniture and accessories through an Oregon State Price Agreement for a total of \$49,386 and provide for payment (Ordinance)

Disposition: Ordinance No. 168829. (Y-5)

***776** Authorize the Purchasing Agent to receive quotations for cast iron street light poles from prequalified suppliers without advertising for bids (Ordinance)

Disposition: Ordinance No. 168830. (Y-5)

***777** Amend agreement with Oregon Department of Transportation to provide right-of-way services for the SE Johnson Creek Blvd., 32nd to 45th Avenues Project (Ordinance; amend Agreement No. 50016)

Disposition: Ordinance No. 168831. (Y-5)

Commissioner Charlie Hales

***778** Contract with John Vosmek Architect for \$16,820 for design services at Alberta Park (Ordinance)

Disposition: Ordinance No. 168832. (Y-5)

779 Contract with R. W. Beck, a Seattle company, for professional computer software design services in the amount of \$13,500 (Second Reading Agenda 722)

Disposition: Ordinance No. 168833. (Y-5)

Commissioner Gretchen Kafoury

***780** Amend intergovernmental agreement with Multnomah County which provides for building permit issuance and related services (Ordinance; amend Contract No. 23176)

Disposition: Ordinance No. 168834. (Y-5)

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***781** Authorize contract with Commercial Affiliates, Inc., dba Carpet Resource Center, for recarpeting of the 9th Floor of The Portland Building in the amount of \$65,000 (Ordinance)

Disposition: Ordinance No. 168835. (Y-5)

***782** Authorization to apply for a total of \$1,950,000 in Housing and Urban Development funds (Ordinance)

Disposition: Ordinance No. 168836. (Y-5)

***783** Contract with the Chinese Social Service Center for \$12,000 for the Chinese Seniors Program and provide for payment (Ordinance)

Disposition: Ordinance No. 168837. (Y-5)

Commissioner Mike Lindberg

784 Accept completion of contract with Oregon Electric Construction, Inc. for medium voltage power system upgrade and pay retainage (Report; Contract No. 29199)

Disposition: Accepted. (Y-5)

785 Accept completion of the outfall and diffuser pipe and piping appurtenances project and authorize final payment to Northwest Pipe & Casting Company (Report; Contract No. 29467)

Disposition: Accepted. (Y-5)

***786** Call for bids for the Lincoln Park sanitary sewer system, authorize a contract and provide for payment (Ordinance)

Disposition: Ordinance No. 168838. (Y-5)

***787** Authorize a contract with the lowest responsible bidder for the Tryon Creek Wastewater Treatment Plant backup power system (Ordinance)

Disposition: Ordinance No. 168839. (Y-5)

***788** Amend contract with Northwest Geotech, Inc. to create new personnel classifications and adjust subcontractor billings, revise contract amendment procedures and appropriate funding (Ordinance; amend Contract No. 28770)

Disposition: Ordinance No. 168840. (Y-5)

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***789** Contract with HSE Mechanical, Inc. for installation of owner furnished odor control equipment at the Columbia Boulevard Wastewater Treatment Plant and provide for payment (Ordinance)

Disposition: Ordinance No. 168841. (Y-5)

***790** Amend contract with Black & Veatch for professional engineering services for Tryon Creek Wastewater Treatment Plant digester modification project and provide for payment (Ordinance; amend Contract No. 29138)

Disposition: Ordinance No. 168842. (Y-5)

***791** Contract with Suzanne Crane Engineering, Inc. dba Crane & Merseth Engineering/Surveying, to supply qualified engineering aides, engineering technicians, engineering associates, engineers and environmental engineers upon request (Ordinance)

Disposition: Ordinance No. 168843. (Y-5)

***792** Contract with five consulting engineering firms for design related services as required in the support of sewer, drainage and stormwater water quality facility design and projects (Ordinance)

Disposition: Ordinance No. 168844. (Y-5)

793 Call for bids for the construction of 16-inch and 6-inch water mains in SE Madison St., SE 19th Ave., SE Cooper St., SE 80th Ave., SE 87th Ave. and SE Barbara Welch Road (Second Reading Agenda 738)

Disposition: Ordinance No. 168845. (Y-5)

REGULAR AGENDA

***758** **TIME CERTAIN: 9:30 AM** - Authorize submission of the Consolidated Plan and application for grants from the U.S. Department of Housing and Urban Development (HUD) for grants under the Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), Emergency Shelter Grant (ESG) and Housing Opportunities for Persons with AIDS (HOPWA) programs for the Fiscal Year 1995-1996 (Ordinance introduced by Commissioner Kafoury)

Discussion: Commissioner Kafoury said this is a follow-up to the meeting held in January on block grants.

Cathey Briggs, Bureau of Housing and Community Development (BHCD), said they are asking Council for permission today to submit

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the consolidated plan to HUD. It consolidates four planning requirements into one and all members of the consortium must submit it together. Noting that public involvement requirements had been increased, Ms. Briggs said three public hearings were held. She reviewed the document and outlined some of the requirements for approval.

Steve Rudman, Director, BHCD, said this is the culmination of 2-1/2 years of work. It is a solid one-year plan but whether it will serve as a five-year plan is unknown because of the diminishing level of federal support. The Bureau tried to make clear what it is doing and what its priorities are. Over the next five years, they believe they must continue to shift responsibilities to other partners in the community. He said Council has supported this direction in the past and many program areas strengthen this approach. Program areas have been recategorized into nine groups which includes 33 service areas and translates into about 150 contracts for services annually. He said the plan balances two missions: 1) act as a safety net in providing basic and emergency services to low income individuals; and 2) target resources to specific areas for community development. He described some of their current activities and programs, including the addition of ways to measure effectiveness. They expect also to phase in an open allocation process to select providers and increase accountability. He noted that some may feel beginning the open process this year may be too aggressive, while others believe it is not aggressive enough. Nothing prevents Council from modifying the Plan, either for the current year or in the future. He said with the diminishing federal role, they estimate a decrease in funds of between 20 and 50 percent for FY 96-97. The only good part is the move towards performance-based grants and relaxation of some regulations. Finally, the Bureau believes this document will provide a good framework for its CORE review.

Janice Frater, 1300 SW 5th Ave., 97204, incoming chair of the Housing and Community Development Commission, described its review and public involvement process. She noted overwhelming public support for this plan. The Commission feels strongly that the system should move to strong performance standards and that forming partnerships is the only way to address the needs of all citizens.

John Annand, member of the Bureau Advisory Committee for BHCD, 2006 SE Rex, described the change of focus undertaken by the committee, which this year looked at nine program groups to see how they meet specific City needs. Eventually they hope to have performance standards for each program funded by the City.

Gail Castillo, Portland Development Commission (PDC) member, noted that many current housing programs are currently administered by

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PDC. She said Council must determine if it really wants PDC to compete for programs against other community-based organizations through the bidding process rather than working with them to increase capacity. PDC believes it should not be an either/or situation. It sees itself in the lender role and as continuing to provide support to community-based organizations. PDC also believes there are some conflicting goals in the plan. For instance, it will be difficult to increase the role of community-based organizations as housing providers and at the same time call for more units with less resources. This is because these organizations often need more time in order to produce high quality and quantity units. Again, PDC would prefer collaboration to competition with those organizations. PDC's strengths include technical knowledge and a proven track record in terms of the high number and quality of its housing units. It also has credibility with the business and financial community. PDC recommends that the City think about partnerships versus competition and about funding community capacity.

Ms. Castillo said another concern for PDC is the plan's suggestion that the workforce may be bid out in the future. PDC believes JobNet is effective because PDC, by framing workforce as a business issue, has been able to effectively position community-based organizations with the firms which are creating the jobs. It also works because all resources in the City are involved, including community-based organizations, universities, State agencies and others. The question is if this is working, why change it. The time and financial resources spent creating a new system could be directed to meet other needs.

Commissioner Lindberg asked if PDC was recommending that Council make changes to the plan.

Ms. Castillo said yes, they recommend that the City not bid out the JobNet but instead leave it with PDC as part of its economic development strategy.

Commissioner Kafoury said she did not think the information about bidding out is stated directly in the plan.

Ms. Castillo said the plan states that in the future there will be some consideration about bidding it out.

Mr. Rudman said for the coming year the plan talks about the appropriate role for block grant funding and workforce development. He said their issue is the appropriate role of block grant funding and BHCD anticipates working with PDC to clarify the investment of federal funds and whether they should be the sole or majority funding of this function in the City. However, at this point they are not calling for bidding out either JobNet or the workforce program. Wherever

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there is no open bidding, there needs to be an assessment. During the coming year they will work on how BHCD funds are used to support workforce development and who the beneficiaries are.

Commissioner Blumenauer asked if BHCD believes that PDC could bid competitively if this were bid out.

Ms. Castillo said the issue is whether Council really wants PDC to compete against the community-based organizations rather than working with them. PDC would prefer the latter because it believes recreating the network that they have established would be reinventing the wheel.

Jan Burreson, PDC Director, said it is all right to adopt the Plan as presented but they wanted to raise these concerns now, particularly about the workforce. They do not believe anybody else can do what they are doing as effectively or that it makes sense to spend the time and effort needed to put together a proposal. Mr. Rudman's issue about whether workforce funds should come from block grants or the General Fund is worthy of review. However, it is not a winning strategy to have people compete with the very people they need to work with.

Commissioner Lindberg said he did not recall, from earlier discussions, that JobNet would go out to bid, particularly if it is working well now.

Mr. Rudman said it has always been listed as a service area and the Bureau is trying to be consistent in its processes. These assessments do not necessarily mean the City must endorse an open-allocation process. For instance, Code enforcement activities should not be bid out. PDC is a lender to community-based organizations but has many different roles and it is hard to pigeon-hole them all in one place. Also, it is important that the City not rely upon federal funds as the major support for those activities. This issue needs more discussion.

Commissioner Blumenauer said this is the same issue the City has been discussing with the Office of Finance and Administration about allowing bureaus to bid for some of those services. Council should be clear that open-bidding is where the City is going rather than putting certain large chunks off limits. Council is looking at more competition across the board and will have to work out the delicate balance between competition and cooperation among members of the same family. This should not be any different.

Commissioner Lindberg said this is a new issue to him. He said he spent dozens of hours on these workforce programs and is extremely impressed with them. He said he needs more information as thousands of hours are spent preparing a proposal and this raises uncertainty

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about a current program that seems to be extremely successful.

Commissioner Kafoury asked if Council could agree to adopt the Plan since it does not dictate that.

Ms. Castillo said PDC just wanted to flag this now as a policy issue.

Ms. Burreson said they would support adoption of the Plan and she appreciates Council's desire to take another look at this area.

Commissioner Lindberg said he would like to have an informal on this.

Mayor Katz said the workforce issue will be considered Thursday but there are legitimate policy issues that need further discussion.

Ms. Burreson said block grant funds that fund some of the JobNet program are monitored by HUD every year so there is no doubt that PDC is spending block grant money on low and moderate income individuals.

William White, Housing Development Center, 2000 Martin Luther King, Jr., Blvd. Board Vice President, Community Development Network, said HCDC has done an excellent job on this Plan. Regarding the production of affordable housing, he said during the last three years the number of non-profit organizations developing housing has increased dramatically and he sees no conflict between increasing production and relying on community-based organizations. He said the biggest restraint is the lack of financial resources, not a lack of capacity of community-based organizations.

Commissioner Blumenauer said he likes the idea of opening this process up. With a reduction in resources of between 20 and 50 percent, there will be changes and no one is guaranteed continued tenure. The approach toward accountability should be embraced and he is confident the community-based organizations and bureaus can quantify what they do. If someone cannot compete, Council may still find that a compelling interest is served by retaining them. That should be a conscious decision.

Commissioner Kafoury said Council also needs to talk about community development as this is a major philosophical shift in the way government does business. She anticipates the day when community-based groups can deliver these services. Five years ago groups did not exist which could do the kind of housing production they do now and they never would have dreamed there was this capacity in the community. This document says it would like to see a shift towards that kind of activity vis a vis economic development.

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Mayor Katz said the issues flagged are very legitimate. The creation of 75,000 jobs in next 20 years is as daunting as building 50,000 additional housing units. An economic development policy incorporates workforce and it is critical that the City be as creative as possible in negotiating and monitoring First Source hiring agreements. Part of workforce is also developing research in targeted industries in order to provide proper job training to meet their needs. The area of health care also needs to be reviewed, as this is changing dramatically and the closure of Kaiser Permanente is only the beginning. The City needs to see how it might want to reshape the health care industries and what kind of educational and training programs need to be developed. All of that is part of workforce which is an integrated effort and ties together partners in the community. It deserves further review in all City bureaus but care must be taken not to destroy an integrated system. She said she has shared that concern with BHCD and believes a sound policy will come from them. Performance measurements are still weak and are more than counting job placements. They need to look at length of service, what other services are needed and how to move people up the career ladder to higher wages. Regarding the budget, she expressed concern about adding two new programs totaling \$100,000 at a time when there are potential cuts in programs for the homeless. She said she is also concerned that the graffiti removal program did not receive a grant.

Disposition: Ordinance No. 168846. (Y-5)

759

TIME CERTAIN: 10:15 AM - 1995 Seasonal Water Supply Contingency Plan (Report introduced by Commissioner Lindberg)

Discussion: Commissioner Lindberg said the current picture is very good and it looks like any drawdown would not begin until July. He said they are still running at a 10 percent reduction in demand, thanks to the conservation efforts by Council and staff. Because of the permit process, Bull Run Lake is not on line this year and there will be no need to use it.

Mike Rosenberger, Director, Water Bureau, said since 1992 they have developed a fairly rigid supply plan process. He referred to Appendix C, the Conservation Plan, which responds to Council's earlier directions. He noted the 10 percent reduction since 1992 in per capita water use and said they do not expect a water supply shortage this summer but, if there is a problem this fall, they expect to use the ground wells and surface water sources. He shared the Bureau's priority order in the use of water sources, noting that Bull Run Lake is not a part of the supply plan at all this summer. The Bureau will continue to update Council both on the water supply and the regional supply plan as it develops.

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Commissioner Hales asked about assumptions for use of the well field.

Mr. Rosenberger said they are assuming 18 to 53 million gallons for 60 days and 18 to 36 for the duration of the season. They could go as high as 53.

Commissioner Hales said last year it was 40 and asked if the ability to use the well field had been improved.

Mort Anoushiravani, Water Bureau Chief Engineer, said several other wells have been included this year so 40 is still a good number.

Mr. Rosenberger said they hope to go up to 72 mgd (million gallons per day) in the next 10 years from the same wells.

Jesse Loman, Assistant General Manager, Tualatin Valley Water District, said they support the plan wholeheartedly.

Mayor Katz asked for early warning notices about the implementation of any curtailment plan.

Mr. Rosenberger said they will come to Council anytime they find they cannot rely solely on the Bull Run reservoirs and conservation efforts. Based on current weather forecasts, they believe it unlikely they will have to go to other sources.

Commissioner Lindberg said because of the ongoing and aggressive conservation plan, it is a bit misleading to place it second on the priority list.

Commissioner Kafoury said she wants mandatory curtailment placed ahead of any draw on the Bull Run.

Commissioner Lindberg noted that is not an issue this year.

Mr. Rosenberger said perhaps both conservation and Bull Run should be ranked equally rather than one and two.

Disposition: Adopted. (Y-5)

Mayor Vera Katz

***794**

Authorize the Mayor and the City Auditor to execute a modification to the current Labor Agreement between the City of Portland and the American Federation of State, County and Municipal Employees (AFSCME), Council 75, Local 189 concerning certain employees of the Bureau of Emergency Communications (Ordinance)

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Discussion: David Rees, Bureau of Personnel Services, said this proposed settlement would resolve all remaining issues in the labor agreement regarding Bureau of Emergency Communications employees. It has been ratified by those employees.

Disposition: Ordinance No. 168847. (Y-5)

***795**

Establish pay schedules for nonrepresented classifications, set salary rates for elected officials, and specify the effect upon employees in the classifications involved effective July 1, 1995 and provide for payment (Ordinance)

Discussion: Kirk Berger, Interim Director, Bureau of Personnel, said this is consistent with the City's compensation policy and parallels what the City does with its represented employees.

Mayor Katz noted that this includes only the consumer inflation factor of 2.9 percent. She asked him to clarify the difference between Schedule A and B.

Mr. Berger said parallel salary schedules were created when Council decided to grant non-representatives a temporary 5.5 percent salary adjustment between December 29, 1994 and June 30, 1996 in order to treat all employees equally, Schedule A is the "real" salary schedule for the City and Schedule B includes the 5.5 percent adjustment. New employees, however, begin on Schedule A and then move to Schedule B after six months when they join PERS. As of July 1, 1996, that 5.5 percent will go away and everyone will return to Schedule A.

Commissioner Lindberg said unless something else happens, all non-represented employees will receive a 5.5 percent pay decrease in July, 1996.

Mr. Berger said yes, the parallel schedule is a constant reminder to employees that this is a temporary adjustment and will go away.

Disposition: Ordinance No. 168848. (Y-5)

Commissioner Earl Blumenauer

796

Accept street tree plan for the Southeast Johnson Creek Blvd. project (Report)

Discussion: Commissioner Hales said he appreciates the work that Transportation and Parks did to find a solution to this problem. In the future, both bureaus will work together to include street trees in new development projects from the beginning.

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Commissioner Blumenauer said Transportation and Forestry worked on this together from the beginning and have discussed ways that more emphasis can be placed on street trees in the future.

Disposition: Accepted. (Y-5)

797 Consider vacating a portion of SW 57th Place north of SW Taylor Court at the request of John C. Braestrup (Hearing; Report; C-9882)

Disposition: Approved: City Engineer prepare ordinance.

798 Appoint Peter Carlin to the Mt. Hood Cable Regulatory Commission (Report)

Disposition: Confirmed. (Y-5)

***800** Consent to change in control of KBL Portland Cablesystems, L.P., and KBL Multnomah Cablesystems, L.P., dba Paragon Cable, to Time Warner, Inc., with conditions (Ordinance)

Discussion: Ken Osuna, Vice Chair, Mount Hood Cable Regulatory Commission, said the Commission spent several months studying this change in ownership and held a public hearing in March. They believe Time-Warner is qualified, subject to the conditions agreed to. No changes in management or operations are planned at this time.

Mayor Katz asked if any changes are foreseen on this transfer.

David Olson, Director, Office of Cable Communication and Franchise Management, said no, the changes relate more to the impending franchise renewal as the current agreement expires one year from now. There should be some system changes over the next decade as other providers try to get into the business and the walls between the cable and telephone businesses come down. This transfer itself will not see those kinds of changes.

Kevin Kidd, Executive Vice President and General Manager, Paragon Cable, supported the transfer. He said the Commission and Mr. Olson conducted by far the most thorough analysis of any regulatory commission anywhere within the Time-Warner cable organization.

Disposition: Ordinance No. 168849. (Y-5)

799 Approve the Mt. Hood Cable Regulatory Commission FY 1995-96 Budget (Resolution)

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Discussion: Mr. Osuna reviewed the budget and highlighted some of the Commission's activities both during the past year and for the upcoming one, including resolution of customer complaints, rate regulation, franchise renewals and telecommunications planning.

Disposition: Resolution No. 35396. (Y-5)

801 Report to Council recommending granting a revocable permit to MCI Metro, for one year (Report)

Discussion: Mr. Olson said this and the following two items deal with granting a franchise to MCI Metro, successor to the old Western Union franchises. This will provide communication services for business and commercial clients and also settles litigation involving the validity of an 1894 franchise with Western Union. MCI Metro will set aside two fiber pairs for the City's internal use. This is a temporary permit allowing construction to begin as the actual ordinance will be held over until July.

Robert Taylor, attorney for MCI Metro, commended City staff for its grasp of telecommunications issues. They said the revocable permit will allow them to go ahead with construction.

Laurie Fisher, MCI Metro, said they provided a copy of the underground route they plan to construct over the next three months.

Disposition: Accepted. (Y-5)

***802** Grant a temporary, revocable permit to MCI Metro Access Transmission Services, Inc. and establish terms and conditions (Ordinance)

Disposition: Ordinance No. 168850. (Y-5)

803 Grant a franchise to MCI Metro Access Transmission Services, Inc. for a period of ten years (Ordinance)

Disposition: Continued to July 12, 1995 at 9:30 a.m.

804 Report to Council recommending granting a revocable permit to Metropolitan Fiber Systems of Oregon (MFS) for one year (Report)

Discussion: Brad Cheney, Project Manager, Metropolitan Fiber Systems, said his company prides itself on its quality of design and construction and will review with Transportation the possibility of doing

a directional bore to minimize disruption to the streets. They are anxious to begin construction as soon as possible after Rose Festival.

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Disposition: Accepted. (Y-5)

***805** Grant a temporary, revocable permit to Metropolitan Fiber Systems of Oregon, Inc. and establish terms and conditions (Ordinance)

Disposition: Ordinance No. 168851. (Y-5)

806 Grant a franchise to Metropolitan Fiber Systems of Oregon, Inc. for a period of ten years (Ordinance)

Discussion: Mr. Olson recognized the work of Mary Beth Henry of the Cable Office and City Attorney Ben Walters in negotiating this over the last six months.

Disposition: Continued to July 12, 1995 at 9:30 a.m.

807 Revise the City of Portland Purchasing Manual to include rules of procedure for administration of Good Faith Efforts in City construction contracts and guidelines for professional, technical and expert service contracting (Second Reading Agenda 750)

Disposition: Ordinance No. 168852. (Y-5)

Commissioner Charlie Hales

808 Grant a ten-year property tax exemption to Enterprise Development Company for new multiple-unit housing between NE 15th and 16th Avenues and NE Weidler and Clackamas Streets (Report)

Discussion: Mike Saba, Planning Bureau, said the Planning Commission recommends approval of this tax abatement, subject to certain conditions. These include: retention as a rental project; allotment of 15 out of 202 units as low-income; and inclusion of design landscape elements for 12,000 square feet of commercial space which would serve the neighborhood. This is the first large-scale project proposed in recent years for the Lloyd Center District.

Commissioner Kafoury asked about the progress of the tax abatement policy.

Mr. Saba said the committee has agreed on eight major policies and have established a working group to determine what the effect tax abatement would have on the City's housing policies. Monitoring and control will be the focus of the recommendations they will bring to Council.

Commissioner Kafoury noted that this has taken over a year and she is

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concerned about granting a tax abatement of this magnitude when Council said last year it would approve no more until there was a policy. If the committee cannot agree, perhaps Council should wrestle it out.

Mr. Saba said the one outstanding issue is whether there should be a price limit cap on the amount of exemption.

Mayor Katz asked him to push on that and then bring it to Council for action if agreement is not reached.

Mr. Saba said Commissioner Kafoury is also referring to the number of affordable units which should be required in this particular program. He said he has received mixed signals about this.

Commissioner Kafoury said Council has not discussed this and asked if it could be ready by July.

Mayor Katz said the major players should be told that Council would like to see this in July.

Commissioner Blumenauer said this should be celebrated as a way Portland can achieve its goals for a livable community.

Commissioner Hales said he will direct members of the banking community and others to look at this project as a model for them to follow.

Commissioner Lindberg said he remembers trying to convince the Lloyd Center Corporation in 1978 to build housing here.

Mayor Katz said she is happy to see this occur on the Eastside. It meets many City goals and shows how the City can help developers fill the financing gap without providing hard cash up front.

Disposition: Accepted. (Y-5)

***809** Grant a ten-year property tax exemptions to Enterprise Development Company for new multiple-unit housing between NE 15th and 16th Avenues and NE Weidler and Clackamas Streets (Ordinance)

Disposition: Ordinance No. 168853. (Y-5)

***810** Accept a \$47,000 grant from the Federal Emergency Management Agency (Ordinance)

Disposition: Ordinance No. 168854. (Y-5)

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Commissioner Mike Lindberg

*811

Amend Title 17 of the City Code to prohibit unauthorized collection of residential recyclables and establish penalties for such prohibited activities (Ordinance; amend Code Chapter 17.102)

Discussion: Commissioner Lindberg said this introduces penalties due to the theft of recyclable materials.

Bruce Walker, Bureau of Environmental Services, said they are having some difficulties with theft of recyclables out of the yellow bins. To stop this they propose to establish civil penalties, rather than criminal.

Jim Grew, Vice President and General Manager, Miller's Sanitary Service, Inc., said their drivers regularly see materials disappear. He said the theft is related to higher paper and cardboard tonnage rates.

Brian Engelson, General Manager, Eastside Recycling, said they have 52,500 customers and are seeing the same thing happening on a daily basis. Mainly, the theft is of newspapers taken from the bins. He said they tracked the amount of recyclables and have noticed a significant decrease over the prior year, representing a loss of \$184,000 a year. This is big business.

Commissioner Lindberg asked if the police and district attorney are trying to catch or prosecute anyone.

Mr. Engelson said no.

Commissioner Lindberg said they did not talk about this in the past because they did not want to let people know how valuable newspapers are. Perhaps that should change and there should be more publicity.

Mayor Katz asked where people sell this paper.

Mr. Engelson said at the buyback outlets

Commissioner Lindberg said if someone shows up with several tons of newspapers, that should be a red flag.

Mayor Katz said this is a good beginning but there is a need for more creative thinking.

Mr. Engelson said they are taking photos of perpetrators and distributing them to the buyback centers. City staff has been very helpful but newspaper theft from bins is not a high priority for the overburdened police.

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Commissioner Lindberg said losing \$184,000, however, is a very large amount.

Mr. Engelson said the hauler is made whole but it is really coming out of homeowners' rates.

Disposition: Ordinance No. 168855. (Y-5)

- 812** Amend Title 17 of the City Code to revise solid waste and recycling collection rates and charges in accordance with the 1995 Extraordinary Rate Review (Second Reading Agenda 697; amend Code Chapter 17.102)

Disposition: Ordinance No. 168856. (Y-5)

- 813** Amend Title 17 to revise sewer and drainage rates and charges in accordance with the fiscal year 1995-96 sewer user rate study (Second Reading Agenda 744; amend Code Chapters 17.35 and 17.36)

Disposition: Ordinance No. 168857. (Y-5)

- 814** Prescribe the rates and charges for water and water-related services by the City of Portland during the fiscal year beginning July 1, 1995 to June 30, 1996 and fix an effective date (Second Reading Agenda 746)

Disposition: Ordinance No. 168858 as amended. (Y-5)

- 815** Authorize the Bureau of Water Works to purchase equipment and software for the Automatic Meter Reading Pilot Project in an amount not to exceed \$148,547 from Sensus Technologies, Inc. without advertising for bids (Previous Agenda 747)

Discussion: Mr. Rosenberger said a question was raised as to whether this pilot project would jeopardize the Bureau's ability to enter into shared meter reading partnerships and technology testing with other utilities. The answer is no. He asked Council to approve this project now. At the same time the Bureau will enter into a partnership with Portland General Electric to test a technology currently under development. He said the Bureau already has a number of such partnerships with utilities and is currently exchanging research results. He said this is the only device on the market that works with water meters but they need to see if they work with pit-set underground water meters.

Commissioner Lindberg said he met several times with PGE and believes it best to move ahead rather than waiting a year or two to see what happens with an alternative technology.

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Commissioner Blumenauer said his concern was not with the details but the linkage with the utilities. He is hearing now that contacts have been made and this will help move that forward.

Disposition: Ordinance No. 168859. (Y-5)

City Auditor Barbara Clark

816 Assess property for private plumbing sewer connection contracts of the Private Plumbing Program for period ending April 25, 1995 (Second Reading Agenda 748; P0009)

Disposition: Ordinance No. 168860. (Y-5)

817 Assess property for sewer system development contracts of the Mid-County Sewer Project for the period ending April 25, 1995 and non Mid-County for the period ending April 26, 1995 (Second Reading Agenda 749; Sewer System Development Charges Z0601 through Z0603)

Disposition: Ordinance No. 168861. (Y-5)

At 11:55 a.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 24TH DAY OF MAY, 1995 AT 2:00 P.M.

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

OFFICERS IN ATTENDANCE: Cay Kershner, Clerk of the Council; Ruth Spetter, Senior Deputy City Attorney; and Officer Pete Gallucci, Sergeant at Arms.

Commissioner Gretchen Kafoury

819

Accept Kennedy School Master Plan and authorize the Portland Development Commission to enter into a Disposition and Redevelopment Agreement with Kennedy School, Inc. for the development of Kennedy School (Report)

Discussion: Steve Rudman, Bureau of Housing and Community Development, said the City received title to this long-neglected property in June, 1993 as part of a complicated four-party agreement with Multnomah County, the Portland Housing Authority and Portland School District. A committee has been meeting since June, 1993 to look at feasible development options.

Melissa Darby, 3327 NE Simpson, said the Kennedy School Task Force Master Plan is extremely excited about this private development proposal plan which is a true demonstration of how neighborhood activism can produce exceptional community benefits. She recognized City employees Barbara Madigan and David Nemo for their extra efforts as well as members of the Task Force.

David Nemo, Portland Development Commission, said they concluded negotiations several weeks ago and the final terms call for the City to sell the property to the McMenamins for \$617,000 and receive payment over 15 to 20 years. The developer will receive credit for the value of cash and non-cash donations for community use of the facility. In addition, the building will be completely restored and the developer will have two years to complete the project once it has determined its economic feasibility and financing has been obtained. McMenamins will participate in the Emerging Minority/Women and Small Business utilization, Workforce training and hiring and First Source hiring agreement. He showed slides of the site to illustrate its current condition and how it might be developed.

Disposition: Accepted. (Y-5)

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*820 Authorize the Portland Development Commission to enter into and manage a Disposition and Redevelopment Agreement with Kennedy School, Inc. for the sale and redevelopment of City property.
(Ordinance)

Disposition: Ordinance No. 168862. (Y-5)

821 Amend the Comprehensive Plan Map designation and zoning for the Kennedy School site from R5ah (High Density Single Dwelling) to CSh (Urban Commercial). (Second Reading Agenda 694)

Disposition: Ordinance No. 168863. (Y-5)

818 **TIME CERTAIN: 2:00 PM** - Appeal of Chinese Consolidated Benevolent Association against Hearings Officer's decision to approve application of Mental Health Services West for a conditional use to establish a single-room occupancy facility, mental health program, drop-in center and a 20-bed shelter at 310 NW Flanders (Royal Palm Hotel) (Hearing; 94-00951 CU)

Discussion: Ruth Spetter, Senior Deputy City Attorney, outlined procedures for this hearing and in the event of an appeal.

Mayor Katz called for statements by Council members of ex parte contacts and conflicts of interest.

Commissioner Kafoury said she has been heavily involved in the overall Shelter Reconfiguration planning, including the mental health facility. However, after consulting the City Attorney, she believes she can make an objective decision based on the land-use criteria, which is what today's decision will be based on.

Commissioner Lindberg said approximately three months ago he met with members of the Chinese community who stated their opposition to this project. He said he will provide the date and names to the City Attorney. He said that in no way has influenced him one way or another in dealing with this issue.

Ms. Spetter asked him to state why the Chinese community was in opposition.

Commissioner Lindberg said he would rather provide that in writing. He added that the opposition was based on the proximity of the facility to the Classical Chinese garden and was also seen as a setback to efforts to clean up crime and decrease drug use in Old Town. It might also have a negative impact on businesses and the economic development of that area.

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Mayor Katz said she also visited with members of the Chinese community about the same time. The issues were the same with the addition that they felt Mental Health Services West was not responsive to them and left them out of the process.

Commissioner Lindberg said the process issue was also raised in his meeting as members felt they had not been involved at an early-enough stage in terms of siting and location decisions.

Commissioner Kafoury said several months ago Bruce Wong came to her and raised concerns as to why the Chinese Consolidated Benevolent Association (CCBA) had not been involved in the process. She said she has worked weekly with many of the people involved as applicants here but believes she can make an objective decision on the land-use criteria.

Mayor Katz said her office tried twice to arrange mediation with both sides but on both occasions the CCBA was not interested.

Susan McKinney, Planning Bureau, summarized the proposal, noting that the applicant seeks a conditional use to establish a 20-bed shelter as part of a facility serving the chronically mentally ill population who live and congregate in the Old Town/Downtown area. The overall proposal includes a 32-unit single residential occupancy (SRO) facility, a mental health program and a drop-in center. The proposal does not include the importation of 52 new transients to the area. The facility will be housed in the Royal Palm Hotel, which previously functioned as a 40-unit SRO operated by the Union Gospel Mission shelter. She said the original application included a request for a parking adjustment but that is not being pursued, since there is no parking requirement in the CX zone unless it is required by the Downtown Parking and Circulation Policy. That Policy does not require parking for this use. However, the applicant has proposed to lease three parking spaces nearby. She described the services that will be provided, noting that beds will not be allocated on a nightly basis but assigned after an interview and intake process. The project will be operated in close conjunction with Project Respond, a team of mobile mental health counselors which assists homeless, mentally ill persons. She said the dormitories will provide stable, sustained housing to help residents' transition into long-term living situations. The site is zoned CXd, central commercial with a design overlay; the SRO facility, mental health program and the drop-in center are all allowed outright. The shelter portion is regulated by Chapter 33.285 which lists standards that mass shelters must meet in order to be allowed without a conditional use. One standard limits the number of shelter beds and in the CX zone that limit is 100. If the establishment of a shelter exceeds that limit, it must be reviewed through a Type III conditional use and at that point those standards drop away and there is no limit to density. The proposal was reviewed

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against the conditional use criterion for specific group living uses in the C (Commercial) zone and was approved by both the Planning Bureau and by the Hearings Officer, with some conditions.

Ms. McKinney showed slides of the site, noting that the area is predominantly commercial, with the nearest residentially-zoned land approximately 600 feet away, on the east side of Front Avenue. She said the owner of a parking lot directly north of the site, the Mt. Hood Chemical Corporation, supported the proposal with certain conditions, including installation by the applicant of a fence around the parking lot plus liability insurance coverage. However, the Hearings Officer determined those proposed conditions were not necessary in order for the proposal to comply with the conditional use criteria.

Ms. McKinney said the appellant raises a number of issues, many of which were addressed by the Hearings Officer and by the applicant's representatives. She summarized the appeal issues and the City's position. The first issue is that the Shelter Location policy is a mandatory approval criterion. She said Conditional Use Criterion D states that the proposal must be consistent with any neighborhood or urban renewal plan adopted by the City Council. Relevant area plans adopted by Council include the Central City Plan, the Downtown Plan, the Transportation Element goal and related policies. The Shelter Location Policy regulates City-controlled funding for low-income housing and does not apply to projects for which application of funding was made before July 1, 1994. Funding for this shelter was secured before that date and therefore, this policy does not apply. The second issue raised by appellant is that the Central City Plan's 100 shelter bed limit within a 1,300 foot radius prohibits this development. However, Ms. McKinney said that limitation is found, not in the Central City Plan, but in Code Chapter 33.285. She said she assumes appellant makes that argument because of language in Policy 16 in the Central City Plan which limits the maximum number of total permanent shelter beds in the district to 252. Until January, 1994, similar language was contained in the Central City Plan District of Title 33 but as a result of the Fair Housing Strategies adopted by Council in December, 1993, the shelter bed cap and additional language regarding shelters and SROs were removed from Title 33 and the density standard was implemented instead. Through an oversight, language concerning the cap was not removed from the Central City Plan in Title 33. However, Council recently adopted the River District Plan which removed that language from the Central City Plan. Appellant argues that because the language still remained in the Plan at the time of the application for this conditional use, it still applies. Staff disagrees as, in addition to recognizing the intent of removing the language from the Code and the obvious oversight in not removing it from the Central City Plan, the language in the Central City Plan specifically refers to permanent

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shelter beds. Permanent beds do not include extreme weather shelter beds. Language which was removed from Chapter 33.510 stated that extreme weather beds are not included in the 252 bed cap. The current capacity for shelter beds in the north of Burnside subdistrict is 340 of which 172 are only for the period between November 1 and March 31. Therefore, only 168 beds are permanent and subject to the 252 bed cap in the Central City Plan. Therefore, the recently removed language in the Central City Plan does not apply.

Regarding the third issue, Ms. McKinney said scenic resources are not limited to the inventory map. She said the Scenic Views, Sites and Drives Inventory identifies those scenic resources which have been adopted by Council to comply with statewide Planning Goal 5. If a resource is not included in the Inventory it is not a designated City resource. Areas zoned for Open Space are distinctly separate from designated scenic resources and development and uses which do not yet exist cannot possibly be designated scenic resources. The fourth issue is that the proposed facility is inconsistent with the character of the zone it is located in and surrounding uses, as called for by Criterion A. Ms. McKinney said the slides show that area uses are widely divergent and this facility will not change the way it has been for many years, except to improve it. The fifth issue relates to livability in nearby residentially-zoned lands. Criterion B asks whether a proposal will have significant adverse impacts on the livability of nearby residentially-zoned land. Appellant proposed a 1,320 foot radius to define nearby lands and further argues that even though land within that area is not zoned for residential uses, this Criterion should still apply because residential uses are allowed in commercial zones. However, the closest residential-zoned land is 600 feet away and there are no other residential-zoned lands for at least half a mile from the site. The Hearings Officer determined that even if "nearby" was defined as 400 feet, the proposal would not have significant detrimental impacts on the livability of nearby residentially-zoned lands. In fact, livability would be enhanced by providing shelter for 20 persons who currently live on the streets. Appellant's sixth issue is that the privacy and safety of nearby residential areas are not secured. The Hearings Officer determined that within 400 feet of the proposed facility, there are no residential zoned lands and the proposal would not present privacy and safety concerns within that area. Issue seven concerns the adequacy of public services. Ms. McKinney said the Downtown Parking and Circulation Policy does not require this use to have parking and the existing Transportation system can easily accommodate this use as it is highly unlikely that homeless persons will be driving to this site. The Portland Office of Transportation recommended approval of the site. Appellant also charges (issue eight) that police services are inadequate. A letter from Chief Moose states that the proposal will enhance the safety of the area. Regarding the ninth issue, that area plans are not

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satisfied, Ms. McKinney said Planning staff agrees with the response from the applicant's representatives. She said the remaining issues address Open Space, Central City Plan policies and the Chinatown Plan. She said the policies listed by the appellant as being left out simply do not apply. The Hearings Officer's decision and applicant's response to the appeal statement adequately address the remaining issues and City staff agrees with both and requests approval of the Hearings Officer's decision. She read the relevant approval criteria into the record.

Robert Simon, attorney representing the appellant (the CCBA), said the Chinese and Asian community see this not as simply a matter of 20 more shelter beds but as an issue involving promises made by the City in 1981 to the Chinese community about its objectives regarding Chinatown. Those promises are being broken for the sake of these 20 additional beds. No one in the Chinese community fails to support the Fair Housing Strategies and Commissioner Kafoury's efforts to find places for homeless people to go. However the Chinese community wonders about the broken promises, as contained in the 1981 Downtown Plan and 1988 Central City Plan, the 1990 North Downtown Development program, the 1993 Shelter Reconfiguration Plan, the Clark-Sheils agreement and, most recently, the Mayor's effort to get land donated for the Classical Chinese garden. Asian memory is generational and Asian communities remember when something is promised them. He asked when Council has seen such opposition from Asian people and a virtually unanimous outpouring of letters from Chinatown businesses condemning these additional beds in this area. He said this community feels the decision was made in 1992 that this is where the beds were going to be placed and a funding decision was made to give \$400,000 to Mental Health Services West from community block grant funds to enable them to buy that building. They bought it prior to obtaining the permit for this use so when the Chinese community is confronted with the conditional use application, it believes this is new. Regarding the Mayor's reference to mediation efforts, Mr. Simon said the item was placed on CCBA March meeting agendas but the applicant could not attend. He said CCBA has offered to repurchase the building because it believes it knows better the uses to which that building can be put consistent with the City's promises about what Chinatown was going to be. Twenty more shelter beds was not part of the package for economic rejuvenation and investment and that is why there are hundreds of letters from the Chinese community in opposition.

Mr. Simon referred to a statement by the Hearings Officer that livability is not an issue because there are no residential-zoned areas and the impact area is only 400 feet. He said appellants have proposed a very reasonable impact area of a quarter mile, 1,320 feet from the site, and contended that the City must look for impact within that area.

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There is no support in the record for the arbitrary 400-foot boundary determined by the Hearings Officer who indicates that the area of refuge, two city blocks, is one from which homeless individuals will not stray. He said they submitted evidence that homeless people do travel out of the area of refuge or they would not be found in the North Park Blocks, Waterfront Park or Union Station. Livability does matter and is an approval criteria. He asked that the study area be expanded from 400 to 1,320 feet to let those concerns be raised. He noted concern raised by the Montessori School in the North Park Blocks about the proliferation of homeless people in that area. He said the fundamental issue is whether the conditional use livability criteria applies only to residential-zoned lands. Does that mean conditional use criteria do not apply in the center of Portland simply because there is not a capital R (for Residential) in front of the zoning designation? Such a definition is not found in the Code. He asked if the City addressed the Union Station project in the same way. The City has to take a policy position that residential-zoned lands includes lands with residential uses, which are permitted uses. He asked for denial of the application.

Commissioner Lindberg referred to the statement about broken promises. Were those promises made specifically in writing.

Mr. Simon said the 1981 plan states that its purpose is to promote residential districts, encourage and reinforce Oriental restaurant concentration along NW 4th Avenue and encourage supportive land uses in industrial areas. The 1988 Central City Plan talks about implementation of the Chinatown development plan. That is a promise and 20 additional shelter beds are not included in that.

Commissioner Lindberg asked if what he meant was that because the shelter beds were omitted as a specific reference, that is a promise that they would never be there.

Mr. Simon said that would be too narrow because exactly the opposite is proposed by these plans. These plans propose economic development, residential uses, tourism, etc. There is an express promise that these are the items the City is trying to introduce to Chinatown. Shelter beds and social services to the homeless are not on that list.

Commissioner Lindberg said that does not sound like a definite promise and he does not see the logic of that.

Mr. Simon said that is so Occidental. Asians do business on a handshake. To say that if something is not expressly in the contract, there is no obligation to do it, as Occidentals do, is completely incomprehensible to Asians.

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Commissioner Lindberg said he does not think the Chinese Garden was in the 1988 documents and believes that if the City wanted to do it, that could be interpreted as breaking a promise, too. He said if the City said they were never going to put this type of facility in and then went ahead with it, that would be a broken promise.

Mr. Simon asked why the 250 bed cap was added to the Central City Plan if that was not a commitment. Now staff is asking that a distinction be made between permanent and non-permanent beds. What is the point. To the Chinese community, it appears that the City is saying ignore that promise about the 250 beds and read it very narrowly in order to get around it because 10 beds over that are wanted.

Commissioner Lindberg asked for clarification as to what definite promises were made.

Robert Wong, President, Chinese Consolidated Benevolent Association, said Oregon has never been kind to its immigrants and Chinatown is a clear example of discriminatory practices. He said all the plans adopted by the City included promises to Chinatown to cap social service shelter beds and to consult with Chinatown regarding the location of social agencies in the area. These are broken promises to a community which built the China Gate and presented it to the City to further identify it as a major gateway to the Pacific Rim countries. He described other civic activities and improvements the Chinese community has made to enhance the City. In return, the City is siting a new social service with Mental Health Services West and that does not seem to be a fair trade. He asked if this was an example of racism and why Chinatown is being treated as a dumping ground for still another facility. The placement of the Mental Health Services West facility here is inappropriate and it should be relocated in order to redistribute a fair share of this social burden. Mental Health West maintains the population to be served already lives in this area. With Project Respond, however, they control an area 10 times greater than Chinatown and their clients will be funnelled into this area. These people will be free to come and go, creating more problems for Chinatown but fewer for the areas outside Chinatown. He said in the light of the tremendous investments made toward establishment of the Classical Chinese Gardens and language school, they are concerned with the safety of children and protecting other investments planned for the area.

Louis Lee, 318 NW Davis St., 97209, described the work done on the Chinatown Development Plan, contending that this proposed facility will adversely affect the Chinatown businesses and force some restaurants out of business. He said he sees no valid reason to encourage other investment into the area. Regarding the Central City

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Plan, the bottom line is fairness. He said the Chinese community understands the need for such services but believes they must be shared by all neighborhoods. He said there are already three social service agencies within the 10 square blocks designated as Chinatown. To add a fourth one is not fair.

Commissioner Lindberg noted that 12 or 13 restaurant owners signed the petition against this application. He asked what specifically might happen to force them to relocate if this facility were here.

Mr. Lee said he is an accountant specializing in restaurants. They rely on foot traffic and convenience and the fact that this facility will be located here and the fact that the mentally disabled are free to go and come from this facility makes his clients uneasy.

Ron Eng, Chair of the Chinatown Development Committee, 5025 SW 77th, said a recent letter from John Southgate at the Portland Development Commission informed them that the Union Station project would be coming in with 720 units of housing. The letter stated that in order to have access to downtown they will have to connect to 3rd Avenue. He said he does not mention that for the return trip back North, they will presumably have to use Fourth Avenue, right through Chinatown. This puts a shadow on the location of Mental Services Northwest as it will place their clients on a very busy street because of the increased traffic, which could increase tenfold. He said he is afraid the presence of the mentally ill will raise a safety factor and said if Council gives the Chinese community a chance they could have the best Chinatown in the Pacific Northwest because of the development that is planned, including housing, the Chinese garden, development around Union Station, etc.

Yoshio Kurosaki, Vice President, Mt. Hood Chemical Corporation, 4444 NW Yeon, 97210, said they own a parking lot across the street from the Royal Palm Hotel. He said because of their concern about the safety of their parking customers they proposed several conditions to Mental Health Services that would remedy these concerns, including supervision, installation of a fence and extension of liability insurance to cover residents' activities outside the shelter. They expected to work things out but instead Mental Health Services West stated that Mt. Hood's concerns and conditions were unreasonable and refused to respond. He said they are very disturbed that it has chosen this way to handle problems with neighbors as it makes it impossible to trust its goodwill about working out problems that may occur in the future. He also believes that gathering all the mentally-ill individuals into one small shelter will increase concerns in the immediate neighborhood. He said residents of the shelter will have the freedom to enter and leave the facility as they wish and Mental Health Services West refuses to

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control their activities once residents step out of the shelter. He said the Old Town/Chinatown community already houses 32 social facilities and this additional one places an unfair burden on the neighborhood.

Shelly Wong, 30 SE 10th, read a letter on behalf of her father, Bruce Wong, President of the Classical Chinese Gardens Association. The letter stated that the Hearings Officer's decision is flawed, as is Dan Steffey's. No one will answer the question as to who will return people who have been picked up when they refuse treatment and leave the shelter. He asked if Council was willing to guarantee that this is done. The letter called approval a "done deal" and asked for help in keeping Chinatown from fragmenting because of this action. Speaking for herself, Ms. Wong said she will support any decision Council makes but Chinese young people want to take pride in their community and that is why they are sharing their concerns.

Mayor Katz said on these kind of issues there is no such thing as a "done deal" and Council does not talk about these quasi judicial cases among themselves.

Dawn Liu, 1839 N. Terry St., 97217, speaking for her mother Rebecca Liu, principal of the Chinese Language School, cited efforts the Chinese community has made to improve Chinatown and stated opposition to the location of the proposed facility, which is a good one, right in the middle of Chinatown. She questioned where people who are brought to the facility for treatment will go if they refuse it. She said the answer is, they will go directly into Chinatown. Because many people who come to Chinatown do not speak much English, especially senior citizens, a language and social service block will make it difficult to handle any potential confrontation. She said responses from students and parents at the Language School show that two out of 87 student responses favor the services of the mental clinic. The Hearings Officer included one of those two in her report, failing to mention the 85 in opposition, except to point out the fears of a few young children. After the responses were reviewed, the children were addressed immediately about their misconceptions of the mentally ill and now have a better understanding of the situation. She stressed that they are not trying to discriminate against the mentally ill, merely to state their opposition to the location of this facility, which could very well damage their development plans and destroy the only Chinatown in the state of Oregon.

Art DeMiro, Venerable Properties, 322 NW Fifth Ave., said he is involved in property management and redevelopment efforts in the area. He said several months ago he testified before Council in opposition to approving a liquor license for Stars. In denying that request, Council stated that one reason was because of the fragileness of the

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neighborhood and its commitment to support a new Old Town/Chinatown, one attractive to new businesses. Today's decision is very similar to that one, although for a more noble use. He said Old Town has a lot to offer but the one objection they face on a regular basis is location. He said he constantly must convince potential tenants that Old Town is not as bad as they think, as it is perceived as having an undesirable proportion of homeless people and drug users. Proposed development plans for the City all require a vibrant and attractive Old Town/Chinatown and approval of this will be a step backwards.

Jack Whitney, Portland Fish Co., said Ocean Beauty Seafoods owns 87 percent of the property adjacent to the proposed facility and fears for employee safety due to problems caused by transients in the past. He said while they are not a retail business, they do have customers and are concerned with the perception. They strongly support what the Chinese community has done to improve the situation in the past few years and would hate to see this reversed. There needs to be a facility for the mentally ill but this neighborhood is doing a fairly good job of accommodating some of the problems that already exist and should not be targeted for more. He said they are considering relocation and are concerned about their property values.

Paul Norr, attorney representing Mental Health Services West, Inc., said this organization has a long history of exemplary services to the chronically mentally ill and now has 12 facilities, only one of which is located in the Old Town area. This is not a fly-by-night operation. He said a review of their annual report will give one an idea of how deep their support runs in the community. This is a conditional use case and nothing else. He said the basic premise of the opposition is simply wrong. They claim this facility will create safety problems and hurt the livability of the area, but the opposite is true. This facility will improve public safety and create a better environment. This project is part of the step forward people are talking about. Planning staff, the Hearings officer, the Chief of Police, Portland Chamber of Commerce and many other community organizations agree. He asked Council to approve this application.

June Dunn, Mental Health Services West, Inc., cited a prior incident where neighborhood opposition melted away after Mental Health Services demonstrated that a similar facility would not negatively impact the neighborhood and that the mentally ill could live successfully in communities. She said they have made that kind of progress with every neighborhood association they have worked with and are determined to do it here as well. There have been some misunderstandings in their communications but they are very open to working with the Chinese community to make them feel safer. Mental Health Services West believes strongly that they can come through on

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the promises they have made.

Dan Steffey, consultant, 808 SW 3rd St., Suite 580, described efforts made over the past few years to increase the livability and safety of Old Town. Upholding the Hearings Officer will not dump more problems on the community but will, instead, continue a decade and a half of public policy that Mental Health West is helping to implement. One will always hear "not in my backyard" arguments when siting public service facilities but Mental Health Services West has overcome such fears in the past. This is an application by a quality operator who is proposing a quality program in response to a pervasive need and in furtherance of over 15 years of public policy. The objections raised will evaporate when the reality of the facility is experienced.

Commissioner Lindberg asked if Mr. Steffey could give a brief profile of the people being served.

Mr. Steffey said that will be covered in later testimony but basically one has a choice of having untreated people on the streets or people being treated in a program.

Mayor Katz asked the proponents to address the programmatic issues raised by the Chinese community in terms of what happens if people refuse treatment.

Bradley Heath, 710 SW 2nd Avenue, Manager of Residential Services Program, Mental Health Services West, said they are not about dumping on their neighbors. He said they have approximately 12 other properties in eight other neighborhoods and in each case have gone through extensive siting processes with the neighbors, as well as continuing dialogues with the neighborhood associations. They have had very few problems with safety and received very positive feedback from neighbors. He said he was involved in siting the Royal Palm and noted that Mental Health Services West conducted a series of presentations to a number of community organizations beginning in October, 1993. They also participated in a series of meetings with CCBA and Historic Old Town (HOT) representatives to address their concerns. When their opposition became apparent, Mental Health Services West held further meetings and tried to find an alternative site but that was fruitless. Neighborhood mediation was offered but CCBA declined, which is unfortunate as many of their concerns could have been addressed this way. He said their fears about safety, livability and compatibility are unfounded although understandable. He asked Council to consider the track record of Mental Health Services West in making its decision.

Greg Close, Board Chair, Mental Health Services West, 806 SW

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Broadway, Suite 700, 97205, said the Board was distressed to learn here was a problem with the Royal Palm and the CCBA and decided to meet with the CCBA and HOT earlier this year to try to address any specific concerns about the project. The meeting did not go well as CCBA's sole agenda was to force this project to move and it was unwilling to discuss any solutions. The Board has made further overtures to the CCBA and is still interested in trying to reasonably solve these concerns. However, since project funding is tenuous, they plan to move forward with the permanent portion of the project regardless of what is decided about the 20 shelter beds in the conditional use request. He said he believes that the 20 beds is not the real issue with CCBA, it is Mental Health Services West operating a facility in that location. That is not the conditional use issue.

Dr. Susan Beattie, Director of Intake and Emergency Services, Mental Health Services West, 720 SW 2nd, said she helped secure HUD funding for the Royal Palm and also oversees the operation of Project Respond, the mobile crisis response team.

Mayor Katz asked Dr. Beattie exactly what these 20 beds are going to be used for, the profile of the patients and how they are going to be taken care of medically and socially.

Dr. Beattie said the conditional use is necessary only for the shelter portion of the project. The shelter beds will be used for homeless individuals currently living in shelters or on the streets who are not ready to go from a communal living space into their own apartments. To serve that population effectively, a dormitory is necessary until they can be transitioned into the SROs on the second and third floors. The individuals they expect to work with are visible on the streets and their appearance stimulates feelings of both concern and apprehension. Project Respond provides outreach to individuals who live on the streets or in the shelters and also works with concerned businesses and employees, apartment managers, etc. to mediate problems and provide services. She cited, as an example, Project Respond's successful handling of a bookstore patron who began to behave bizarrely.

Mayor Katz said Project Respond tries to talk to mentally ill individuals to see what can be done. What will the conversation be in regards to the 20 beds? She asked if people could be picked up without their permission.

Dr. Beattie said no, it is voluntary and the client is free to go with them or not. It is a process of persuasion for individuals who appear to be in need of the service.

Mayor Katz asked if police officers will bring them into facility?

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Dr. Beattie stressed that individuals will not be brought here against their will by the police or anyone else.

Mayor Katz said what if a police officer brings someone in who does not want to stay even though they are still aggressive or hallucinating.

Dr. Beattie said they have arranged to have a security person on duty all evenings and nights. Project Respond also works closely with community organizations such as CHIERS and the police and can use those partnerships to get people where they need to go. There will be some coming and going but there already is coming and going.

Mayor Katz said the concern is that you will be picking up people in other neighborhoods and if they cannot be cajoled into taking a bed, they will be on the street again.

Dr. Beattie said Project Respond will return them to the place they were picked up if that is the individuals' desire.

Mayor Katz asked about the drop-in center and whether people will stand outside in a line.

Dr. Beattie said no, that concern is unfounded. The purpose of this program is to be welcoming and accessible rather than have people queue up for services. They expect people to walk to the center and participate in services for some period of time and then return to wherever they go.

Mayor Katz asked if they would turn away people currently standing in line at other facilities.

Dr. Beattie distinguished the general homeless population from the mentally-ill homeless population. This program is not designed to work with the general homeless population and it is primarily these who stand in line at other facilities.

Commissioner Lindberg asked if these people would be highly likely to commit a crime. Or is this more a case of aberrant behavior? Are these people dangerous enough to deter people from coming down to area businesses?

Dr. Beattie said mentally-ill persons are much more likely to be victims than victimizers. Mental illness does not make one either a criminal or drug addict nor does it protect one from being a criminal or a drug addict. Treatment aims to ameliorate the symptoms.

Mayor Katz said she understands that programs are not a part of the

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conditional use criteria but she is not sure that Mental Health Services West has made the programmatic aspects clear to the community. This is probably the only place to have that discussion although she knows this cannot be used to vote for or against the proposal. She said she would like to hear from someone that they have thought through the programmatic implications.

Mr. Heath said the mentally ill have a less predatory profile than those who are not. However, there are situations where they do become assaultive or aggressive. Project Respond has become extremely sophisticated in dealing with these individuals and has the ability to put them on an involuntary hold for five days.

Ms. Dunn said they are not in the business of dealing with dangerous people except to remove them to involuntary commitment.

Commissioner Lindberg asked if the net effect then would be an improvement of safety.

Ms. Dunn said that is what they strongly believe.

Commissioner Lindberg asked her to comment on the assertion by people in the Chinese community that this will be a dumping ground for the mentally ill from all over the City.

Ms. Dunn said they also try to remove such people out of the Central City to permanent housing. It is true that people move in and out but their aim is to add safe programs and get them into a countywide care system.

Mayor Katz said nothing in the recommendations includes a monitoring committee of representatives of Mental Health Services West and the neighborhood association. She said usually when a community is really upset and perceives a potential problem, there is a joint committee to monitor what is going on. She said forming such a committee might be one way of letting the community do this. She said she still does not know exactly who will be coming into the facility and what happens to the three or four people who do not want to stay and end up back on the street. The Mayor reminded those present that this is a conditional use based on some very clear criteria and none of the concerns she has been talking about are listed in the criteria, although they are very important to the community.

Sergeant Carl McDade, representing Police Chief Moose, stated the Chief's support for this proposal. Regarding the violent mentally ill, the Police will not bring them to this facility but rather to a designated hospital where they will be examined and put on a five-day hold. If an

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officer in central precinct, for instance, were to find a mentally ill person who he felt was non-violent but might be assisted by Mental Health West and this person was willing to go there, that person might be taken there. He said they are restricted in where they can take people who they believe are dangerous to themselves or others and this is not one of them. He said occasionally they are called by the Mental Health Services drop-in center at 2nd and Morrison when someone is acting violently and staff believes they need to be taken into custody. That would be the same at the new facility. This is good because it means that someone has gone to Mental Health Services West to have their crisis instead of on the streets and the more such facilities that we have, the safer the streets become.

Commissioner Blumenauer asked where people are more likely to lose control of themselves -- when they are unsupervised on the street or when they are in such facilities.

Officer McDade said the chronically mentally ill who are supervised are less likely to be in crisis, especially if they know somewhere they can go when they approach a crisis state. He said, as a trainer of police officers in how to treat the chronically mentally ill, he tries to overcome some of the untrue stereotypes about them. He said in 24 years of experience, he has found chronically mentally ill people are statistically no more dangerous than the general public and are generally more likely to be victims than predators. He said while he understands the community's concerns, the Police Bureau believes this project will increase safety on the streets.

Philip A. Kalberer, 234 NW 5th, Association for Portland Progress (APP), described APP's participation in development of fair housing amendments to the zoning code and its support for the Shelter Reconfiguration Plan. The goal of both is to provide needed social services for poorer citizens in a way that disperses the impact equitably throughout the community. They have supported the decentralization of services for the homeless in the North end of downtown. He said Mental Health Services West met with APP representatives in April, 1994 regarding plans for the Royal Palm. APP's support was conditioned on knowing what services would be relocated outside the neighborhood if this proposal was approved. Since then the City has taken steps to downsize the Glisan Street facility by moving the women's shelter to the East side. The Royal Palm facility is an important piece of the Shelter Reconfiguration Plan and, with the move of the women's shelter, the concentration of services does not change. APP believes the conditional use should be granted. He said he understands the fears about dumping people here but from his many years training he knows that the chronically mentally ill are more often the victims of crime in Old Town and it seems only fair that they be

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provided a safe and secure treatment facility. A good case management program will increase the area's safety. These people are not violent and need a place they can be treated.

Jack Vollert, 2237 SE 32nd Avenue, 97214, a Mental Health Services, Inc. employee, said mental health services in the City are divided into quadrants so the notion that Project Respond will be cruising the City to bring the mentally ill to Old Town is false. He said he works at the Bridgeview Community and there has never been an incident where a client has bothered any of the children at the nearby Montessori School. He called for compassion towards the mentally ill, who are unlikely to strike out at other people. They need care rather than stereotyping and discrimination.

Chuck Currie, Burnside Advocates Group, said he is angry about having to defend a project that needs no defense. Opponents, by design or ignorance, use the language of bigotry to label the chronically mentally ill as dangerous, no different than criminals. Such people are not dangerous but more likely to be victims who, unfortunately, are allowed to live on the streets, under bridges and in doorways. The Royal Palm will give some of these people a home and should be supported. This will also support the Shelter Reconfiguration Plan although far too many people who seek shelter today are being turned away.

Jimmy Baca, 310 NW 6th, Oldtown/Chinatown Association Board member, said the mentally ill are American citizens who need all the help they can get. He said every person has the right to exist and when he hears Mr. Wong talk about discrimination against the Chinese, as if they did not have the right to exist, he wonders if that does not apply to the mentally ill today. If they cannot exist in Oldtown, where can they exist?

Mayor Katz noted that Council has heard no testimony with regard to the criteria.

Doug Babb, 1537 SW Maple, Mental Health Services West board member, said they have committed to an ongoing process with their Royal Palm neighbors although they have not been all that receptive yet.

Richard Harris, Central City Concern, 709 NW Everett, said Central City Concern currently manages over 600 housing units for low-income people, many of whom are mentally ill, but he cannot think of one incident in five years in which residents have created any kind of problem. When housing is combined with services in a continuum, it will allow mentally-ill people to move from the streets on to other places in the community. The Royal Palm will provide services not currently

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available to these individuals and will enhance the neighborhood.

Tim Bethune, Visions in Action, read words written by Jimmy Baca about homelessness and the need for respectful dialogue with all people.

Susan Emmons, Director, Northwest Pilot Project, 1137 SW Broadway, said it is tragic to once again be involved in a community controversy about siting a facility for the homeless and to find people who are angry because yet another social service is being dumped in the Chinatown community. She said one instead should be angry about the deinstitutional policy, about reduced federal funding for affordable housing and local urban renewal policy which has decreased the affordable housing SRO stock by over 1,000 units. She said Mental Health Services West should be praised for what they have already achieved and for what they propose to do. This will move 52 homeless mentally-ill people off the streets and into a housing continuum. She said without the 20-bed shelter there will presumably be 20 more chronically mentally-ill people on the street and she cannot understand why this would be better for Old Town. Speaking for the Housing Community and Development Commission, she said it is building such facilities all over the City and it is a terrible mistake to think that facilities are only being sited downtown.

Mr. Eng, in rebuttal, said when he heard this facility was planned for Old Town he talked to the Police Commander at Central Precinct who said the City had done a terrific job of cutting crime in Oldtown, by over 65 percent, but that they would be back to square one once Mental Health Services West came in.

Mr. Simon, also in rebuttal, said the Mayor suggested that Council could not consider the programmatic because this is not an approval criteria. The appellants believe that it is an aspect of livability, based on safety issues. In order to say it is not an approval criteria, Council has to presume that residential uses downtown are not equivalent to residential-zoned lands under the approval criteria. He said he does not know if Council can do that. He noted the question about the negative effect on restaurants. He said Council heard an answer, that it impedes foot traffic. He asked Council to review Exhibits Q and U, photographs which show the way homeless individuals impede foot traffic. He said Page 5 of Exhibit Q shows a homeless individual running after the photographer with a stick in his hand. This is not an issue of victims and victimization. It is a matter of 20 additional beds in Chinatown, a result of broken promises. Those promises are articulated on Pages 23-34 of their submission to the Hearings Officer. The Hearings Officer says the specific service area is 400 feet. But Council has heard testimony from the applicant that the service area is the downtown core, beyond even the 1,320 feet appellant has suggested as the impact

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area. Yet there is no suggestion that area be studied. Another issue is understanding who is mentally ill. There is a spectrum of mental illness but how is Mental Health Services West going to limit services to one end of the spectrum. If the City does not want paranoid schizophrenics treated at this facility, it should so specify as a condition of approval. It is an unfair burden to force Chinatown to educate visitors about their misperceptions and fears about the homeless. The police had special training to overcome their stereotypes but no similar training is available for tourists. He asked for denial of this proposal and that the record remain open for seven days.

Commissioner Lindberg said he would like to add an amendment requiring a monitoring committee, assuming this appeal is denied. He asked if all the details had to be worked out now or if this would be something for Commissioner Kafoury's staff to work on.

Commissioner Kafoury said she would be happy to come up with a good neighbor agreement.

Commissioner Hales asked if Council could make a tentative decision if the record were left open.

Ms. Spetter said case law is not clear but if Council makes a tentative decision it must review additional records that are filed during the seven days the record is left open.

Commissioner Blumenauer said since time is important he would like to make a tentative decision today but allow the record to be open a week.

Mayor Katz said she wanted to clarify that the good neighbor agreement would include the Chinese community.

Commissioner Hales moved to tentatively uphold the Hearings Officer's recommendation and deny the appeal, leaving the record open for seven days. Commissioner Blumenauer seconded.

Mayor Katz said if that passes then Council would add the condition for monitoring.

Commissioner Blumenauer said he does not think promises were broken and believes the public will be more unsafe if the mentally ill are left on the streets. He said he has sat through a number of such hearings but believes it is healthy to get the facts, try to break the stereotypes and hold the applicant responsible. If the applicant had blown it in previous applications, Council chambers would be filled with people who would state it cannot be trusted. He said he wants to continue a partnership with the Chinese community but this is a step forward.

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Commissioner Hales said this is a fairly clear call for Council which must apply the Code to the facts. There is no such thing as a done deal. Even arguing that Council should look a little wider, the test is whether it will have significant adverse effects. He said he does not believe that significance test has been met. Therefore Council must uphold the decision of the Hearings Officer. Aside from the legalities, Council should try to build some accord into this very polarized situation either through conditions or outside this process.

Commissioner Kafoury said she heard no evidence today to disprove the conclusions of the staff or Hearings Officer that no conditions were violated by siting this here. She said this is not in violation of the livability of Old Town/Chinatown. All Council members have pledged to make Old Town a more viable community and it saddens her that one group feels it is being discriminated against and in turn discriminates against another. She said she hopes the conditions will nudge along the understanding that "those people" can be integrated without a problem.

Commissioner Lindberg said it is tragedy for the Chinese community to feel so discriminated against when so much time has been spent trying to rebuild this area. An even greater tragedy is the lack of treatment for the mentally ill. He cited the Hearings Officer's conclusion that this shelter will increase safety in the area as well as the testimony of the police officer. His support is conditional upon creation of a monitoring committee which will be spelled out when Council takes final action. He stressed the need to heal some wounds.

Mayor Katz said she too disagrees with the CCBA and it pains her to do so because of Council's commitment to bring Old Town/Chinatown back to life. There needs to be appropriate shelter for the homeless mentally ill and she is convinced that it will be beneficial to public safety to bring people off the streets. Communications do appear to have broken down and she hopes that Mental Health will work closer with their partners. She said she is also disappointed that the Chinese community did not agree to mediation. This neighborhood is revitalizing and will shine even brighter in the years to come as commitments to public safety, a park and a new community north of Union Station are fulfilled. She said she will keep an eye on this area to make sure the promises are kept to this neighborhood.

Commissioner Kafoury suggested that she and Commissioner Hales work on a good neighbor agreement with Rachael Silverman and other City staff, including Susan McKinney in Planning.

Mayor Katz said she should make sure a representative of the Chinese community is on the planning body.

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Disposition: Tentatively deny appeal and uphold Hearings Officer's decision as amended; Applicant prepare findings for June 7, 1995 at 2:00 p.m.

At 5:10 p.m, Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 25TH DAY OF MAY, 1995 AT 2:00 P.M.

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

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

822

TIME CERTAIN: 2:00 PM - Direct the Portland Development Commission to initiate the Quality Jobs Initiative to complete a review of the local workforce training system (Resolution introduced by Mayor Katz)

Discussion: Mayor Katz said not only does the City want to add 50,000 housing units in order to manage growth, it must also deal with the transportation issues and, finally, with jobs.

Lisa Nisenfeld, Director of Workforce Development and Target Industries, Portland Development Commission, said two strategies are generally used in workforce development: 1) create and capture jobs by focusing on the needs of businesses; and 2) address community needs and plan strategies to increase income and decrease dependency on public subsidies. Each strategy does some of the job but certain parts of the City are completely left behind while the rest of the region prospers as never before. Now the City is proposing strategies which start concurrently with industry and community employment with a series of strategies for workforce development. Prosperous Portland sets out three goals: 1) increase jobs for local residents; 2) reduce unemployment; and 3) increase per capita income. She described the strategies used with Wachter, Inc. to capture jobs, hire residents through JobNet and build community resources and skills. Because working with a single business at a time did not allow them to reach their overall goals, a broader-based approach which targets specific industries was initiated. She described this approach as it was used with the semiconductor industry to assess needs, develop strategies and implement training and workforce development.

Ms. Nisenfeld then addressed community-based planning and what it would take to bring unemployment and poverty rates in the City on par with the rest of the region. In inner North/Northeast Portland, for instance, putting 200 additional people to work each year for five years would accomplish that. She described how skills and training programs can be connected to actual jobs, both entry and higher-level positions,

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and stressed the need for coordinated educational and human service programs. She said last year the Northeast Workforce Center's targeted neighborhood program was initiated which works block-by-block with residents to help them find jobs and training and to bring in other resources to resolve neighborhood problems. Such initiatives are critical to meeting workforce goals. The strategy is to develop the workforce from both industry and community perspectives, meeting in the middle to connect people with jobs. This resolution provides a mandate to begin the community-based planning effort and integrate it with the targeted industry workforce already underway.

Mayor Katz asked what the timetable is for the metals, office and professional services, construction and the health care industry.

Ms. Nisenfeld reviewed the status of efforts in these industries, noting that in the health care industry they are reviewing their efforts to see if training dollars are being spent wisely and if resources should be redirected.

Diana Shaeffer, member of St. Francis Catholic Church and the Portland Organizing Project (POP) work group, referred to the item in the resolution which calls for identifying gaps in the delivery of training and employment services. She said she wants to see clear specifics for this area and suggested language be added stating that each individual seeking employment will be on a tracked and supported pathway and provided resources and appropriate training and a guaranteed job at the end of the process.

Terry Moe, Portland Organizing Project, Redeemer Lutheran Church, 5844 NE 30th, described POP's involvement in family income issues. He said 100,000 workers in Multnomah County earn \$8.00 per hour or less in covered jobs, not enough to support a family. In the City 50,000 households await affordable housing and in the last 20 years rents and home prices have increased 73 percent while wages have increased only 38 percent. This resolution is a first step in addressing this crisis for families and goes along with the Housing Investment Trust and child care concerns. He said POP's Family Investment Trust proposal is a holistic strategy to try to lessen the squeeze on families by funding 2,500 affordable housing units each year for 10 years and by building a pathway for living wage jobs for 1,000 workers each year for 10 years. They ask that this proposal be placed on the ballot in November.

Commissioner Kafoury asked Ms. Nisenfeld how closely such agencies as Northeast Workforce and Private Industry Council are working with the State Welfare Office on jobs.

Ms. Nisenfeld said there is some work but those programs are currently

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undergoing a major reorganization of funding at the federal level. She said they rely on that funding to provide child care and medical insurance during training and it will be a step backward if it is no longer available.

Commissioner Kafoury said she thinks POP is talking more about families who are underemployed but she fears what will happen to people on welfare if funding is cut.

Mayor Katz said she wants to make sure that what POP has proposed for the resolution is doable and can be delivered.

Commissioner Hales said POP's point that the City ought to go beyond identifying gaps is a good one but to have the City guarantee a certain level of jobs is not something it can deliver on. The point is what do we do after we identify the gaps.

Commissioner Blumenauer agreed. He said the language of the resolution was drafted to be broad and to allow people to participate in the work product before it comes back to Council. He said he hopes people will work within this framework to identify what can be accomplished. He said he would prefer to use the process outlined here to see what can be done rather than pinning things down now.

Mayor Katz said the City has a benchmark for job creation but whether and how it can get there remains to be seen. Also, how does it guarantee that there is a career ladder. A lot of other partners, including the education community, will need to play major roles if this is to be accomplished. However, Council will not ignore POP's proposal.

Commissioner Hales said this plan will get specific about actions, roles and objectives between now and November.

Mayor Katz said earlier she asked what it would take to get the number of family wage jobs they want. That exercise has been done and the question is whether the City can deliver.

Commissioner Blumenauer said the question is how much the City can do and what is the most effective way to do it. He said an important part of this will be tying this to other budget priorities and community needs.

Commissioner Kafoury said this should help overcome some of the testiness the Council gets into over economic development and use of block grant money.

Mayor Katz said this is a very daunting task but if people can move

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from \$7 to \$12.00 per hour jobs it lessens the amount of resources needed to subsidize housing.

Disposition: Resolution No. 35397. (Y-4)

823

TIME CERTAIN: 2:30 PM - Accept report on the Oregon Department of Transportations's Sunset Highway Climbing Lane Project (Report introduced by Commissioner Blumenauer)

Discussion: Harry Auerbach, Deputy City Attorney, said on August 17, 1994, Council heard the appeal of a variance granted by the Noise Review Board and Council directed that he work with the Oregon Department of Transportation (ODOT) to try to obtain some agreement among the affected parties. He described the process they used to try to achieve consensus. They resolved most issues and have a commitment to continue seeking resolution of those remaining.

Regarding the noise variance, Mr. Auerbach said two additions were made to the conditions and are included as part of the Memorandum of Understanding (MOU). During construction, ODOT will provide a permanent telephone number to call for information about noise. In addition, ODOT has agreed to construct a permanent masonry noise wall and a temporary wood wall. The MOU addresses many other neighborhood concerns, including a commitment to tree mitigation and continuation of the collaborative process. It also requests that the Portland Office of transportation (PDOT) install speed bumps on SW Fairview in anticipation of increased traffic. More public meetings will be held in June to discuss the permanent closure of Canyon Court. This had been an issue earlier but at that time it was decided to keep it open because of its importance as a neighborhood street and for emergency access. PDOT still believes closure is not a good choice but further discussions will continue.

Mayor Katz said if ODOT closed it during the time of construction, they would be able to determine what the effect would be.

Mr. Auerbach said construction does not begin until November and ODOT needs a decision by December. They have said they could add a change order but would need time for a redesign. The closure of Canyon Court would be a land-use decision and this could add about a year to the process. ODOT may also ask for earlier closure in order to do a field analysis. This issue will return in several months and all the players are committed to solving problems associated with the Sylvan Interchange. There is agreement on the guiding principles as stated in the MOU, but some issues are still not resolved to everyone's satisfaction. Some neighbors are unhappy that no solution other than temporary air conditioning has been found. The masonry wall raises

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two questions -- who will be responsible for its maintenance and how can access be provided to maintain the drainage. There is a question too about who would have the responsibility to maintain a sidewalk on Canyon Court if it is rebuilt as a street. Property owners have asked the City to assume that responsibility. The tree issue is close to resolution and the final tree plan will be submitted to the Urban Forestry Commission in June. Finally, they will continue to try to find solutions to the issues still dividing the parties on the Sylvan Interchange. He said ODOT has put a lot of money and effort into finding solutions and the neighbors also have done very good work in trying to build consensus among diverse interests.

Kent Leahy, chair of the citizens group, said the process has been very long and arduous, with great conflict, but the parties have come a long way to get to this resolution. The hardest point for residents has been the intrusion into the neighborhood because of the change in design of the freeway, putting it 35 feet farther north than envisioned in 1991. Agreement was not reached but residents came to an understanding that this would go forward. Implications on neighbors need to be carefully thought about and should be considered ahead of time. Good strides have been made in mitigating the impacts and the places still painful are largely those the City could do something about. For instance, they question a Transportation policy that would require a property owner to maintain a sidewalk placed along a City thoroughfare even when it is more than 100 yards behind the property and a block and a half away. Temporary air conditioning for the seven directly affected homes is a good idea but the impacts of dust and noise extend much further and no remedies have been found for about 25 other impacted homes. They had also asked for a loan program to take care of the estimated \$5,000 per home cost of air conditioning. Closure of Canyon Court is still unresolved and he is happy that a process has been set for exploring this. He supported closure prior to construction so that data on the impacts can be collected. He stressed that if neighbors had been involved earlier in the design this past six months might not have been necessary and he believes the Sylvan process set out in the MOU will bring about a successful outcome.

Bruce Warner, Regional Manager, ODOT, 123 NW Flanders, recalled his commitment last August to building communication links with residents and answering questions about changes between the original and current designs. They also agreed to work with residents to develop noise and tree mitigation plans and to provide additional evidence to support the need for a noise variance. Most important, they agreed to develop a proactive community involvement plan to foster partnership between ODOT and the neighborhood. That has begun, as seen in the documents brought to Council today, but there is still a long way to go. He pledged to continue this kind of effort on the Sylvan

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Interchange. Finally, this situation has prompted ODOT to reengineer their project selection and development process statewide. Through this, they have learned the need for early and continued public involvement.

Linda Peters, Washington County Chair, described expected traffic impacts in the Westside Corridor and urged Council to grant the noise variance.

John Dorth, Engineering Services Administrator, Multnomah County, said the County supports the process and its outcomes.

Susan Lousan, Port of Portland Transportation Program Manager, said they support granting the variance. She stressed the importance of Highway 26 as a corridor for freight.

Mike Vaudco, Vice President and General Manager, Fred Meyer Trucking Division, 3800 SE 22nd, supported granting the noise variance, noting that the Sunset corridor is a vital link for its trucks as well as its employees. They also support the climbing lane and the Sylvan Interchange improvements which will provide a much needed increase in safety. They view the climbing lane as a integral and necessary safety component. Not all transportation needs caused by growth can be met by light rail and Highway 26 must also be improved and maintained.

Nancy Briggs, President, Beaverton Chamber of Commerce, said the Chamber is very sensitive to neighborhood concerns about increased traffic impacts but strongly urges that this project move forward.

Kathie Langill, tenant and business owner at 5319 SW Westgate Drive, said she is directly affected by the climbing lane and the possible closure of Canyon Court. She urged that work on the climbing lane begin and that Canyon Court be kept open. She said they are concerned about emergency vehicle access and access during inclement weather.

Cindy Siepe, Property Manager for three Sylvan area buildings and representing American Property Management and Joe Weston, 5319 SW Westgate Drive, 97221, said they expect to lose several of their biggest tenants if Canyon Court is closed when construction begins. She urged that it be kept open.

Dawn Prochovnic, 4927 SW Salmon, 97221, said too much of the nine months this process took was spent trying to convince neighbors that "no" was the right answer rather than looking for creative solutions. She is pleased with the change in process and hopes their experience will be of some value to other communities as public policy is made.

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She asked that the decision about closure of Canyon Court be made through an open, public process.

Mayor Katz said it is important to learn how that nine months could be shortened and initiate better techniques in the future.

Susan Wade, 5515 SW Canyon Court, Big Reds restaurant, said it has been very hard for her to make any decisions about the future of the restaurant because of the uncertainty about closure of Canyon Court. Access to her business and the entire Westgate area is crucial and closure will landlock access and force closure of her restaurant. She also opposed closing it early for data collection.

Jonathan Ater, Citizens for the Canyon, 1612 SW Upland Drive, said this demonstrates that collaboration is very difficult but does work. He noted that no one present today is opposing the noise variance or the construction. However, no solution has yet been found regarding Canyon Court. The road will be closed for two years during construction and solutions need to be found for the affected businesses. He said, one solution, building an elaborate road to nowhere with a sidewalk that no one will ever walk on, is not in the public interest although it may be what is needed in the end. Because of its street and other policies, the City is an integral party to solving some of the problems associated with Canyon Court. He commended Kent Leahy for giving \$50,000 to \$60,000 of his professional services to this effort in a room where everyone else was paid.

Commissioner Blumenauer moved to accept the engineer's report. Commissioner Hales seconded.

Commissioner Blumenauer said he appreciates the change that has taken place at ODOT and is confident it will follow through. The issue of right-of-way management raised here is one Council will be facing more and more because the City made a commitment not to just continue to widen streets without regard to the impact on neighborhoods. He said there are reasons for the Transportation policies the City has, adding that the connectivity policy is there for reasons of public safety and business access. He said he is willing to review it to see if there is a creative solution but noted that the City is paying the price now because people years ago did not subscribe to connectivity and did not put in sidewalks when they should. He said he wants to give people certainty (about the closure of Sylvan Court) as soon as possible so that citizens know what they face and businesses are not lost.

Commissioner Hales said this is the first time he has seen ODOT change its process and he hopes that indicates a situation like this will

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not arise again.

Mayor Katz noted that Council members asked ODOT to rework this because they all sympathized with the neighbors who felt helpless in the face of so many governmental edicts and entities. There are still roadblocks and people need to start thinking more creatively. She said there may be a solution to Canyon Court other than simply opening or closing it.

Disposition: Accepted. (Y-4)

824

Reconsider 1994 appeal of Mitchell J. Olejko and Jill Wolcott against decision of Noise Review Board to grant variance and modification to the Oregon Department of Transportation for nighttime construction for the Climbing Lane Project on Highway 26 (Report introduced by Commissioner Blumenauer; Return 1994 Agenda Item 1361)

Discussion: Mr. Auerbach said Council is asked to do two things. First, vote to bring the appeal back for further consideration and, second, modify it to add the two conditions.

Commissioner Blumenauer moved to make the modifications and the the amendment. Commissioner Kafoury seconded.

Mr. Auerbach, referring to Exhibit B of the Memorandum of Understanding (Agenda Item 825), read the two modifications. The first calls for installation of a permanent noise meter on the north side of the project in the vicinity of homes on the south side of Elm Lane. The second deals with noise screening and calls for ODOT to build a permanent masonry wall parallel to the utility easement line to provide noise mitigation as well as a temporary plywood extension to mitigate noise during construction. It also calls for ODOT to build another temporary noise mitigation wall across from the intersection of Highland Parkway and Canyon Court.

Disposition: Variance granted as modified. (Y-4)

*825

Authorize Memorandum of Understanding between the City of Portland, the State of Oregon and Multnomah County relating to the Climbing Lane and Sylvan Interchange subprojects of the Westside Corridor Project highway improvements (Ordinance introduced by Commissioner Blumenauer)

Discussion: Mr. Auerbach asked for an amendment to substitute the attachment he distributed this morning to replace the one filed last week. It contains an update of the draft of the MOU and several exhibits they did not have before.

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Commissioner Blumenauer moved the amendment and Commissioner Kafoury seconded. The Mayor, hearing no objections, so ordered. (Y-4)

Commissioner Blumenauer said while total agreement regarding the BES drainage access issue has not yet been reached, some progress has been made. He suggested tying this to the Canyon Court closure issue and, if no agreement is reached, Council can make a decision later.

Disposition: Ordinance No. 168864 as amended. (Y-4)

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

BARBARA CLARK
Auditor of the City of Portland



By Cay Kershner
Clerk of the Council