



CITY OF

PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 1ST DAY OF NOVEMBER, 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; Ben Walters, Deputy City Attorney; and Officer Chuck Bolliger, Sergeant at Arms.

Agenda No. 1745 was pulled from Consent. On a Y-5 roll call, the balance of the Consent Agenda was adopted as follows:

CONSENT AGENDA - NO DISCUSSION

1743 Cash investment balances September 21 through October 18, 1995 (Report; Treasurer)

Disposition: Placed on File.

1744 Accept bid of Cedar Landscape, Inc. for Parklane Park improvements for \$80,970 (Purchasing Report - ReBid 36)

Disposition: Accepted; prepare contract.

Mayor Vera Katz

***1746** Appoint John D. Eskildsen to the Livable City Housing Council as representative of the Portland Development Commission and acknowledge the service of Vern Ryles as representative and outgoing chair of the Portland Development Commission (Ordinance)

Disposition: Ordinance No. 169434. (Y-5)

***1747** Pay claim of estate of Mildred Smith (Ordinance)

Disposition: Ordinance No. 169435. (Y-5)

***1748** Pay claim of Perry LaGrone (Ordinance)

Disposition: Ordinance No. 169436. (Y-5)

NOVEMBER 1, 1995

***1749** Pay claim of Clifford James Associates (Ordinance)

Disposition: Ordinance No. 169437. (Y-5)

***1750** Contract with Davis & Hibbits, Inc. for professional surveying of City of Portland households to provide information to be utilized by the City Council in developing the annual budget (Ordinance)

Disposition: Ordinance No. 169438. (Y-5)

Commissioner Charlie Hales

1751 Accept loan of an inflatable boat to the Fire Bureau from the FBI (Ordinance)

Disposition: Passed to Second Reading November 8, 1995 at 9:30 a.m.

***1752** Contract with Jim Miller Construction for \$49,964 to construct ADA improvements at Columbia Park swim pool (Ordinance)

Disposition: Ordinance No. 169439. (Y-5)

Commissioner Gretchen Kafoury

***1753** Contract with Portland Community Reinvestment Initiatives for \$50,000 to support affordable housing development and provide for payment (Ordinance)

Disposition: Ordinance No. 169440. (Y-5)

***1754** Contract with Southeast Uplift, Inc. for \$32,600 for the Harney Park Neighborhood Target Area in the Brentwood Darlington neighborhood and provide for payment (Ordinance)

Disposition: Ordinance No. 169441. (Y-5)

***1755** Contract with CMA (Carl Mileff & Associates) (\$35,000), EsGil Corporation (\$75,000) and LP2A (Linhart Powers Associates Incorporated) (\$35,000) to provide plan review and engineering services for Bureau of Buildings (Ordinance)

Disposition: Ordinance No. 169442. (Y-5)

NOVEMBER 1, 1995

Commissioner Mike Lindberg

*1756 Agreement with Hoyt Street Properties to share costs in construction of a sewer in NW Johnson Street from NW 11th to NW 12th Avenues and provide for payment (Ordinance)

Disposition: Ordinance No. 169443. (Y-5)

*1757 Contract with HDR Engineering, Inc. for professional engineering services for the Insley Basin and Taggart A Basin relief and reconstruction predesign and provide for payment (Ordinance)

Disposition: Ordinance No. 169444. (Y-5)

*1758 Authorize Agreement for the conveyance of properties and easements to the Bureau of Environmental Services, subject to certain conditions, and authorize acceptance of deeds and payments of expenses (Ordinance)

Disposition: Ordinance No. 169445. (Y-5)

*1759 Authorize the purchase of 50 computers through the Oregon State Price Agreement for a total of \$141,158 and provide for payment (Ordinance)

Disposition: Ordinance No. 169446. (Y-5)

City Auditor Barbara Clark

*1760 Adjust sewer system development charges for the property at 2014 NE Broadway Street (Ordinance; amend Ordinance No. 167871)

Disposition: Ordinance No. 169447. (Y-5)

REGULAR AGENDA

1745 Accept bid of U.S. Pacific Builders, Inc. for Water Pollution Control Laboratory for \$8,123,000 (Purchasing Report - Bid 40)

Discussion: Cay Kershner, Council Clerk, noted that an amendment had been submitted, correcting some of the numbers in the report. Commissioner Blumenauer moved the amendment; Commissioner Kafoury seconded and, hearing no objections, the Mayor so ordered.

Disposition: Accepted as amended; prepare contract.

1740 **TIME CERTAIN: 9:30 AM** - Accept the Recommendation Report to City Council submitted by the Overflow Treatment Facility Siting Task Force and provide direction for implementation of its recommendations to the Bureau of Environmental Services (Resolution introduced by Commissioner Lindberg)

Discussion: (See below)

Disposition: Resolution No. 35457. (Y-5)

1741 Adopt guidelines for development of community benefit opportunities that may arise in the development of Portland's combined sewer overflow program (Resolution introduced by Commissioner Lindberg)

Discussion: Commissioner Lindberg said the first resolution before Council today calls for acceptance of the report and recommendations of the special Task Force while the second defines guidelines for how the City will deal with the community benefits or amenities associated with the sewer project. He said the 15-member citizen Task Force evaluated five possible sites for the sewage treatment plants and looked particularly at the potential for community benefits and the type of partnerships that could be developed. They finished their work, which included surveys, focus groups and public hearings, in five months. They even visited other cities to assess the community impact of sewage facilities.

Commissioner Lindberg said the guidelines in the second resolution will set policy and direction for one of the largest projects the City has ever been involved in, extending over the next 16 to 17 years. Council in the past has made it clear that it wants to leverage this project, establish partnerships and meet multi-objectives. Not just put pipes in the ground, but also make neighborhoods more livable. He said he interprets that to mean that Council wants to maximize the use of sewer funds to accomplish as many objectives as possible. The Task Force, however, recommends that sewer funds should pay primarily for sewer projects and that other community benefits should be paid for with other funds. Some guidelines, however, do allow partnerships between the sewer and other funds to achieve some of these objectives. He said it is important for Council to review these guidelines as the long-term implications are so substantial. These were set as guidelines, rather than absolute policy, in order to allow some flexibility in the future. To ensure that flexibility, every major project will be brought in for Council approval, setting out exactly what will happen in terms of the role of the sewer funds and partnerships. Commissioner Lindberg said they have tried to achieve a balance between spending sewer funds only on pipes and allowing sewer funds to be spent on any amenity the City or

NOVEMBER 1, 1995

community wants. Even this resolution is not in total agreement with the Task Force recommendation as it offers much greater potential for broader use of sewer funds. He noted a memorandum from the River District which supports a broader use of sewer funds to achieve overall City objectives. He said incredible work has been done on finding a site but it is incumbent on Council to candidly address the differences that have arisen, particularly regarding a policy direction that has so many implications for the future.

Dean Mariott, Director, Bureau of Environmental Services (BES), noted the City's legal agreement with the State, committing it to virtually eliminate sewer overflows into the Willamette River and Columbia Slough by 2011. The Bureau will have to have treatment facilities under construction by 2003 which means it has roughly until December, 1998 to pick the final site. If Council approves these resolutions today, the Bureau will have the next three years to work on partnerships and funding arrangements. This is an aggressive schedule as these are complicated facilities to design and build. Regarding the first resolution, BES proposes acceptance of the recommendations of the Task Force with only one minor modification. The second resolution spells out the specific guidelines for how the City will develop community benefits. All the other Task Force recommendations have been accepted and are specifically cited in the first resolution. The guidelines include defining what a community benefit is and emphasize that the Bureau will work cooperatively with the public and other public agencies. The emphasis will be on neighborhood livability and community acceptance, as well as the budget impact. It also calls for integration of community benefit opportunities early into the design process. Each major project will be brought back to Council for a final decision on the exact mix of funding.

Steve Schell, Chair, Siting Task Force, said this forces the City to accept its responsibility for the river, something which probably should have been done two generations ago, but was not. A lot of money is involved and the consequence has been a dramatic increase in sewer rates. The Task Force recommends two sites -- the River District on the westside, and Swan Island on the eastside. There are 42 pipes going into the Willamette which must be captured. Those two sites are downstream and should serve well. If only the Swan Island facility is built, the project will cost about \$390 million. Building both facilities will cost between \$415 and \$424 million, a difference of \$25 million.

Commissioner Lindberg said that cost includes the collection pipes as well as the sewage plants themselves. The plants themselves are more in the range of \$150 million. He noted that over half the \$700

NOVEMBER 1, 1995

million cost estimate for the entire CSO project is in this one part.

Mr. Schell said this is a four-part project and half the water will be captured elsewhere before it gets into the pipes. But the huge outfalls still need to be handled. The Task Force found that with 150 days of rain, there will be 150 overflows so there will always be some overflows under the present system. Maybe less, maybe more. But with this system in place, there should only be four overflows in the winter and one in the summer. While that is not perfect, it is a lot better than where we are now. The City would go from approximately 1600 hours of violation down to something like 57 hours. Considering the cost to go further than that, it was determined earlier that this was a reasonable number. He said the Task Force recommends the two facilities only if four conditions can be met. The first is that the extra money needed can be raised from non-sewer funds. He said they believe the sedimentation tanks must be buried in either case and that ought to be a cost borne by the sewer funds. The amenities need to be in place at both sites by 1999 in order to meet the deadlines. If there is no determination by then as to whether or not the City is going to be able to pay for those amenities out of non-sewer funds, then one site, Swan Island, should be selected as it is the cheapest. He said the Task Force believes the City should look at other sources, whether recreational money or whatever, to complete the additional facilities. That is the difference between what the Task Force believes and what some staff and Council believes. That difference is, however, a small part of the overall package. The decision on the two sites is a significant one and the Task Force worked long and hard in determining where those sites should be. The PGE site was eliminated mainly because there was real resistance to it from people in that area. He said people in the Swan Island, River District and Macadam area indicated a strong interest in having the facility. The North Portland and the PGE sites were eliminated because they were not wanted. The Macadam site still has potential but it was not far enough along to judge what the community benefits would be. He said one imperative for the new facilities is that money must be spent to eliminate odors.

Vern Rifer, Siting Task Force member, said he visited a facility in San Francisco, right next to the zoo, and found no conflict from neighbors about odor.

Mr. Schell said the City has to come to grips with whether the Department of Environmental Quality (DEQ) will allow this discharge. In dealing with the DEQ permit for Columbia Boulevard discharge and the 13 overflow pipes that discharge into the Columbia River, BES found there was more to it than either they or the DEQ

NOVEMBER 1, 1995

had realized. There are ways to solve the problem if all the waters cannot be discharged into the Willamette. That would increase the expense somewhat and this is a contingency that must be watched. There also must be continued planning efforts regarding what goes on upstream on the Willamette. He urged the City to actively participate in the ongoing study of the Willamette Basin. The City also needs to pursue public/private partnerships if it accepts the Task Force recommendation and does not charge the amenities to sewer ratepayers. The Task Force believes such partnerships can be formed but this needs to be worked on continually between now and 1999. Finally, a strong minority of the Task Force felt that more of the amenities ought to be paid for out of the sewer fund. But a strong and articulate majority felt only the basics should be placed on the ratepayers. Regarding the guidelines, he said Type A and Type B are wishy washy statements. He presented new language for both A and B, which makes a clearer distinction between the two types. The way it is written now, no guidance is given staff as to what is in and what is out.

Bud Erland, Task Force member, said the amenities for Swan Island are very important. The neighborhoods surrounding Swan Island supported the plan based on their belief that they would get increased access to the Island. One of the amenities was a possible bike path from the bluff and it is important to keep good faith with the neighbors. He said he was extremely impressed with staff and consultant support and is confident that the project will move forward in a way that will benefit the City.

Commissioner Lindberg said the River District people were told that a facility would be developed there only if the outside money could be raised to cover the difference in cost. He asked if people in neighborhoods near Swan Island would still support project if the amenities were not provided.

Mr. Erland said if those amenities had not been discussed on the front end, the neighborhood associations probably would not have supported the project. He said he believes they are prepared to roll up their sleeves to try to find ways to get those projects built.

Vern Rifer, Task Force member, said there were two sources of concern. One came from ratepayers, including those from East Multnomah County where residents have borne a disproportionate share of the responsibility for sewer improvements over the last several years. They said regardless of the merits of the amenities, economic development and recreational funds should be used to pay for those. Second, the decision to split the plant and build two was made only with the understanding that this was appropriate only if

NOVEMBER 1, 1995

the additional funds could be found outside the sewer rates. He said everyone who testified thought the amenities would be wonderful but many said it was not the responsibility of the sewer ratepayers.

Commissioner Blumenauer said he would like to put one item on the table. He said this is probably the last budget where the City has some breathing room in the General Fund. With massive reductions forthcoming in federal funds, he is concerned that in three years, when a decision is finalized, the City may face a decision about whether it builds community by having some incremental investment or going down to the bare bones. He asked Task Force members for their assessment; if the choice is between a \$390 million project which takes care of the minimum requirement or adding \$5 or \$10 million extra for a facility that really builds community. He noted the amenities that have been built into the light rail and the police precincts projects in order to increase community livability.

Mr. Schell said members of the Task Force are concerned about community, noting Mike Houck's statement that he would have voted differently unless the amenities were included. The other concern they heard, however, was about older people who will have to pay much higher than expected sewer rates and who may not be able to stay in their homes. He said a private developer with such a project would be asked to do certain mitigation activities and he does not think the City should treat itself any differently. So, if you are running a pipe somewhere and ask for a trail to follow it, that is an ordinary and necessary type of expense that would be required in mitigation. The question then, if you go way beyond that line and talk about building a school facility, for instance, is whether that is appropriate for sewer ratepayers to pay for versus using other funds.

Mr. Rifer said that is why he distinguishes between amenities that he considers necessary to keep faith with the neighborhood and those that go beyond that. It is critical to fund those as part of the rate base. That is different than splitting the plant for the benefit of a second neighborhood and building things unrelated to the direct amenities.

Mayor Katz said there may also be some legal constraints in the use of sewer funds for a lot of these activities. She said they will have to check with the City Attorney to see how flexible those opportunities are.

Bruce Hansen, 19655 NW Sauvie Island Road, owner of a business at 4865 N. Lagoon on Swan Island, said he represents 128 anglers in the Swan Island area. He said their concern is the pipe and what will come out of it at the Swan Island site. He said he was assured

NOVEMBER 1, 1995

that it would not be routed into the lagoon area and that it would go across Lagoon Street and into the middle of the Willamette. Their concern is that water coming out of treatment is chlorinated, which has a drastic affect on all types of fish. They want to be sure that the EPA and DEQ keep a close watch on this area to ensure no harm is done to the fish stock.

Dale Sherbourne, 1134 SW Palatine, said mid-Multnomah County residents have had to suffer for many years from what some consider an illegal annexation into the City and from being made to pay for the downtown sewer facility. He said the Stipulated Final Order with the DEQ states that the recommended actions are those which are the least costly, environmentally sound alternatives that will achieve the discharge limitations specified. That means least costly, not finding another \$28 million from public funds that could be better used somewhere else. If private partnerships are needed to provide amenities, those should have been formed a long time ago or the parties should be willing to come forward on their own. The City has an obligation to ratepayers to make sure these extra amenities are not added. Second, operating costs will be more for two plants than for one. He suggested adding a drip tax or a surcharge on anything that goes into vehicles in order to fund the amenities. He said if Council really wants to fund this equitably, the amenities should be paid for by the business community because these are streets of commerce. He said the ratepayers of East County were not involved in this process as the meetings were held in areas where plant sites are proposed. The emphasis was on encouraging people to accept the plant, not the impact on the whole City.

Paulette Rossi, 3710 NE 147th, said the Task Force was correct in determining that sewer ratepayers should not have to pay more than the primary capital and operating costs of a single, \$390 million facility on Swan Island. She said sewer rate-payers expect their fees to pay for the treatment of sewage, not for the fun and games on top of treatment facilities. The Task Force intelligently concluded that the treatment plant should be made integral and complementary to neighborhoods by creating private/public non-sewer rate-payer partnerships. If Council decides to charge sewer rate-payers the estimated extra \$20 to \$30 million it would cost for two plants, it will only generate suspicion. She criticized any use of the sewer fees for Council's pet projects.

Richard Elmire, 9124 N. McKenna, 97203, said he has been involved in many sewer-related issues because of the closeness of his home to the treatment plant in North Portland. He said he supports a treatment facility on the Willamette River as those who live near the Columbia plant have done their share. He said he believes the DEQ

NOVEMBER 1, 1995

will not allow 340 million gallons per day of primary treated effluent into the Willamette and his concern is that when this happens, someone at BES will direct that the outflow all be sent to Columbia Blvd. He said he will be watching to make sure that does not happen. BES should make every effort to use the most modern technology available in the design to provide the greatest possible outflow to the Willamette River that is acceptable to the DEQ. He said he thinks technologies are available, such as using ultraviolet light as opposed to chlorine, that should be seriously considered. Regarding the amenities, the nearby residents would not have supported any of the proposed sites without amenities. The siting process would therefore have been very, very different and for that reason the amenities are absolutely essential.

Mayor Katz said the issue raised is how to pay for those amenities.

Mr. Elmire said the Task Force made a recommendation to site these plants in two locations based on community support. He said if the City said all you get is a plant, with no odor or sound abatement, no paths, etc., they would not have agreed.

Bob Ames, 1231 NW Hoyt, said he is here to support anything which supports development of the River District, which this resolution does. He thinks whatever the source of leverage, with respect to the River District, it is worthwhile. He said the River District is still a very fragile thing and is ultimately a market driven project. The next steps, whether it's the removal of the Lovejoy ramp or new waterfront infrastructure, will depend on the level of public investment. Those kinds of commitments need to happen, the sooner the better, if the already available private investment is to be leveraged.

Commissioner Lindberg, noted the letter from the River District Steering Committee, stating its support for funding the additional amenities as part of the overflow treatment facility project. That would mean that some of the amenities would be paid for with sewer funds. He asked if Don Magnuson represented the River District position, noting that he supported the majority position of the Task Force.

Mr. Ames said Mr. Magnuson was representing his own point of view. He said the leverage in this project for everyone in Portland, including the ratepayers, is so great that the investment is justified, even in the form of ratepayer money. Unless there is a certain level of amenities, no one wants a facility sited near them. If you add these to the River District you will get something very special for all Portland citizens. If the project were broken down in terms of

NOVEMBER 1, 1995

incremental costs, he believes there would be far greater support for the amenities.

Commissioner Lindberg said a private utility might make investments that would result in 5,000 new housing units and 10,000 new customers. He said a cost benefit analysis is needed to determine what returns the City would get from making the River District happen.

Greg Baldwin, architect on the Task Force, said the amenities represent the investment needed to produce a return beyond the project's own value. Because of its size, they found that a large, single facility had more limited potential than two. He said two separate tracks were pursued - an extensive citizen participation program and a targeted effort to find a few partners, whether individuals, businesses or neighborhoods. No one wanted a treatment facility primarily devoted to solve the regional overflow problem. However, several did emerge in support of a multi-project approach that would use the treatment facility to further desired neighborhood development. Support for the facilities, both on Swan Island and the River District, were conditioned by what he considers, not as mitigation or even amenities, but as examples that establish minimum conditions for the support of complementary participation. They are the basis for future agreements that would implement such facilities. He complimented the Task Force for its work, which has laid an extraordinary foundation for community redevelopment.

Commissioner Lindberg noted that the resolution contains guidelines which are meant to give the Bureau flexibility. Also, specific projects will come back to Council for approval. He asked for reactions from Council regarding the issue of community benefit opportunities or amenities, specifically regarding the guideline language. He noted that on the bottom of the resolution, the Type B examples reference having BES, in partnership with the Parks Bureau, cover the sedimentation tanks in the River District to create the foundation for a new City park. The implication here is that the only job of the sewer department is to cover those tanks and perhaps plant grass. That could really limit what could be done. The resolution also talks about having City sewer funds serve as a catalyst to attract other public or private investment. That would mean that a certain, limited amount of sewer funds would be invested, such as in the second example, where it talks about developing the pedestrian connection to Swan Island. At the Council Informal there was talk about developing different levels of amenities but as BES looked into that it began to think a more flexible approach would be to determine the amenities project by project. As the Mayor noted, there may also be legal limitations on use of sewer funds. These guidelines are

NOVEMBER 1, 1995

important in that they set a tone for how such projects are developed over the next 16 years. He said he is willing to spend more time on this if Council wishes.

Commissioner Kafoury said it is clear that there are some differences between the Council position and the Task Force recommendation. She said she endorses a more flexible approach as it is very difficult to be prescriptive in the face of all the uncertainties ahead. Amenities are required of developers as part of their projects and the same must be expected of the City.

Commissioner Blumenauer said as these things come forward people will have an opportunity for further input. He said he believes the City will work aggressively to hold costs down. The resolution has enough flexibility to allow people to move forward and it is very clear that more partnerships will be sought for those items more appropriate for private development. He said the Blazer arena has, with a minimum of risk, added a tremendous amenity. This resolution is a license to hunt and there is a check and balance for each project as it comes forward.

Commissioner Hales said he is comfortable with the premise that both facilities will be built if the additional cost can be covered. He also has no problem with the guidelines, which reflect Council's interest in providing more flexibility regarding the use of sewer funds. He said the fixed target is 57 hours of overflow per year, which was set by the DEQ through the SFO with the City. The moving target is the standard the City will be held to in treating effluent from the one or two new plants. He asked when the City will have the cost estimates based on the different treatment requirements from DEQ. He said he would like more information as that will be a big question, both in terms of capital and operating costs.

Commissioner Lindberg noted a reference to that on page 4 of the first resolution. BES will be spending an incredible amount of time and energy looking at its stewardship responsibility for the long term health of the River. The regulatory agencies do have something of a moving target and there will be negotiations but the City has an obligation to do more than just what it can get by with. There are a lot of questions both about the chemicals used for treatment and the toxins that go into the River. He said the City should make sure it uses the \$700 million to do things right.

Mr. Marriott said when they negotiated the SFO, assumptions were made that stormwater would be collected, treated and discharged into the Willamette. But the DEQ has now indicated they need to see

NOVEMBER 1, 1995

more specifics first about how the City proposes to treat it, where it will be discharged, etc. BES plans to sit down with them once this report is accepted to work on a process to narrow down the uncertainty before proceeding with the application.

Commissioner Hales said everyone needs to be aware of how uncertain the situation is. He asked if it will be physically possible and technically feasible to do secondary treatment at these two plants if the DEQ requires that.

Mr. Marriott said BES would want to acquire some additional land at Swan Island just in case that happens. They are more constrained in acquiring acreage in the River District and, if secondary treatment were to be required, that would present a huge challenge and greatly increase the cost.

Commissioner Lindberg said secondary treatment would preclude the River District site as there would not be enough room.

John Lang said BES assumes they will determine within the next three years if they have to do some treatment other than primary. If so, the only space to do that would be at Swan Island. That would not necessarily preclude developing both sites as even the River District site will probably have to pump the effluent to Swan Island, whether extra treatment is done or not. In that way extra treatment for both plants could probably be accommodated. He said it would probably be wise to secure some additional property.

Commissioner Hales said he supports that action as the standard has never gone down, always up.

Mayor Katz said she will support the two resolutions but continue to work hard to hold the rates down. She appreciates the need for flexibility but also understands how strapped people are financially, particularly as rates are going to go up 13 percent a year anyway. The question is whether the City will be asking for a much higher percentage. She said it is important to keep costs down during current operations to see how much can be saved and continue to review budgets aggressively to see if they can keep from hiking the rates even further. As Commissioner Blumenauer said, Council will look at these project by project, providing a little flexibility to take advantage of opportunities which may arise. Some may consider this waffling but the City does not know what kind of partnerships can be established, or whether any federal dollars will be available, or what the City's General Fund capacity will be. That is why it is critical to keep rates down for current operations before adding additional dollar requirements for ratepayers.

NOVEMBER 1, 1995

Commissioner Lindberg said he personally feels that after spending \$700 million over 18 years, if the result is only to have pipes in the ground, the City will have failed and missed opportunities to reach many other objectives. He said the City needs to do everything it can to stay within the original estimates and perhaps fund some amenities within them. Partnerships should be pursued as aggressively as possible. He said Council should adopt this resolution but keep in mind the possibility of a broader use of sewer funds, within legal restrictions. First, the neighborhoods supported these plant sitings because they thought they would get the amenities. Second, mitigation factors are also involved and the Council should consider adding some attractive amenities, using sewer funds to a limited degree and trying to get the partnerships going. Regarding the River District, a contract is underway to look at the economics of this. If, for instance, the City can add 5,000 housing units and 10,000 customers, it needs to learn what return that will bring to the community and if it justifies some City investment in the overall infrastructure, just as a private utility would do. This could also benefit the whole region by helping to meet livable city goals and avoid further sprawl. He said Council needs to look at a bigger picture in meeting these other goals. He moved to adopt Mr. Schell's proposed amendments to the guidelines, but to drop the examples. The motion was seconded and, hearing no objections, the Mayor so ordered.

Disposition: Ordinance No. 35458 as amended. (Y-5)

1742

TIME CERTAIN: 10:30 AM - Accept report and recommendation for the NE 33rd Avenue Traffic Calming Project (Report introduced by Commissioner Blumenauer)

Discussion: Commissioner Blumenauer said NE 33rd has been one of the most difficult arterials in the City to deal with and this project demonstrates an exemplary effort by citizens, who squeezed a great deal out of a very little money.

Chris Arms, Bureau of Traffic Management, said this project resulted from community concern about the high levels of traffic and speeding on NE 33rd. She showed slides to indicate trouble spots, particularly those close to schools and parks. Curb extensions are proposed at six intersections. The project is designed to enhance safety and livability and has the support of the neighborhood.

Joe Wallis, Portland Fire Bureau and liaison to the Bureau of Traffic Management, said they support these project improvements.

NOVEMBER 1, 1995

Mayor Katz said she had heard that the Fire Bureau felt somewhat cranky about some of the traffic devices. She said she hopes interbureau warfare can be avoided.

Mr. Wallis said that is the goal. What is planned here would not increase response time and therefore the Bureau does not have a problem with it. They do have a problem when response times are increased.

Commissioner Hales said often the devil is in details and the use here of curb extensions and street trees to calm traffic rather than traffic circles or speed bumps is a good one as their use does not increase the emergency response times. The details do matter in how problems are solved on particular streets.

Commissioner Blumenauer said he appreciates having a single designated person in the Fire Bureau that Transportation staff can work with.

Lee Dayfield, 2645 NE 29th, Grant Park Neighborhood Association board member and member of the Steering Committee for Reclaiming 33rd Avenue, said seven neighborhood associations were originally involved in the project but three dropped out after it was determined that the project would only go from Broadway to Columbia. She said the remaining neighborhoods encourage the City to take a more regional approach as these projects should involve, if possible, more than one street, one neighborhood and one City department. They support the language in Policy No. 6.5 of the Transportation Systems Plan but believe it should also include district collectors as well as residential neighborhood collectors and local streets. NE 33rd was designated as a district collector but they believe it is more a neighborhood collector or local street. They also strongly oppose the proposed reclassification of NE 42nd and 47th to district collector status.

Kathleen Todd, Livability Coordinator, North Northeast Coalition, said initially they wanted to add every device known to mankind onto NE 33rd to stop the traffic problems. However, their expectations have been modified to fit the budget and they have devised a set of preliminary recommendations that fit within the capital improvement budget and provide a good start in calming the worst of the speeding and congestion problems. They have also listed secondary options recommended for implementation as additional funding becomes available. Some important issues remain unaddressed in the current primary recommendations. For example, adding sidewalks between NE Klickitat and NE Fremont would complete the pedestrian connection on the East side of NE 33rd. Two important concerns not

NOVEMBER 1, 1995

on either recommended list are the intersection at NE 33rd and Prescott and the crossing light at Brazee. The first involved significant planning and capital investment and is not feasible at this time. Adding a crossing light is a policy issue. The Traffic Calming Committee believes the current policy sets too high a standard and request that this policy be reevaluated, particularly as better pedestrian connections are made to encourage fewer vehicular trips.

Janet Baker, Wilshire Neighborhood Association representative on the Steering Committee, said their vision is broader than simply slowing down traffic even though they recognize that will help. The long-term solutions are to encourage people to get out of their cars and walk, bike and use transit instead. To that end, they approached Tri-Met about increased service on 33rd and, after initial resistance, Tri-Met agreed to offer service, starting in September, until 10 p.m. and on Sundays. They will evaluate these to see if additional service is justified. Other projects the neighborhood coalition office is working on are tree plantings, increased traffic enforcement and education, and continued monitoring of the Brazee crosswalk. She said they worked through a lot of conflicts about use of the street and how to resolve the problems.

Chris Pierce, no address stated, recognized the four women who started this project. He said the only way to get people out of their cars is to make it safe to walk and bike.

Commissioner Blumenauer said what has been done in the three years since this began is a textbook model of what concerned citizens can do and the City will continue to work with Tri-Met and the School District to accomplish more than has been identified.

Commissioner Hales said he particularly appreciates the attention to street trees as he believes that is one of the most cost effective traffic calming measures available.

Disposition: Accepted. (Y-5)

1761

Urge Congress to reject budget cuts that will hurt the poor, elderly and environmental protection (Resolution introduced by Commissioners Kafoury and Blumenauer)

Discussion: Commissioner Kafoury said the proposed dismantling of some longtime programs by Congress and the haste with which this is being done are of great concern. She thanked Senator Hatfield for his continuing efforts to minimize the negative impacts.

Denny West, Housing Authority of Portland (HAP), said he is

NOVEMBER 1, 1995

cautiously optimistic about the coming year but it is important to look at the cumulative effect of the budget cuts over seven years. He described HAP's programs, the people they serve and how they will be affected by the proposed cuts. He said HAP expects public funding to be cut 30 percent with no new development money available. He said they do not have a clue as to the combined effect of these actions and all the proposed welfare cuts, work requirements, reductions to SSI, medicare, etc. He said the odds are that over the next seven years Section 8 subsidies will continue to be reduced, resulting in decreases in subsidies and operational and maintenance programs. He said the federal government has given them no authority to increase rents or otherwise gain revenue nor the authority to reregulate the program in a way that would save money. In the larger context, HAP plans to dedicate the last 20 units of public housing that will probably ever be built in this County in December and after that there will be no mechanisms to build housing below 50 percent of median income. The private housing industry finds it virtually impossible to build such housing and no one has yet come to grips with the long-term effect of that. He said the Livable Cities initiative the City has undertaken is very much to its credit as he has not seen that duplicated any place.

Commissioner Blumenauer said he appreciates the chance to focus on a few of these items.

Commissioner Lindberg said he does not think what Congress has undertaken reflects the values of the public. Cuts in environmental protection, transportation, education, health care, job training, etc. are being made at a time when \$9 billion more than what was requested is being given to the Defense Department this year. Not investing in either the physical or human capital for the future is a great tragedy in a country where there is a growing gap between rich and poor.

Mayor Katz said the next election will tell if the public supports the unravelling of historic programs that began with President Roosevelt. She said there are some very complex issues, such as means testing for Medicare, that are getting lost in the political rhetoric of both parties and she hopes the President will come up with recommendations that will address them but not hurt the very people the safety nets were intended to help in the first place. The bottom line, however, is that there will be major reductions in the growth of programs over the next seven years as well as elimination of complete programs.

Disposition: Resolution No. 35459. (Y-5)

NOVEMBER 1, 1995

S-*1762

Authorize the Livable City Housing Council to enter into a loan secured by a deed of trust with Belmont Limited Partnership not to exceed \$600,000 to refinance acquisition and finance construction of the Belmont Dairy project at SE 33rd and Belmont and enter into related contingent interest reserve, subordination and disbursement agreements (Ordinance introduced by Mayor Katz and Commissioners Hales and Kafoury)

Discussion: Neyle Hunter, Livable City Housing Council, said this is a very complicated deal and the reason for the Substitute is because about 20 different lawyers, representing six different institutions, are involved. Mixed-used housing and commercial projects are not currently being financed and this is a model project to show that not only can they be financed, but they can be very successful. This project also takes advantage of an abandoned industrial site with significant environmental problems.

Mayor Katz asked about number of units.

Mr. Hunter said the total number of units actually financed by the Housing Council is 1,200 from July 1, 1995 until today. He said they are attempting to find new mechanisms the City can use to make this a sustainable effort for the next 20 years. They believe that while they have made substantial progress, much more can be accomplished as they learn from these projects.

Commissioner Hales said he believes this project will be as catalytic for Belmont as the North Police Precinct project was for Martin Luther King, Jr. Blvd. He said after a decade of very modest growth, construction doubled in the City last year for condos, row houses and the kind of housing the City is advocating here. The estimate is that the market is double that and the building industry is just now catching on. He said he thinks this project will show them what can be done and will have a lot of imitators.

Mayor Katz said she knows there is a growing demand for market-rate housing for people who want to live downtown but she does not know what it will take to get the financial institutions to realize this.

Disposition: Substitute Ordinance No. 169448. (Y-5)

Mayor Vera Katz

*1763

Accept a \$30,000 grant funded by the U.S. Department of Justice, COPS MORE grant program (Ordinance)

Disposition: Ordinance No. 169449. (Y-5)

NOVEMBER 1, 1995

Commissioner Earl Blumenauer

1764 Consider vacating a portion of NE Oregon Street at the request of Greg Rasmussen/Rasmussen Properties Limited Partnership (Hearing; Report; C-9884)

Discussion: Peter Fry, 722 SW 2nd, Room 230, said he was present to answer any questions.

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

***1765** Authorize sale of property currently owned and operated by the Bureau of Maintenance (commonly known as Vermont Yard), located west of Capitol Hill Road between SW Vermont and Nebraska Streets, to the Housing Authority of Portland and execute a development agreement between the two parties (Ordinance)

Discussion: Commissioner Blumenauer requested a two week continuance.

Disposition: Continued to November 15, 1995 at 9:30 a.m.

Commissioner Charlie Hales

1766 Grant a ten-year property tax exemption to Noell Webb for new multiple-unit housing between the Stadium Freeway, SW 15th, Alder and Burnside (Second Reading Agenda 1734)

Disposition: Ordinance No. 169450. (Y-5)

Commissioner Mike Lindberg

***1767** Accept a grant from the Environmental Protection Agency in the amount of \$5,000 to underwrite a Streamwalk and Wetlands Citizen Monitoring Training program (Ordinance)

Disposition: Ordinance No. 169451. (Y-5)

***1768** Contract with Meta Corp Strategies Internal to provide professional services for computer programming services for the Bureau of Environmental Services and provide for payment not to exceed \$65,000 (Ordinance)

Disposition: Ordinance No. 169452. (Y-5)

Recessed at 11:56 a.m.

NOVEMBER 1, 1995

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 1ST DAY OF NOVEMBER, 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 Chuck Bolliger, Sergeant at Arms.

REGULAR AGENDA

Commissioner Charlie Hales

- 1770** Uphold with modified conditions appeal of Bible Temple/Judson Baptist College, applicant, against Hearings Officer's decision to impose certain conditions in approving a conditional use master plan for a church and bible college located at 9200 NE Fremont (Findings; Previous Agenda 1699; 94-00415 MS)

Discussion: Steve Gerber, Planning Bureau, said more time is needed to prepare the findings.

Disposition: Continued to November 8, 1995 at 2:00 p.m.

- 1769** **TIME CERTAIN: 2:00 PM** - Appeal of Wilson Neighborhood Association against Hearings Officer's decision to approve application of Thomas Nawalany for a zone change from R5 to R2 in order to develop a 12-unit multi-dwelling structure at 2303 SW Nebraska (Hearing; 95-00441 ZC)

Discussion: Ruth Spetter, Senior Deputy City Attorney, outlined certain guidelines to be followed in a quasi-judicial hearing.

Susan McKinney, Planning Bureau, said the Wilson Neighborhood Association appealed the Hearings Officer's approval of this zone change with certain conditions. One condition was that the site have individual gravity service to a public sewer as approved by the Bureau of Environmental Services and that the applicant dedicate a storm drainage reserve easement prior to applying for a building permit. This condition was met on October 2. The final condition was that the applicant install a fire hydrant and provide clear access in compliance with Fire Bureau requirements. The Wilson Neighborhood Association appealed, contending that the record did not contain evidence that the site could receive gravity flow sanitary service. Yesterday the applicant submitted a utility plan to BES

NOVEMBER 1, 1995

which showed that the site can receive such service.

On a separate issue, Ms. McKinney noted that Mr. Nawalany testified before Council in opposition to the placement of environmental zones on his property as part of the Fanno Creek refinement project. Those map changes were adopted on October 4 and as a result the property has environmental zoning and any future development on the site will be subject to those regulations and the development standards. However, approval or denial of the zone change should not be based on the application of the environmental zones as that is a totally separate process. Finally, the utility plan which shows that gravity flow service to the site is feasible should not be approved as part of the zone change. This is a general plan and if the building is built at a different level than shown, gravity is not going to work. However, if they build within a certain area, they should be able to get gravity flow. She noted the applicable approval criteria and showed slides of the site.

Wesley Risher, Chair, Wilson Neighborhood Association, said they appealed the Hearings Officer's decision because at the time the applicant did not demonstrate in the record that the gravity sewer could be established at the site. They have since learned that the applicant has demonstrated, with a new configuration, that one can be established, satisfying the approval criteria. He said without a demonstrated site plan it was hard for the Neighborhood Association to feel certain that the conditions of approval could be met. There is still concern about application of the environmental zone and the tree preservation ordinance but they understand that is largely a part of the Bureau of Buildings permit process.

Commissioner Hales asked Mr. Risher if the neighborhood association was willing to withdraw its appeal, since the issue has been resolved.

Mr. Risher said they do not withdraw their appeal at this point.

Faber Duchaine, 6321 SW 25th Avenue, said several neighbors are concerned that the gravity sewer will not account for the roof drainage of the effluent from trees. He said because there are no homes between this site and Fanno Creek, the City should insist on some kind of policing as to the environmental effect.

Thomas Nawalany, applicant, said the Neighborhood Association has admitted that the gravity sewer can be provided. He acknowledged Mr. Duchaine's environmental concerns but said the Zoning Code change has nothing to do with that.

Major Foster, Vancouver, WA, representing Mr. Nawalany, said the

NOVEMBER 1, 1995

City has environmental restrictions on the property and has people who review the plans and construction to see that they conform with the regulations. Regarding the gravity feed, he said that requirement was imposed right from the beginning as the Bureau of Environmental Services has to determine that the capability exists before a building permit is issued.

Mr. Risher said the site plan the applicant previously provided showed a two-story structure and surface parking, separate from the structure itself, and from the information provided in the record, did not allow for a gravity feed sewer. Now the building is a three-story building, with parking underneath.

Commissioner Hales said the appeal issue has been largely resolved based on submissions subsequent to the Hearings Officer's decision. Since the ability of the applicant to meet the requirements is dependent on a specific design, he asked to what extent the conditions of approval apply if the Hearings Officer's decision is upheld.

Ms. McKinney said no changes are needed as the conditions have to do with a drainage reserve easement which has already been dedicated. The applicant has shown that providing a gravity sewer is feasible and will show how during the building permit process. Finally, the Fire Bureau specifically asked that its requirement for a hydrant and access be included as a condition of approval.

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

Disposition: Appeal denied. (Y-5)

Commissioner Gretchen Kafoury

1771

Liquor license application for Dean Gamble Sports, Inc. dba 1st Place Sports Food & Beverage, 1525 SW Sunset Blvd., restaurant liquor license (new outlet); favorable recommendation (Report)

Discussion: Mike Sanderson, License Bureau, said the Bureau found no basis for denial of this sports museum/restaurant.

Mayor Katz asked if there were concerns because of its proximity to Wilson High School, noting that it plans to open at 11:00 a.m. and could become a student hangout.

Mr. Sanderson said the applicant presented his plan to the Wilson Neighborhood Association. Nearby schools were notified and invited

NOVEMBER 1, 1995

to voice any concerns to Bureau staff. No opposition was reported from either the neighborhood, the schools or the library.

Mayor Katz asked how he would address the issue of kids hanging out there and not going back to school.

Dean Gamble, applicant, said he discussed this with the OLCC and plans not to allow anyone under age on the premises unless accompanied by some one 21 years of age or older. He also contacted the principal at Wilson High School, who took no position. While the neighborhood association also took no position, they asked the same questions and he addressed them.

Mayor Katz said she still has a concern that kids will stay there the entire afternoon or hang out in front of the establishment.

Mr. Gamble said his first choice was not to have anyone under 21 years old in the place at all. He said he would have liked to cater to youth through the sports museum but based on the kind of concerns voiced by the Mayor, they will limit access by age.

John Coffee, Papa Murphy's Pizza Parlor, said his operation, which is next door, is already a kids' hangout, especially on Friday and Saturday nights, and there have already been two major conflicts with the nearby Hillside Pub. He said having four liquor establishments nearby is not good for kids.

Mayor Katz asked if he is concerned he will lose business.

Mr. Coffee said yes and that Hillside will lose a family-oriented business.

Wes Risher, 1627 SW Troy, said there was more concern in the neighborhood about the BP gas station selling to minors at late hours. He said there is no negative history with this establishment, adding that freshman and sophomores are no longer allowed off campus. He said the same issues regarding students hanging out off campus apply to all the Hillside business area.

Mayor Katz said in Northwest Portland they learned that a cluster of such businesses benefits everyone financially if the businesses are well operated.

Commissioner Hales moved to uphold the favorable recommendation of the License Bureau.

Disposition: Favorably recommended. (Y-5)

NOVEMBER 1, 1995

Council recessed at 2:45 p.m., and reconvened at 4:00 p.m.

1772

TIME CERTAIN: 4:00 PM - Spirit of Portland awards
(Presentation)


Discussion: Council members presented awards to individuals and groups in recognition of their service to the City,

Individuals receiving awards included: Anna Abraham, Gene Ediger, Martha Gross, Mike Harris, Dennis Kemple, Leora Mahoney, Francis "Mac" McElroy, the Neighborhood Pride Team, Robert Richardson and Dick and Jeanne Roy. Business awards were presented to Legacy Emmanuel and Miller Paint Company while Tom Bizeau and Jim Figurski received awards as City employees of the year. Kerns Neighborhood was selected neighborhood of the year and the Northeast Crisis Response Team received the Outstanding Community Service award.

Disposition: Placed on File.

At 4:50 p.m., Council adjourned.

BARBARA CLARK
Auditor of the City of Portland


By Cay Kershner
Clerk of the Council