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CITY OF  
**PORTLAND, OREGON**

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**OFFICIAL  
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 14TH DAY OF MAY, 1997 AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi, Hales, Kafoury and Sten, 5.

OFFICERS IN ATTENDANCE: Britta Olson, Acting Clerk of the Council; Ben Walters, Deputy City Attorney; and Officer Doug Collord, Sergeant at Arms.

Agenda Items 667 and 688 were pulled from Consent. On a Y-5 roll call, the balance of the Consent Agenda was adopted as follows:

**CONSENT AGENDA - NO DISCUSSION**

**659** Cash investment balances April 3 through April 30, 1997 (Report; Treasurer)

**Disposition:** Placed on File.

**660** Accept bid of Oregon Armored Service, Inc. for furnishing parking meter coinage collection services for \$128,700 annually for three years (Purchasing Report - Bid 160-A)

**Disposition:** Accepted; prepare contract.

**661** Accept bid of Portland Freightliner, Inc. for one 54,000 GVW cab and chassis with tilt frame roll on/off system for \$102,741 (Purchasing Report - Bid 168)

**Disposition:** Accepted; prepare contract.

**662** Accept bid of Alliance Corp. for NE 29th Avenue, NE Mason to Skidmore Streets, sewer reconstruction for \$64,467 (Purchasing Report - Bid 174)

**Disposition:** Accepted; prepare contract.

**663** Accept bid of J. T. Stephens Construction Co., Inc. for window replacement at Multnomah Art Center for \$83,190 (Purchasing Report - Bid 175)

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**Disposition:** Accepted; prepare contract.

- 664** Accept bid of Barnum Construction for SW Arnold Street west of SW Boones Ferry Road slide repair project for \$84,850 (Purchasing Report - Bid 176)

**Disposition:** Accepted; prepare contract.

- 665** Accept bid of Spring City Electrical Manufacturing Co. for furnishing thirty-seven single ornamental street light poles for \$54,649 (Purchasing Report - Bid 196)

**Disposition:** Accepted; prepare contract.

- 666** Vacate a certain portion of an unnamed street lying west of NW Bridge Avenue, under certain conditions (Second Reading Agenda 597; C-9786)

**Disposition:** Ordinance No. 171149. (Y-5)

**Mayor Vera Katz**

- \*668** Create five Police Data Technician positions in the Police Bureau and create one Clerical Specialist position in the Buildings Bureau, Commercial Inspection Division, in accordance with the Personnel Rules adopted by the City Council (Ordinance)

**Disposition:** Ordinance No. 171150. (Y-5)

- \*669** Pay claim of John Varnas (Ordinance)

**Disposition:** Ordinance No. 171151. (Y-5)

- \*670** Authorize intergovernmental agreement with Multnomah County and the Portland Federal Executive Board for a shared Alternate Dispute Resolution Program (Ordinance)

**Disposition:** Ordinance No. 171152. (Y-5)

- 671** Authorize the Purchasing Agent to sign a Purchase Order as a contract with Software AG for ESA versions of ADABAS and NATURAL (Second Reading Agenda 607)

**Disposition:** Ordinance No. 171153. (Y-5)

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**Commissioner Jim Francesconi**

- \*672** Increase contract for architectural services with Mackenzie/Saito & Associates (Group Mackenzie) for design of the East Portland Community Policing Facility for \$3,121 (Ordinance; amend Contract No. 29849)

**Disposition:** Ordinance No. 171154. (Y-5)

- \*673** Authorize a contract with Ingersoll-Rand for lease-purchase of a cold asphalt/concrete milling machine in the amount of \$340,000 without advertising for bids and provide for payment (Ordinance)

**Disposition:** Ordinance No. 171155. (Y-5)

- \*674** Grant a park use permit to the Bow and Arrow Culture Club to use portions of East Delta Park for a Pow-Wow and Encampment (Ordinance)

**Disposition:** Ordinance No. 171156. (Y-5)

- \*675** Grant revocable permit to Hoyt Arboretum Friends Foundation to construct landscape improvements adjacent to the Hoyt Arboretum Visitors Center at Hoyt Arboretum (Ordinance)

**Disposition:** Ordinance No. 171157. (Y-5)

- \*676** Authorize an agreement between Portland Parks and Recreation and Loaves and Fishes Centers, Inc. for use of the University Park Community Center as a Senior meal site (Ordinance)

**Disposition:** Ordinance No. 171158. (Y-5)

- \*677** Authorize an agreement between Portland Parks and Recreation and Loaves and Fishes Centers, Inc. for use of the new community center being constructed in Floyd Light Park as senior meal site (Ordinance)

**Disposition:** Ordinance No. 171159. (Y-5)

**Commissioner Charlie Hales**

- 678** Accept contract with All Concrete Specialties, Inc. for improvements of the Pedestrian Safety Project at the intersection of SE 94th Avenue and SE Foster Road as complete

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and release retainage (Report; Contract No. 30659; Ordinance No. 170228; Job No. 1718)

**Disposition:** Accepted.

- \*679** Modify an agreement with Tri-County Metropolitan Transportation District (Tri-Met) for City participation in Tri-Met's Emergency Ride Home Program (Ordinance)

**Disposition:** Ordinance No. 171160. (Y-5)

- \*680** Contract with Pacific Rim Resources in an amount not to exceed \$30,000 to provide facilitation, writing and editing services for a development manual (Ordinance)

**Disposition:** Ordinance No. 171161. (Y-5)

**Commissioner Gretchen Miller Kafoury**

- 681** Accept contract with Jim Miller Construction as complete and make final payment (Report; Contract No. 30003)

**Disposition:** Accepted.

- \*682** Amend agreement with Alice Lasher for revenue-generating efforts for the Fire Bureau to extend the scope of work, increase amount by \$5,000 and extend the completion date (Ordinance; amend Contract No. 30905; waive City Code Section 5.68)

**Disposition:** Ordinance No. 171162. (Y-5)

- \*683** Contract with Alder Creek Lumber Company, Inc. for fire prevention and suppression services for FY 1997-98 (Ordinance)

**Disposition:** Ordinance No. 171163. (Y-5)

- 684** Contract with David F. Weich, Sr. for fire prevention and suppression services (Ordinance)

**Disposition:** Passed to Second Reading May 21, 1997 at 9:30 a.m.

- \*685** Agreement with the Community Cycling Center in the amount of \$20,000 for the Repair and Ride Program and provide for payment (Ordinance)

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**Disposition:** Ordinance No. 171164. (Y-5)

- \*686** Amend contract with REACH Community Development to increase the amount of compensation by \$3,813, extend termination date and provide payment (Ordinance; amend Contract No. 30861)

**Disposition:** Ordinance No. 171165. (Y-5)

**Commissioner Erik Sten**

- \*687** Authorize the Mayor to sign an intergovernmental agreement awarding the Oregon Office of Energy \$31,000 to implement portions of the Rebuild America Program (Ordinance)

**Disposition:** Ordinance No. 171166. (Y-5)

- \*689** Authorize contract with HCMA Consulting Group, Inc. for professional services for the development of a road maintenance plan for the Bull Run Watershed Management Unit and provide for payment (Ordinance)

**Disposition:** Ordinance No. 171167. (Y-5)

- \*690** Contract with the U.S.D.A. Natural Resources Conservation Service to establish a station to monitor snow cover and precipitation in Bull Run Watershed without advertising for bids (Ordinance)

**Disposition:** Ordinance No. 171168. (Y-5)

- \*691** Authorize intergovernmental agreement with Marion County Department of Public Works to conduct a pavement management assessment (Ordinance)

**Disposition:** Ordinance No. 171169. (Y-5)

**City Auditor Barbara Clark**

- \*692** Amend one sewer system development assessment (Ordinance; amend Ordinance No. 171094)

**Disposition:** Ordinance No. 171170. (Y-5)

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- \*693** Reduce street assessment lien on Pearl Block No. 4, Lot 51 (Ordinance; amend Ordinance No. 171053)

**Disposition:** Ordinance No. 171171. (Y-5)

### REGULAR AGENDA

- 667** Demographic profile of City board and commission members as of December 31, 1996 and demographic history for 1993 through 1996 (Report)

**Discussion:** Commissioner Francesconi said because of Measure 47 many efforts to incorporate all citizens in the government, such as the Fire Bureau Training Program, have been put on hold. This report raises the issue to involve all citizens on boards and commissions and he is concerned about the Hispanic, Asian and Native American communities. He asked for an exchange of information from the Council and others. Commissioner Francesconi asked that the statistics reflect the geographic make-up, too.

Mayor Katz said Council's 1990 census goal has been met, except women's representation on boards and commissions.

Commissioner Sten said he had a pretty active file of interested people. He and the Mayor's office are looking for someone for the Portland Utilities Review Board, a group that could use more diversity.

**Disposition:** Placed on File.

- \*688** Designate and assign four sewer easements within University Park, Cathedral Park, Northgate Park and Delta Park and provide for payment (Ordinance)

**Discussion:** Commissioner Sten said the Portsmouth Neighborhood Association was concerned about not disrupting the parks during the summer. Sewers are already in place in three of the four cases.

Wendy Grady, Chair, Community Association of Portsmouth, said after the loss of the Boys' and Girls' Club and other cuts, the people in North Portland are particularly sensitive to any other disruptions over the summer. She faulted the lack of timely notification on this issue to the neighborhoods.

**Disposition:** Continued to May 21, 1997 at 9:30 a.m.

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**657 TIME CERTAIN: 9:30 AM** - Police Internal Investigations Auditing Committee appeal #95-19 (George Sampleton) per City Code 3.21.085 (4) d (Report introduced by Mayor Katz)

**Discussion:** Mayor Katz said there had been a recommendation that this not come before the Council but, as the Council is somewhat the court of last resort, it would not hurt to have this heard out in the open.

Lisa Botsko, Police Internal Investigations Auditing Committee (PIIAC) staff, said this case came before the Citizen Advisors Committee (CAC) a year after the actual incidents occurred. Normally the Advisors would not take an appeal that late but did so as there was no evidence that complainant had received his notice of right to appeal. The complainant, an owner of a rental home, alleges that a particular police officer harassed his tenant who was suspected of drug activity by area neighbors, especially by one who is a block watch captain. The tenant eventually moved out without being evicted but the complainant said the tenant moved because of harassment. Complainant subsequently filed a small claim against the City and a claim with Risk Management for lost income on the rental property and both were denied. CAC initially sent the case back to the Police Bureau for further investigation as the file was not well documented as to how the complaint had initially been handled. The findings, when the new investigation came back, were insufficient evidence on the allegation that the officer had spoken rudely to complainant and the officer was exonerated regarding procedure. The officer said he simply responded to the complainant's concerns about the tenant.

Ms. Botsko said the advisors believe a more appropriate finding would be insufficient evidence on procedure as it is one person's word against another's. The case went to the Review Level Committee which agreed with the CAC finding. She said she did not know what PIIAC is being asked to do at this point.

C. W. Jensen, Police Internal Affairs officer, said they have responded to and addressed PIIAC's concerns and he does not know what more to do to satisfy the complainant.

George Sampleton, 3974 NE 7th Avenue, said after the officer told him that the neighbors were upset with his renter, he asked for a letter according to police procedures regarding landlord/tenant. He said in over four years he has not received such a letter. Mr. Sampleton said that when he and the officer went to small claims court, the judge asked the officer if he investigated the complaint and the officer said, no, under oath. Even though, in the newspaper, he stated that he had.

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Officer Jensen said the finding of insufficient evidence means there was not enough information to prove or disprove the allegations.

Commissioner Francesconi asked if the tenant had been interviewed.

Ms. Botsko read the tenant's statement that she moved because of the neighbor. The police never told her the house was a drug house but an officer said he had reports of improper traffic. Mr. Sampleton told her he would have to evict her or the house would be boarded up and she did not know where he obtained that information. This never became a specified crime property, at which point the landlord would receive a letter from the Drug and Vice Department, because no actual complaints were called in. Ms. Botsko said there seems to have been a great deal of misinformation and misunderstanding going on at that time.

Commissioner Hales asked if there was any verification of instructions from the crime prevention specialist or the officer to either the appellant or his fiance that the tenant should be evicted.

Officer Jensen said an officer would probably outline the different things involved if the tenant were dealing drugs, but without ordering anything to be done.

Ms. Botsko said the officer in the case said Mr. Sampleton came to him first about problems with neighbors and asked for help and that Mr. Sampleton himself brought up the possibility of eviction. She noted the neighborhood block watch person's Activity Log showed that he had not received good instructions about how to keep them.

Commissioner Sten said Council has tried to encourage a system of block watch captains, neighborhood walks, landlord training and have rightfully pushed eviction as the easiest way to deal with drug houses, although care needs to be taken against miscommunication.

Officer Jensen noted that complainant's allegations are several years old and he knows of no other such complaints recently as they are improving every year. He feels there simply was miscommunication.

Commission Kafoury moved to adopt the staff report and Commissioner Hales seconded.

**Disposition:** Appeal Denied. (Y-5)



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658 **TIME CERTAIN: 10:00 AM** - Declare support for Watershed Awareness Month (Resolution introduced by Commissioner Sten)

**Discussion:** Commissioner Sten said the City needs to raise awareness of its watersheds and, because of development paving more surfaces, there are new problems. Tryon, Fanno, Balch, Johnson Creeks, Willamette River, Columbia Slough and Bull Run are the City's watershed, which we tend to take for granted and it is shocking for Portlanders to think there might not be enough water in 20 years without their protection.

Bruce Niss, Water Bureau, said the City has two drinking water watersheds, Bull Run and the aquifers that feed the Columbia South Shore well fields. The aquifers are a river that actually flows in a northerly direction, discharging into the Columbia River. Just like surface water, the aquifers are directly affected by what is done on the land. Mr. Niss said the purpose of the underground watershed management program is to keep the 23 wells clean of chemicals, so the Water Bureau calls it the Well Head Protection Program and it was adopted by Council in 1987. The program's intent is to keep chemicals from new businesses out of the groundwater by prohibiting some types of business outright, by allowing others as conditional uses and requiring all others to do chemical control/containment. He said the wellfield has saved Portland on many occasions since 1985. There are yet some unaddressed groundwater contamination sources, as the current program only deals with new development. There are many non-conforming uses in the wellfield watershed that have been there for a long time which use older technology at the risk of pollution. In addition, the Wellhead Protection Program is based on the South Shore Urban Development boundaries, not on the watershed size.

Mary Abrams, Columbia Slough Watershed Manager, Bureau of Environmental Services (BES), said BES and the Water Bureau are working together in several areas on watershed protection, sump issues and well monitoring, guidance on new developments and a review process for hazardous materials.

Arnold Rochlin, PO Box 83645, Portland, 97283, said he needed to mention Ronson, Cedar Mill, Newton and Miller Creeks watersheds which are being paved over.

Les Blaize, 9630 NW Skyline Blvd., 97231, said development in Forest Park and other significant resource areas does affect other watersheds.

Mike Houck, Portland Audubon Society, said Stephens Creek in the Corbett/Terwilliger/Lair Hill neighborhood typically gets left out of these discussions and should be mentioned.

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Commissioner Sten said that BES and Water have the job to protect these watersheds which, in retrospect, should have been done a long time ago.

**Disposition:** Resolution No. 35609. (Y-5)

**Mayor Vera Katz**

**694** Approve amendments to Personnel Rules concerning employee transfers and voluntary demotions (Resolution)

**Discussion:** Janice Deardorff, Personnel Bureau Director, said a transition services program was created to help deal with the impacts of Measure 47 on the workforce. It appears the number of people to actually be laid off is not as high as anticipated and Council's action to provide bridge funding to the budget made a difference. Employees will be laid off at the end of the fiscal year and on May 28th Personnel will come to Council for approval of the outplacement, targeted severance and bridge severance programs.

Part of the program -- expanded transfer rules -- is aimed to further reduce the number of employees laid off and is proposed only through the end of the calendar year. The current transfer rules allow a move only within one job classification. This proposal would allow permanent, qualified employees to transfer between job classifications to a 20 percent higher maximum rate of pay, with a three month trial period. Such a transfer must be approved by both the employee's current and transfer supervisors and the Personnel Bureau. Ms. Deardorff said an employee who voluntarily demotes to a lower pay rate would keep their current pay rate for one year, so this may be an attractive option for people who might otherwise be laid off and the City's investment in the employee would be retained. This program is available to anyone in any position to open up enough movement that will create vacancies and so limit layoffs.

**Disposition:** Resolution No. 35610. (Y-5)

The following two items, 695 and 696, were heard together.

**695** Authorize \$18,500,000 of Parking Revenue Bond (Ordinance)

**Disposition:** Passed to Second Reading May 21, 1997 at 9:30 a.m.

**Commissioner Jim Francesconi**

**\*696** Exempt the Smart Park facility in the Fox Tower development from competitive

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bidding requirements and enter into a Development Agreement through an alternative selection process (Ordinance)

**Discussion:** David Kish, Director, Bureau of General Services (BGS), said the revenue bond ordinance finances the expansion of the 4th and Yamhill garage (by about 200 spots), the Smart Park in conjunction with the Fox Tower project and folds up some refinancing issues in the parking fund. Regarding Item 696, given how expensive land is downtown and tax increment financing less available recently, the Bureau saw an advantage to partner with the private sector to build parking in conjunction with another development. Through an extensive and exhaustive process, the Moyer project was selected as a partner for the garage. Mr. Kish said they will build about 375 parking spaces below ground in the Fox project and the TMT Development Corporation will build a tower on top of it for private tenants.

Les Prentice, Portland Development Commission (PDC), said PDC has been coordinating this project. He showed plans for the building and noted they were well into the permitting process.

Mr. Kish said the ordinance allows BGS to contract with the winning bid team which is an alternative selection process, not the normal low-bid process. They have contracted with Hoffman Construction which is building the Moyer project, so one team is building the project. Moyer and Hoffman have voluntarily agreed to follow the City's fair contracting guidelines on their piece of the project.

Commissioner Francesconi said the central city is far behind in meeting the demand for short-term parking. The suburbs do not have parking ratios and this is part of the strategy to keep the central city competitive.

Mayor Katz said this was the good news but the bad news is that this was delayed for so long because Council tried to negotiate to save the park block which was so contentious an issue.

**Disposition:** Ordinance No. 171172. (Y-5)

**\*697** Authorize an agreement between the Bureau of General Services/Fleet Services Division, the Bureau of Water Works and the Bureau of Environmental Services to establish certain accounts within the Enterprise Funds for vehicle purchases (Ordinance)

**Discussion:** David Kish, Director, Bureau of General Services, said this action would not usually be emphasized, but people in BES and Water were looking for ways to save

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some money, especially in light of Measure 47. The hundreds of vehicles in Fleet that the bureaus actually lease every year equates to the difference in buying and renting a home. When buying, the asset shows on the books. BES and Water said they could put the multi-million dollar vehicle leasing on their books and it would reflect as a capital asset rather than a monthly expense when going to bond market. Also, when their true cost of doing business is calculated, as in the rates, it is more accurate to have the leasing on the books. Mr. Kish said the effect for the ratepayers is about \$100,000 a year. It will not change purchasing Fleet vehicles.

**Disposition:** Ordinance No. 171173. (Y-5)

- \*698 Accept a grant from Janus Youth Programs, Inc. in the amount of \$42,027 FY 96-97 for operation of a work readiness, mentoring, tutoring program for children in the Columbia Villa/Tamarack Neighborhood (Ordinance)

**Discussion:** Lee Jenkins, Bureau of Parks and Recreation, said this grant allowed Parks to get youth involved in the programming at the University Park Community Center.

Tilly Makepeace, Janus Youth Programs, said she facilitates the federal grant which pays a small salary for young people, eighth graders through high school, to be mentors in the health club at University Park.

Antoinette Edwards, Multnomah County Family Resource Coordinator of Columbia Villa/Tamarack, said this was the largest housing community in Portland and this is a wonderful partnership.

Commissioner Francesconi said this program is where Parks is going on the issue of recreation. This is an example of Parks recognizing Janus' experience and dealing with the County to consolidate services.

Mayor Katz asked how the academic work was tied in for work readiness.

Mr. Jenkins said one of the criteria to be a mentor is that they be in good standing at home and school. He noted that this model is very positive for the mentors themselves as well as those they are tutoring.

Ms. Makepeace said this money allows the health club to operate during the school year as well as during the summer. They are constantly connecting with the school personnel who actively substantiate the same skill level that is preferred in school.

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Ms. Edwards said there was a combined effort to give the children and the families support.

**Disposition:** Ordinance No. 171174. (Y-5)

**Commissioner Charlie Hales**

**699** Amend the Zoning Code as part of the Code Language Improvement Project (Ordinance; amend Code Title 33)

**Discussion:** Commissioner Hales said the City's zoning code, like any big, complicated thing, needs maintenance and improvement. He said this is the first time that citizens can come to Council with suggested code changes. In the past, staff made changes based on suggestions from citizens and Council itself, such as in tightening up big-box retail requirements and banning gated entry subdivisions. Council is trying to create a cycle on the code language improvement process where citizens, non-for or for-profit builders, neighborhood associations, architects and planners can make suggestions.

David Knowles, Bureau of Planning Director, said today's package of amendments needs to be viewed as Planning's continuing effort to provide a way to adjust the Code to meet the needs of neighborhood livability, to meet 2040 goals and to keep the Code workable. The process has been to hold hearings in front of the Planning Commission and invite the public to submit suggestions for changes. Also, the Planning Bureau, in dealing with the realities of Measure 47 and a 15 percent reduction, needs to reduce its workload. It is a general fund bureau and the development review process is funded both by fees and general fund. The long-range planning program is entirely funded by the general fund. Because of the difficulty in reducing workload with development review, the long-range planning program will be reduced by 20 percent. Mr. Knowles said Planning staff brought changes to the Planning Commission that would reduce the workload without harming neighborhood livability. The Planning Commission agreed with the vast majority of those changes. He said each regulation has a constituency and is there because of a perceived need.

Arnold Rochlin, PO Box 83645, Portland, 97283, representing Forest Park Neighborhood Association, said his one grave objection is that the process seems to seek public participation but actually does not. He chose not to participate in the Code language improvement process as there were many capable people, in and out of the Planning Bureau, participating. He has now found that important, substantive changes have been suggested. The 13 substantive changes should be sent back to the Planning Commission for renotification for public hearings and to identify the

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substantive proposed changes. Regarding 33.700.110, he said Section A, Page 22, would nullify the conditions of land-use decisions made before 1981 and is a torpedo that will destroy the remaining faith in the land-use process in the study. Mr. Rochlin said while this measure would exempt conditions that pertain directly to Planned Unit Developments (PUDs) and subdivisions, some of the most important conditions relating to Forest Heights were not in the PUD or subdivision decisions, but in the Ordinance adopted in 1975, which established the requirements for the Code-allowed density and allowed imposition of conditions requiring participation in a private transit system to serve project residents. This proposal would nullify that and the conditions imposed on some kind of environmental or other overlay review. The problem is those reviews are almost invariably combined with other development applications and there is no distinction in the conditions that tie them together. This would give no means of redress or appeal and will allow the Planning Director to decide that certain conditions are out. There must be a way of identifying which conditions had significant importance in determining that a proposal was tolerable or beneficial to the City and which conditions were merely in compliance with obsolete Code provisions. Without that, the City will break faith with citizens by eliminating the conditions upon which many relied when they did not appeal. Mr. Rochlin objected to another provision (Proposal 9) which would allow the Planning Director to change zoning, without a public hearing, on the grounds there was a mapping error. This would gut some of the principal protections for the City. Proposal 10 would extend the size of the footprinted buildings by about 15 percent over what is allowed now by exempting eaves from the footprint. If the result is to increase building coverage on lots, then it should be put forth straightforwardly.

Commissioner Kafoury asked if the Director's ability to comment on the maps is an attempt to deal with Alice Blatt's issue of the map errors in the Columbia South Shore.

Commissioner Hales said he would ask staff later if the 1975 rezoning ordinance would be affected by this change. The 1981 date was selected because the Comprehensive Land Use Plan was adopted pursuant to Senate Bill 100 in 1980. He asked Mr. Rochlin if he knew of other cases where preexisting conditions in something other than a subdivision or PUD prior to the adoption of the Comprehensive Plan still matter.

Mr. Rochlin said he did not know but would like to have the question asked of the public. He said perhaps with some modifications this would be the right way to go.

Earl Grove, Forest Park Neighborhood Association, 607 NW Skyline Blvd., 97231, said he was surprised last week in a pre-application meeting with a builder proposing to build a tract of about 65 homes within an existing PUD (Forest Heights). The applicant asked about conflicts, as to meet density requirements it may be necessary

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to move into an environmental zone, and could they get a variance on Open Space. In at least four instances, staff said there are some "solutions" in process which should be in place when the applicant comes in for an application. Mr. Grove said he did not recognize that statement as being part of the Code Language Improvement Project (CLIP) at first. He noted that the substantive changes are significant enough to warrant a thorough review.

Les Blaize, 9630 NW Skyline Blvd., 97231, Forest Park Neighborhood Association Board member, said Planning, the Bureaus and this administration is weighted toward development. The neighborhood associations get crumbs in the form of conditions and when those are rescinded, livability is adversely affected.

Mayor Katz asked what bad effect this would have for his neighborhood.

Mr. Blaize said they are in a bind with Forest Heights because of the lack of final platting of that subdivision and the project's transportation/bus service issues.

Commissioner Hales asked if those were conditions of the rezoning ordinance, not the PUD.

Mr. Rochlin said they were conditions of the rezoning ordinance and some of them were modified as a PUD. He noted the latest, most important modifications were in 1993 -- none before 1981.

Commissioner Hales clarified that the critical issue with 1981 being the date is the effect on the rezoning ordinance.

Amanda Fritz, Friends of Arnold Creek, 4106 SW Vacuna Street, 97219, said she does not see this issue as a Measure 47 related economy as it was included in a previous amendment package. She is concerned about the building coverage issue, measuring from the eaves or walls. Portland has stormwater and affordable housing problems and this amendment allows much more impervious surface as well as taking more staff time in figuring out the eave coverage. Ms. Fritz recommended rethinking this amendment. Regarding Proposal 6, Solar Access, the Planning Commission has agreed that these regulations do have value, but Ms. Fritz suggested that suspending rather than eliminating them would cue the City, in the future when there is money to rewrite them, to orient houses in a way to use energy-efficient power sources. Proposal 1, Conditional Use, is acceptable as a Measure 47 economy but Ms. Fritz recommends a sunset clause on this proposal.

Shari Ehara, Portland State University student, 1809 SW 11th, 97201, said she is

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speaking as a representative of her urban forestry class and they are against changing the calculation of the building size. The change will increase surface runoff leading to flooding and landslides, cause an increase in pollution while decreasing areas to filter pollution, and limit the greenspace surrounding buildings. The change contradicts State Planning Goal 5, the preservation of natural resources, and also contradicts current Portland watershed plans.

George Toepfer, Tryon Creek Watershed Council, 10750 SW Boones Ferry, 97219, said his Council also objects to Proposal 10, Building Coverage, for the reasons listed by others above. He emphasized that increased impervious surface almost inevitably leads to increased stormwater runoff which has undesirable impacts.

Joe Poracsky, Urban Forestry Commission Chair, 1826 SE 22nd Avenue, 97214, said, the Commission just found out about the building lot coverage change last week, so he is speaking simply as a citizen. Although the coverage may seem like a small change, over time the cumulative effect would be enormous. It will bring buildings closer together and reduce the amount of plantable soil on the lots. The latter will result in the reduction in number and size of trees, changing the personality of the neighborhoods. Portland's large and healthy yard trees form a distinctive and functional purpose. Mr. Poracsky also emphasized the adverse effects of impervious surfaces and noted the immense expense to create a separate stormwater system. He said buildings with more square footage cost more and sell for a higher price, which does nothing for affordable housing.

Charlotte Uris, 2526 NE 10th Avenue, 97212, said the cumulative effects are hard to understand as the zoning changes are done piecemeal. She noted that it was harder for Council to see and understand the impacts of all the changes as it becomes more removed from reviewing development proposals and their impacts on citizens and, at the same time, citizens' input into the decision-making process about changes in their neighborhoods has been consistently curtailed, as in some of these CLIP proposals. In particular, there must be a process for reconsideration of the sunset conditions of approval in Proposal 5.

Commissioner Hales said he understood that the reasoning behind the eaves change was that neighborhoods would reflect livability such as in Irvington and discourage an "econo-box" style.

Ms. Uris pointed out that the condition does not make people build eaves. They could just build larger houses.

Michael Roche, Multnomah Neighborhood Association (MNA) Land Use Chair, 8240



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SW 40th, 97219, said, in the SW Community Plan map, the Planning Bureau has consistently stated they want 6,000 to 7,000 units yet the map measured out to 19-20,000 additional units. Subsequently, a market analysis encouraged upzoning. A consultation on the analysis was that, while the map was an overreach, the same numbers can be attained by aggressive infill, design review and development standard changes. When the report went back to the Planning Bureau, the analyst was told in writing they did not want the consultation to be part of the the public report. Therefore, the MNA believes there is an intent to get beyond the 6 to 7,000 units in the SW Community Plan. Mr. Roche cited the workload reduction columns in the CLIP report to "eliminate reviews" and drop Types III's and II's. Even with the economic concerns, each review that is eliminated eliminates citizens', neighbors' and neighborhood associations' rights to come before this and other bodies to appeal these decisions. The MNA also objects to Proposal 2, Lot Size.

Mayor Katz said while some testimony said that growth is being promoted by the City government, that is a misperception as growth is coming to the community and the City needs to find ways to manage it. She noted this was not the time for a discussion on this issue, but she did want to flag it.

Bob Roth, Johnson Creek Watershed Council Coordinator, voting member for Lents Target Area Economic Revitalization Plan, 525 Logus, Oregon City, 97045, said they also object to Proposal 10. He noted the Johnson Creek Watershed represents many public and private decisions made over decades which include building in floodplains, filling wetlands, channelization, devegetation and paving large expanses of open space. Millions in tax money are being spent to buy out flood-prone property and create artificial wetlands to replace those lost to development.

Scott Barrie, Metro Home Builders Association, 15555 SW Bangy Road, Lake Oswego, 97035, said his group submitted a good-sized document to the Planning Commission stating the changes they saw as necessary to increase efficiency in Title 33. Lot size is decreasing in Portland and the region but simply reducing the footprint is not the answer. Mr. Barrie said his association wants consistency. With the reality of higher density, code changes are necessary to allow for it.

Louise Cody, 1515 SE 151st Avenue, Centennial Neighborhood Association (CNA), asked that the CLIP be extended for four weeks, with public notice given. She said there has been inadequate citizen notification and participation in the rewrite. The CLIP includes radical changes, not language improvements, and she objects to using Measure 47 as a reason. CNA and others asked for tree protection which is not in the report. The CLIP notification to the neighborhood associations had no list of topics and there was no notification on the revisions. Ms. Cody said Centennial has the same

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objections as stated in previously testimony. Regarding Proposal 7, minor subdivisions can include up to 10 lots, not very "minor," and to eliminate any citizen voice is like having the fox babysit the chickens.

Marty Kehoe, 6501 SW Macadam Avenue, 97219, said, as a former member of the Corbett/Terwillier/Lair Hill Neighborhood Association and a home builder, for the most part the CLIP is a practical, thorough and well thought-out project. Row houses cannot be built any smaller, so the gutters are hung tight to the side of the house, but a one more foot allowance would be much nicer.

Commissioner Hales asked if builders are typically required to provide on-site stormwater facilities for row houses, which would mean the extra eaves would not affect the City system.

Mr. Kehoe answered yes.

Jim Worthington, CNA Land Use Chair, 3232 SE 153rd Avenue, 97236, said Proposal 2, Lot Size, would make R4 lots standard and if so there should be a separate zone of R4. The R4 depth requirement is gone so a lot could be 200 feet wide and 20 feet deep. Regarding Proposal 5, Conditional Approval, colleges and churches have conditional uses which were granted far before 1981. He agreed with earlier testimony on Proposals 7 and 10. He said all codes or amendments should be based on what is best for the citizens of Portland, not just on a financial basis.

Commissioner Kafoury noted this process started long before Measure 47 and to link it may be a disservice to the community -- it is an efficiency measure.

Commissioner Hales said the Planning Commission had their hearing in December, after Measure 47 passed and it was taken into account.

Mike Farrell, 4320 SE Clinton St., said larger eaves is a pleasing effect and vegetation could grow around such a house.

Commissioner Francesconi said he was not comfortable with the eaves issue or the issue of going back before 1975 and 1981.

Mayor Katz suggested going through the Proposals that were flagged.

Commissioner Sten noted that Council was not going to vote today and he would like information on all or any of the Proposals.

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Mr. Knowles said the matrix does not give the full background but the Planning Commission spent a great deal of time on each Proposal.

Cary Pinnard, Planning Bureau, said the bureau wrote Proposal 1 in a way so that any type of addition which would require more parking or site area would have to come through a review, but not something like enclosing a breezeway between a church's main building and classrooms.

Robin McIntyre, Planning Bureau, said Proposal 2 would allow lot sizes in the R5 and R2.5 zones to be reduced but to retain the maximum density standard. An instance would be on a 10,000 square-foot lot where the existing house is too close to the center to create two 50 by 100 lots, it could become four and six thousand square-foot lots, but only two units.

Mr. Knowles said these reviews typically are adjustments to recognize a unique circumstance. Cases where Planning fairly regularly approved adjustments because they met approval criteria and did not impact livability were chosen to be eliminated from the standard review.

Ms. McIntyre said today's testimony on Proposal 5 (a), Conditions of Approval prior to 1981, except for those associated with a PUD or subdivision, was about conditions that would have been associated with a PUD or subdivision, which will continue to apply. Regarding the workload reduction, for any zoning question, building permit or land-use review they have to check all the history on the site, which is quite time consuming. Most of the time the conditions are obsolete as the zoning and regulations prior to 1981 were different and do not address today's issues.

Ms. Pinard clarified that Planning specifically exempted PUDs and subdivisions and their conditions from elimination. Staff will probably be back to recommend an amendment to add any zone changes that were made as part of a PUD or subdivision.

Commissioner Hales asked for clarification on colleges and hospitals, as not all have gone through the institutional master plan process.

Ms. McIntyre said, since 1981, all hospitals and colleges have come in for conditional uses. Therefore, they have had new land use reviews.

Regarding Proposal 5 (b), Ms. McIntyre said an example would be a site that was mistakenly zoned in the environmental overlay, yet the conditions associated with the environmental review still remained.

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Ms. Pinard added, if the environmental zoning were still there, the conditions would still remain.

Regarding Proposal 6, Ms. Pinard said the Planning Commission President authorized Planning staff to recommend suspension of solar access rather than eliminate it, which request has been made of Council.

Regarding Proposal 7, Ms. McIntyre said a minor land division goes through a process similar to a Type I and any adjustments go through a Type II process. Therefore, a minor land division that needs an adjustment automatically goes into a Type III. The Proposal is to put such a minor land adjustment through the Type II.

Ms. Pinard pointed out that people are encouraged to consolidate the reviews which can be done concurrently and then go through the highest review of those being requested. Proposal 7 would make this follow the pattern the rest of the Code follows.

Regarding Proposal 9, Ms. McIntyre said this allows zoning map corrections to be made through the Type I process instead of Type II. There is concern about corrections that are more than just typos, but the Code language is that a Type II process can be initiated, allowing discretion.

Regarding Proposal 10, Mr. Knowles said a residential lot can be entirely paved and every tree on it can be cut without a permit. He thinks this issue has been a vehicle to communicate legitimate concerns about impervious surfaces.

Commissioner Hales said this Proposal is a building design and bulk requirement and the impervious surface issue is misplaced, such as Mr. Kehoe's example that he is required to process all the stormwater on site and yet he could not build long eaves.

Commissioner Sten noted that the language does not say eaves are allowable only if there are other stormwater retention features.

Mr. Knowles said this was based on a workload issue rather than policy and the Planning Commission thought this was rather neutral.

Commissioner Hales suggested setting Proposal 10 (footprint) aside and returning to the issue. It is not preferable to build ugly sidewalls.

Commissioner Sten said the average family size today is 2.7 as compared to the six or so when Ladd's Addition was built so maybe the footprint needs to go down, not up.

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Regarding Proposal 13, Nonconforming Development, Ms. McIntyre said this is triggered by nearly any building permit that is valued at \$10,000 or more. The site then needs to show conformance in landscaping, pedestrian facilities, bike parking and other requirements and if the site does not conform, 10 percent of the project cost must be spent to bring it into conformance. She said the \$10,000 is too low and catches too much, such as changing interior walls, and they want to raise it to \$25,000.

Mayor Katz reviewed the proposed amendments: Proposal 5(a), to take care of the Forest Heights zoning issue; Proposal 6, to suspend it not eliminate it; and Proposal 10, to drop it.

**Disposition:** Continued to May 28, 1997 at 9:30 a.m.

**Commissioner Gretchen Miller Kafoury**

**S-700** Endorse Community Reinvestment Coalition of Oregon's effort to develop a Memorandum of Understanding in the US Bank/First Bank system merger (Resolution)

**Discussion:** Commissioner Kafoury said, through negotiation with little conflict or acrimony, they were able to get some strong guarantees written in about what First Bank will do. She moved the substitute and Commissioner Hales seconded.

Janice Frater, 6036 NE 24th Avenue, said in her years at First Interstate Bank and as their Community Reinvestment Act officer she became convinced this process could be painless and done in a partnership, not adversarial, manner. The agreement may seem vague to some people and is unprecedented in Oregon.

Anna Geller, 9139 SW Morrison Street, said this merger is historic and a key issue, especially in light of other mergers, their desire was local decision-making.

Barbara Smith, 12275 SW Douglas Street, 97225, US Bank staff, said she was here because they are partners.

Mayor Katz said she hopes that jobs are not lost in the City as they have been with most of the mergers.

Commissioner Francesconi said, as a former member of the Portland Organizing Project, he had never seen as good an agreement. He noted the breadth of the \$35 million directed toward homeownership from the private sector, the help for small business and rural investment and several other aspects.

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Commissioner Hales said hopefully this kind of agreement will reach all the local lenders who will no longer consider mixed-use to be a radical innovation or that some neighborhoods are off limits.

Commissioner Kafoury said the Housing Investment Fund was thought to provide several years' worth of resource for the City, but most of it has been spent or is committed. The answer is not going to be just government funding. She believes there still is a need for a real estate transfer tax or some dedicated source for certain projects, but the key is to get the banks to do what their business is -- making loans.

Commissioner Sten said US Bank has been the best lender in the community in terms of doing these projects and as US Bank merged with First Bank it was feared that would be lost.

**Disposition:** Substitute Resolution No. 35611. (Y-5)

At 12:35 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 14th DAY OF MAY, 1997 AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi, Hales, Kafoury and Sten, 5.

OFFICERS IN ATTENDANCE: Britta Olson, Acting Clerk of the Council; Ruth Spetter, Senior Deputy City Attorney; Pete Kasting, Senior Deputy City Attorney; and Officer Doug Collard, Sergeant at Arms.

- \*701** Contract with the Cascade Aids Project in the amount of \$198,381 to support the Transitional Housing Program for persons with HIV/AIDS and provide for payment (Ordinance)

**Disposition:** Continued to May 14, 1997 at 2:00 p.m. Ordinance No. 171175. (Y-5)

**Commissioner Erik Sten**

- \*702** Contract with Portland Cable Access to provide capital support for educational and government cable access television (Ordinance)

**Discussion:** Commissioner Sten said this money came from TCI Cable to put in state-of-the-art technology at the renovated City Hall.

**Disposition:** Continued to May 14, 1997 at 2:00 p.m. Ordinance No. 171176. (Y-5)

**City Auditor Barbara Clark**

- 703** Assess property for sewer connection contracts processed through the Private Plumbing Loan Program for the period ending May 5, 1997 (Hearing; Ordinance; P0026)

**Disposition:** Continued to May 14, 1997 at 2:00 p.m. Passed to Second Reading May 21, 1997 at 9:30 a.m.

- 704** Assess property for sidewalk repair by the Bureau of Maintenance for billing processed through April 8, 1997 (Hearing; Ordinance; Y1017)

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**Disposition:** Continued to May 14, 1997 at 2:00 p.m. Passed to Second Reading May 21, 1997 at 9:30 a.m.

- 705** Assess property for sewer system development contracts for the period ending April 8, 1997, for the mid-County sewer project and non mid-County area (Hearing; Ordinance; Z0654, Z0655, Z0656, Z0657)

**Disposition:** Continued to May 14, 1997 at 2:00 p.m. Passed to Second Reading May 21, 1997 at 9:30 a.m.

- 706** Assess benefitted property for the costs of constructing street and storm sewer improvements in the SE Ankeny from 97th to 99th Avenue Local Improvement District (Hearing; Ordinance; C-9877)

**Disposition:** Continued to May 14, 1997 at 2:00 p.m. Passed to Second Reading May 21, 1997 at 9:30 a.m.

- \*707** Create street and other local improvements in the N Bruce Avenue Local Improvement District (Hearing; Ordinance; C-9937)

**Disposition:** Continued to May 14, 1997 at 2:00 p.m. Ordinance No. 171177. (Y-5)

- 708** **TIME CERTAIN: 2:00 PM** - Establish a Transportation System Development Charge on new development applicable at the time of application for a building permit (Ordinance introduced by Commissioner Hales)

**Discussion:** Mayor Katz said there will be a continued hearing on this item to process amendments.

Commissioner Hales said Portland, as many other growing cities, faces a challenge on how infrastructure and services are financed. While Portland has had Systems Development Charges (SDC) for water and sewer for some time, Oregon State Law allows SDC for water, sewer, street and park systems.

Commissioner Francesconi said people have voiced concern about notification on amendments, as well.

Paul Shirey, Office of Transportation Project Manager, said they would define an SDC and the need for them in Portland, review the projects that are planned with the revenue and discuss the issues. This proposal is based on the premise that public infrastructure must be provided to serve the needs of an increasing population. This



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proposal is to implement an SDC and collect a one-time fee from new development based on its contribution to transportation trips. The fees will be spent to expand the system's capacity to handle new trips and the system is designed to be implemented over the next ten years during which time the City is expected to build \$96 million in transportation improvements to accommodate growth. The list of improvements to be funded includes 36 multi-modal projects designed not just to add automobile capacity, but to build sidewalks, bike lanes and right-of-ways to make transit more accessible, reliable and faster. Mr. Shirey said the SDC rates are a function of the cost of the program divided by the number of the new trips projected over the next decade. The SDC charges new development for all modal trips and delivers multi-modal improvements in keeping with the City's policies and goals to reduce automobile reliance, improve access to other modes, enhance freight mobility and reduce over-all system congestion and pollution. Multi-modal improvements are a key element to the success of the main street and town centers included in the Region 2040 Growth Plan. To keep Portland competitive with its neighbors, the proposed rates are average for SDC in this region. This proposal has great community interest, especially from developers.

Mr. Shirey said the impacts of growth on the system are measured by quantifying the trips generated by each type of development using professionally accepted methods. Legally, SDC revenue can only be used to provide new capacity to serve new trips. In the next ten years we can anticipate 50,000 new residents and 70,000 jobs in the City, which means over half a million new transportation trips. At the same time, the City is experiencing a significant decrease in federal transportation support and there has been no raise in the gas tax for over six years. The Office of Transportation embarked on this process about two years ago and a 14-member Policy Advisory Committee was created from community and business leaders with support from a team of consultants expert in SDCs. He said the City currently has an unmet transportation capital need of over \$250 million for hundreds of projects throughout the city. As part of the process to select the projects for funding, they chose from the existing list of capital improvements projects rather than running a parallel process for selection. The projects represent desires of the community and some have been on the list for years. Screening criteria were used to sift through the larger existing Capital Improvement Project (CIP) list of \$300 million to arrive at a list of projects that added at minimum additional capacity to move new growth and also met criteria drawn from the Comprehensive Plan, the 2040 Growth Plan, modal and community plans. The list of capacity-improving projects was reduced to \$100 million. Mr. Shirey displayed a map showing the locations and types of projects proposed in the City's quadrants.

Mr. Shirey summarized a few principal issues raised by the development community, the first of which is competitiveness. There is a concern that adding fees to the cost of

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doing business in Portland could affect the City's goals in attracting new residents and creating new jobs. A consultant's analysis of development cost comparison shows that Portland currently enjoys a competitive cost advantage compared to its neighbors. The gap was sufficient to add SDC fees without creating a cost disadvantage if the fees fell at or close to the area's median. However, a strong perception continues that it is more difficult and costly to develop in the City than elsewhere. He showed a comparison chart of SDC fees on business building prototypes in four area jurisdictions and the proposal for Portland.

Commissioner Hales asked if the comparison took into account the transit discount.

Mr. Shirey said no. He continued by noting that a coalition of interests surrounding the Columbia Corridor Association raised issues relating to the methodology in counting trips and projections for future revenue. He understood that those issues had been resolved in the past few days. Mr. Shirey said that the definition of a qualified public improvement has been the most hotly debated issue throughout this process. The development community wants to receive SDC credit for other capacity improvements they finance. In agreement with them, Transportation has significantly broadened the definition of the qualified public improvement eligible for credit. There was also debate about whether credits could be transferable beyond the site which was accepted. The time of payment was also debated with one argument being that trips are not incurred until occupancy, which could be many months after the building permit is issued. It was decided to defer payment until occupancy or 180 days at the latest if the developer signs a note giving the City the ability to lien the property in the event of non-payment.

Mr. Shirey then discussed low-income housing exemptions. Every dollar added to the cost of housing impacts the affordability, so rental housing for families earning less than 60 percent of the median income will be exempted. Also, sale of housing affordable to families 100 percent or below the median is exempted. The concept behind transit-oriented development credits is that high-density, transit-supported development generates fewer auto trips and therefore should not be charged as much as other developments. To measure density, floor area ratios and units per acre were used. Downtown developers asked for a change in locational criteria for projects where parking maximums are at their lowest and that credit is also available in transit corridors and proximity to light rail station areas outside the central city. The fee discount is 90 percent of the auto portion and 10 percent against the non-motorized and pedestrian portion, which translates to about a 67 percent difference. This compares favorably to, for instance, Clackamas County fees.

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Mayor Katz asked if they were recommending another source of dollars to make up for the discounts.

Mr. Shirey said the backfill issue needs to be addressed and the discount costs cannot be passed on to other ratepayers.

Mayor Katz asked, in assessing the revenue for a period of years, if they accounted for somebody backfilling those exemptions.

Mr. Shirey said not entirely. The cost of exemption for low-income housing is known based on the projected rates to develop rental housing and sales housing. For transit-oriented development, it is very difficult to tell how many projects will qualify for the discount. The SDC will be reviewed and come back to Council in a year at which time such information will be known.

Greg Jones, Transportation Planning, said credits do not have to be backfilled but exemptions do.

Mr. Shirey noted there was debate on the effective date and Transportation is recommending 90 days from passage of the Ordinance which would be roughly in mid-September.

Vern Ryles, Chair, Policy Advisory Committee (PAC), said his committee's primary function was to give feedback to staff and consulting teams, including methodology for rate-setting and projects proposed for funding. He noted that the SDC is critically important to the health and vitality of the community and is fair and equitable.

Dean Funk, PAC member and PGE Public Affairs, said it was worth noting that he served on the 2040 Plan Business and Metro Policy Advisory Committees because he is sensitive to the potholes in the road to achieving the 2040 growth concept. The SDC PAC had consensus that this was a credible way to fund growth-related transportation improvements. Mr. Funk said he does not think more time is needed to consider the SDC, especially as provisions were included to allow for adjustments in calculating rates.

Mayor Katz asked Mr. Shirey to add two more columns in the comparison table: the business license tax and land values. She wants to ensure that the City does not lose its competitive edge.

Jeremy Grand, 3707 SW Coronado Street, 97219, Willamette Pedestrian Coalition, Transportation System Plans Advisory Committee, said the SDC is timely and will be

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supportive of pedestrian concerns.

Judie Miller, 4216 Sw Pendleton, 97221, SW Neighborhoods, Inc., Transportation Committee Chair, said the SDC will be paid by those who benefit most and citizen input is needed to prioritize the projects.

Pamela Alegria, 3750 SE Henry, 97212, Willamette Pedestrian Coalition, said the loss of funding for pedestrian travel would be further impacted without SDC.

Michael Roche, Southwest Neighborhood Association Land Use Chair, said the business community's concern about the SDC impact needs to be balanced against all property owners' rights. He noted the streets that only have one bus six days a week should not qualify for an exemption and equity about properties receiving credits or exemptions which have previously gotten tax abatements should be addressed.

Bill Bach, Property and Development Manager, Port of Portland, PAC member, said Local Improvement Districts are not a complete substitute for an SDC. Real estate transactions have been built around the lack of an SDC but in time the market will adjust.

Susie Lahsene, Port of Portland, Transportation Program Manager, said the City is having trouble just meeting maintenance needs and some of the funding for the projects will have to come from general transportation revenue. CIP criteria will be used to determine which SDC projects go first although that criteria does not currently consider the needs of freight movement.

John Shankey, Federal Express Service Administration, recommended spending the revenue from a particular area in that area.

John Sleavin, Bicycle Transportation Alliance, Hawthorne Boulevard Citizens' Advisory Committee, said cyclists are very supportive of SDC.

M'Lou Christ, Southeast Portland, Buckman Neighborhood Association, spoke in favor of SDC.

Karen Frost Mecey, Bicycle Transportation Alliance Executive Director, PO Box 9072, 97207, said accommodation should be for more people, not car trips and intersections need to be engineered for bicycle safety.

Joanne Krippaehne, Legacy Portland Hospitals Director of Support Services, 2801 N. Gantenbein, 97227, supported the option to have an annual, rather than a permit-

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related, assessment and qualified public improvements, which must be noted as a condition on a development permit, would be important to hospital campuses if they were offered credits for projects that are not required as a condition of the permit. She said as the fees for pedestrian, bike and transit are higher than for auto trips, there should be an adjustment. The definition of tenant improvements, exemptions for occupancy changes and improvements, as opposed to changes related to remodels, need to be clarified, along with the definition of a "site."

Greg Kantor, Chairman, Association for Portland Progress (APP), said it was good to have credits encouraging projects in areas served by transit at densities that support transit. He suggested a shorter, more focussed project list which emphasizes the areas most likely to grow rapidly and areas that are choke points for the movement of goods and services.

Matt Klein, Chair of APP's Access Committee, expressed his concern about adding expenses to the Central City and about developing jobs in that area.

Charlotte Uris, 2526 NE 10th Avenue, 97212 ICA Land Use Committee, said SDC are late in coming and noted her concern for affordable housing.

Dave Johnston, Collins View NA Chair, member of Citizens Advisory Committee for Southwest infrastructure zoning, said there must be a fair apportionment between existing and developing property owners.

Amanda Fritz, 4106 SW Vacuna St., 97219, said the charges were almost too modest compared to other jurisdictions and she encouraged SDC for school funding if allowed by the Legislature.

Tom Walsh, Tri-Met General Manager, said his organization and its Board of Directors strongly support the SDC. The modes of transportation are the system and the projection is for 500,000 new trips generated daily in the next 10 years. Tri-Met has a role in four highlighted projects: a local MAX for south/north light rail; a Hawthorne and Foster fast lanes project; a Division fast lane project; and the Intelligent Transportation System for intersection improvements. He said it is best to anticipate rather than wait and react when reaction will no longer solve the problems. Congestion will get worse and the only way to stop it is to stop growth. Addressing system needs, not specific mode needs, and land use policy can help stop it becoming intolerably worse.

Mayor Katz noted that some tax exemptions were not based on income.

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Commissioner Hales said both the credits were created by the Legislature. In one, the tax abatement, the City is authorized to use it and in the transit-oriented development credit in SDCs, the City is required to give one but there is flexibility in how extensive it is.

Mayor Katz suggested looking at what happens when there is a change of use, such as low-income units with exemptions that begin to charge more.

Will White, House Development Center Director, supported the proposed affordable housing exemption for those below 60 percent of median family income for rental or 100 percent for home ownership. If there is a need to cover this with another source, it should not be the Housing Investment Fund, as that would mean a net loss. Proximity does not make a transit-oriented development -- a project's design encourages people to use transit, mainly in providing less housing for cars.

John Carroll, Chairman, Citizens Advisory Committee for the Central City Streetcar (CAC/CCS), Jackson Tower, 97204, said people are living in the Central City and commuting to work in the suburbs.

Don Hanson, 2124 SE 59th, 97215, OTAK, Inc. Planner, said SDC funding will enable the City to act quickly and put improvements in place at the right time.

The following people testified on the need for more sidewalks and intersection improvements:

Ana Alvarado, 5300 NE Cully Blvd., No. 62

Victoria Hernandez, 5300 NE Cully Blvd.

Keith Bartholomew, 1,000 Friends of Oregon, 534 SW 3rd, No.300, 97204, SDC Policy Advisory Committee, (CAC/CCS)

Jeremiah Davidson, 4215 SW Vermont St., 97219

Peter Fry, Central Eastside Industrial Council, 2153 SW 2nd, No. 330, 97205, said two fears are that SDC will add to the cost of living and that one area's development will subsidize development somewhere else.

Rod Merrick, 3627 SE Cooper St., 97202, CAC for PDOT Industrial Program, questioned the amount of time which may be spent in reviewing appeals to SDC and in working out complicated formulas.

Elisa Davidson, 4215 SW Vermont St., 97219, said there was a strong need for more park and ride facilities.

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Bob Butler, 824 SW 18th Ave., 97205, representing Neighborhood Business Associations, said SDC might cut too deeply into disadvantaged neighborhoods' ability to get back on their feet.

Linly Ferris Rees, Ball Janik, 101 SW Main St., said traffic generation for downtown hotels is quite different than those on a freeway or by the airport. It is important to retain developers' ability to provide their own traffic study and consistency with fees in other jurisdictions is very important.

Jim Worthington, CNA Land Use and Transportation Committee Chairman, 3232 SE 153rd Ave., 97236, said there should not be a 100 percent discount for anyone and SDC should be on a sliding scale.

The following speakers represent the Economic Development Coalition.

Stark Ackerman, Black Hetterline law firm, 1200 Union Bank of California Tower, 707 SW Washington St., 97205, said the Economic Development Coalition (EDC) was an unprecedented group of commercial, industrial and institutional organizations involved in developing property in the Portland area and it supports SDC with some provisos. The SDC needs more time for consideration and more time on the language itself. There are two primary areas of unresolved issues: the economic soundness of the rate study and the fairness and practicality of the proposed ordinance. He said there are questions about the charges being the true average for the region and the impact on Portland's competitiveness.

Raymond Bartlett, consulting economist for Columbia Corridor Association, said some of the problems on the projects list have been there for decades and the majority of those costs are being charged to new development. There is a difference between design capacity and forecast growth. Some projects are designed to handle growth forecast to occur over the next 25 to 40 years. There is a trip length anomaly in the data that shows multi-family trip lengths at 2/10s of a mile longer than single-family trip lengths. The industrial rate is twice the region's average and the area least likely to benefit from the SDC. The cost for a project should be divided by the design capacity instead of the forecast growth.

Steve Pheiffer, Stoel Rives, 900 SW 5th, 97204, said in most SDC there is a qualified public improvement concept and uniquely in Portland there are some major capital improvements. A progressive aspect of the ordinance is the credit for a second category of qualified public improvements which will acknowledge a developer who goes beyond meeting the infrastructure needs of his project to provide extra capacity to the system as a whole. The intent is to add capacity, not collect money.

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Mark Whitlow, Retail Task Force, said the Retail Task Force objects to the 40 percent new trip rate assigned to the fast food category. If Portland is the middle of the market, why are system charges for a 4,000 square-foot quick service restaurant \$106,000 when, for the same restaurant, it would be \$17,000 in Washington County, \$57,000 in Clackamas County and \$59,000 in Gresham.

Bruce Robinson, Retail Task Force, Kittleson & Associates, 610 SW Alder St., No. 700, said "new trips" in the case of retail use needs to be clarified. The Institute of Transportation Engineer's (ITE) Trip Generation manual is the main source document for the SDC study. The manual defines three kinds of retail trip; primary, pass-by and diverted link trips. Only new trips have a totally new impact on the transportation system. The others are already on the system and result in either shorter trip lengths or no additional trip length. New trips should be synonymous with the definition of primary trips. The manual data would support a new trip percentage substantially below the currently shown 40 percent. The Retail Task Force suggests a reduction in the new trip percentage from 40 to about 15-25 percent for fast food restaurants. The Task Force also suggests adding language to Section 7.b requiring that, if alternative SDC rate requests become commonplace for a particular use category, the administrator be required to review the trip rates and update them.

Connelly Woody, Regional Real Estate Manager for McDonald's Corporation, said Quick Service Restaurants (QSR) studies shown that QSR customers are impulse oriented: 70 percent make the decision in transit; 20 percent decide to eat out one to two hours in advance and decide on the place just before they leave. Therefore, QSRs do not generate 40 percent of the vehicle trips to a restaurant.

Tim Warren, representing the Columbia Corridor Association, President, Three Oaks Development Company, 8210 SW Wood Creek Court, said the development community needs certainty as it can take many months or years to plan a project. The ordinance requires a complete application to be submitted in order to be exempt before the ordinance takes effect. "Complete" is subject to interpretation. Having a plan check number in order to be exempt would create certainty and eliminate arguments on what is "complete." The administrator's opinion is referred to if a new development generates more than 10 percent additional trips but there should be an objective standard, such as the ITE manual. Proposed payment timing is a down payment of 10 percent at the time of the building permit and 90 percent at the time of the occupancy permit. Payment should be 100 percent at the time of the occupancy permit as the impact on the transportation system does not take place until occupancy. If the certificate were lost, it would be lost forever. Credit certificates should be numbered and dated and tracked by computer, which would be positive for both the City and developer. Credits should be indexed to the rate of the SDC at the time it was issued



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so, if the SDC increased, the value of the credit would also. Rather than the credit being void after 10 years, it should be valid as long as there is an SDC.

Jeff Sacket, President, Oregon Chapter of National Association of Industrial and Office Properties (NAIOP) 6220 SW Capitol Highway, 97201, private developer with Triangle Development Company, said a new project often is built in an area that has existing traffic needs to which it will add, but not necessarily enough for an additional lane or traffic signal. The City's proposed wording of over capacity would make credits for additional capacity virtually impossible. He suggests credits granted for the incremental capacity of the improvements that are demonstrably in excess of that required to accommodate the project. A lot of property has been bought in recent years without the expectation of traffic impact fees, so a delayed effective date is needed to allow the owners the opportunity to get their projects in the hopper. The implementation should be 120 days, not 90 days.

Thomasina Gabriel, Institutional Facilities Coalition, 3334 NW Vaughn St., said her coalition finds it hard to welcome any charge that will be passed on to their students, patients and customers. Page 10, Section 5, Alternative Method of Assessment for Institutions, does address their situation. She asked that institutions have the option of being assessed in the regular way.

Tim Ramis, Board member of the Columbia Corridor Association, O'Donnell Ramis, 1727 NW Hoyt, 97209, said the low-income housing credit section appears to be well drafted but the transit-oriented sections need more work to be viable. The rate study identifies the key legal constraint when considering special use discounts. If the special use is discounted or eliminated entirely, the charge does not go away, it is shifted from the developer to the City. Discounts are clearly subsidies, but necessary. The areas subject to the transit-oriented discount need to be mapped and prioritized as to which areas really need the subsidy to succeed. When general fund monies are so used, projects will be bumped from the list. An alternative is to look at the way the low-income housing subsidy is drafted. There is no specific provision in the Code that says the transit-oriented development will be backfilled by City monies, although the provision is in the methodology.

David Bartz, 1211 SW 5th, representing Columbia Steel Casting and member of the Columbia Corridor Association, said careful attention must be paid to exemptions and exceptions to be fair. The SDC is nearly twice what it would be in other jurisdictions for Columbia Steel, a heavy manufacturer, for instance. Credits ought to be given for taking contingent development/property out of use.

Scott Barrie, Homebuilders Association, 15555 SW Bangey Road, Lake Oswego, said

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the number of residential units used to calculate the single- and multiple-family SDC should be based on the residential needs the City projected through the 2040 Plan.

Commissioner Hales emphasized that there would be a public hearing on the amendments.

Mayor Katz asked staff to summarize the recommendations for amendments.

Mr. Shirey said financial and legal issues have been raised that will take in-depth time to look at and get amendment language out to people for review.

**Disposition:** Continued to June 11, 1997 at 2:00 p.m.

At 5:05 p.m., Council recessed.

BARBARA CLARK  
Auditor of the City of Portland



By Britta Olson  
Acting Clerk of the Council

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**\*\*\*\*\* NOTE – SPECIAL COUNCIL MEETING \*\*\*\*\***

**THURSDAY, 11:00 AM, May 15, 1997**

**709 TIME CERTAIN: 11:00 AM** - Declare City of Portland intentions to evaluate overall consolidation of Multnomah County and its cities (Resolution introduced by Mayor Katz)

**Disposition:** Resolution No. 35612. (Y-4; N-1, Sten)