



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

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

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

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

Commissioner Hales noted the appointment of Vic Rhodes as the new Director of the Office of Transportation.

Mr. Rhodes said everyone knows the problems the City faces with an aging system that is being used more and more every day. Developing new partnerships for transportation options is absolutely key.

Commissioner Hales said it became clear in recruiting a new director that Portland is a national leader in transportation and has the best and brightest represented on its staff.

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

CONSENT AGENDA - NO DISCUSSION

- 1149 Accept bid of J.P. Contractors, Inc. for Harney Park improvements for \$301,552 (Purchasing Report - Rebid 203)

Disposition: Accepted; prepare contract.

- 1150 Accept bid of Parker Northwest Paving Co. for NE 47th Place/NE Sumner street and storm sewer improvements for \$115,111 (Purchasing Report - Bid C-9923)

Disposition: Accepted; prepare contract.

Mayor Vera Katz

- 1151 Confirm reappointment of Mary Loennig to the Investment Advisory Committee (Report)

Disposition: Confirmed.

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- 1152** Confirm appointment of George Bell, Doug Macy, Paula Kinney, Lynne Saxton, Carol Lewis, Mike Lindberg and Bob Van Brocklin to the Regional Arts and Culture Council (Report)
- Disposition:** Confirmed.
- 1153** Authorize preparation and submission of a Plan of Advance Refunding for Sewer System Revenue Bonds (Resolution)
- Disposition:** Resolution No. 35631. (Y-5)
- *1154** Pay claim of Lindsey Ray (Ordinance)
- Disposition:** Ordinance No. 171426. (Y-5)
- *1155** Authorize contract with Preston Gates & Ellis for bond counsel services (Ordinance)
- Disposition:** Ordinance No. 171427. (Y-5)
- *1156** Authorize contract with Ater Wynne Hewitt Dodson & Skerritt for bond counsel services (Ordinance)
- Disposition:** Ordinance No. 171428. (Y-5)
- *1157** Authorize contract with Stoel Rives LLP for bond counsel services (Ordinance)
- Disposition:** Ordinance No. 171429. (Y-5)
- *1158** Authorize contract with Regional Financial Advisors, Inc. for financial advisory services (Ordinance)
- Disposition:** Ordinance No. 171430. (Y-5)
- *1159** Apply for a \$4,500,000 grant funded by U.S. Department of Justice, Office of Community Oriented Policing Services Universal Hiring Program (Ordinance)
- Disposition:** Ordinance No. 171431. (Y-5)
- *1160** Apply for a \$100,000 grant from U.S. Department of Justice, Drug Enforcement Administration for Operation Weed and Seed (Ordinance)
- Disposition:** Ordinance No. 171432. (Y-5)

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- *1161** Declare forfeited property at 5623 N. Maryland Avenue to be surplus and authorize its sale and conveyance (Ordinance)

Disposition: Ordinance No. 171433. (Y-5)

Commissioner Jim Francesconi

- *1162** Grant permits to provide Specially Attended Transportation services in the city (Ordinance)

Disposition: Ordinance No. 171434. (Y-5)

- *1163** Amend contract with OTAK, Inc. to include additional services not to exceed \$25,000 for Eastmoreland Golf Course (Ordinance; amend Contract No. 28518)

Disposition: Ordinance No. 171435. (Y-5)

- *1164** Contribute \$11,500 towards the purchase price of the Edwards property in southwest Portland in the Fanno Creek Regional Target Area (Ordinance)

Disposition: Ordinance No. 171436. (Y-5)

- *1165** Contract with Multnomah County to provide two full-time Alternative Community Service crews for a maximum of \$134,611 (Ordinance)

Disposition: Ordinance No. 171437. (Y-5)

Commissioner Charlie Hales

- 1166** Accept contract with Anderson Pacific Contractors for Columbia Park improvements as substantially complete and authorize final payment with release of retainage (Report; Contract No. 31091)

Disposition: Accepted.

- *1167** Agreement to reimburse McCormack Pacific for the cost of removing and reconstructing median islands in NE Airport Way adjacent to street improvement Project 2549 (Ordinance)

Disposition: Ordinance No. 171438. (Y-5)

- *1168** Authorize an agreement with the Oregon Department of Transportation to construct pedestrian improvements in the Multnomah Village section of Capitol Highway (Ordinance)

Disposition: Ordinance No. 171439. (Y-5)

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- *1169** Execute Intergovernmental Agreement with Multnomah County for its Aging Services Department to occupy and use a portion of the East Portland Community Center (Ordinance)

Disposition: Ordinance No. 171440. (Y-5)

- *1170** Grant a ten-year property tax exemption to Brian McCarl and Company for new multiple-unit housing on the southwest quarter block bounded by NW Everett, Flanders, Fifth and Fourth Avenues (Ordinance)

Disposition: Ordinance No. 171441. (Y-5)

Commissioner Gretchen Miller Kafoury

- *1171** Amend contract with the Portland Development Commission and Central City Concern to alter the scope of work, increase the funding amount, establish a termination date and provide for payment (Ordinance; amend Contract No. 30544)

Disposition: Ordinance No. 171442. (Y-5)

- *1172** Amend agreement with Salvation Army to increase contract amount by \$24,452, extend term and provide for payment (Ordinance; amend Agreement No. 30952)

Disposition: Ordinance No. 171443. (Y-5)

- *1173** Contract with the Senior Job Center for \$138,286 for the Senior Home Repair and Maintenance Program and provide for payment (Ordinance)

Disposition: Ordinance No. 171444. (Y-5)

- *1174** Authorize application to the Department of Housing and Urban Development for a grant in the amount of \$4,000,000 for the implementation of lead based paint hazard control activities and administration (Ordinance)

Disposition: Ordinance No. 171445. (Y-5)

Commissioner Erik Sten

- 1175** Authorize a contract with the lowest responsible bidder for the digester modifications project at the Columbia Boulevard Wastewater Treatment Plant, project 5918, and provide for payment (Ordinance)

Disposition: Passed to Second Reading August 6, 1997 at 9:30 a.m.

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- *1176** Authorize payments to Project Software Development, Inc. for technical support services and license upgrades (Ordinance)

Disposition: Ordinance No. 171446. (Y-5)

- 1177** Authorize a contract and provide for payment for the construction of 16-inch, 12-inch and 8-inch water mains in SE Clatsop Street and a 6-inch water main in SE 48th Avenue and SE Mitchell Street (Ordinance)

Disposition: Passed to Second Reading August 6, 1997 at 9:30 a.m.

- *1178** Contract amendment with Roger N. Smith Associates, Inc. for engineering services to expand a monitoring well network for the Columbia South Shore well field at a cost not to exceed \$100,000 (Ordinance; amend Contract No. 31095)

Disposition: Ordinance No. 171447. (Y-5)

REGULAR AGENDA

- 1147** **TIME CERTAIN: 9:30 AM** - Adopt the recommendations contained within the Hawthorne Boulevard Transportation Plan (Resolution introduced by Commissioner Hales)

Discussion: Commissioner Hales said a lot of tough choices were made in developing this plan as Hawthorne does not have a lot of right-of-way available for pedestrian circulation, bicycles, automobile parking or retail activities. The City will also have to make some commitments so this plan does not just sit on the shelf.

Bill Hoffman, Office of Transportation, outlined the public involvement efforts, including formation of a 15-member citizen advisory committee with representatives from all affected interest groups. The Plan represents wide community consensus arrived at after consideration of five alternative plans. The Plan is also multi-modal and attempts to balance the diversity of uses on Hawthorne. The recommended alternative will provide better safety and convenience for pedestrians and bicyclists, improved transit stops, faster bus service, grid vehicle access and parking. The recommended alternative is supported by the community which will continue to provide leadership as the Plan is implemented.

Matt Brown, Office of Transportation, showed slides and described the extensive public process that lead up to acceptance of this Plan. He emphasized that with just 70 feet to work in, not everything the community desired would work. Many alternatives were considered, including removing a traffic lane to provide bicycle lanes. The recommendation that resulted retains the existing four-lane cross section along Hawthorne and works in some improvements around that. Key

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elements include: 1) pedestrian crossing improvements; 2) bicycle improvements; and 3) transit and other miscellaneous improvements. He outlined some of the tools they plan to use to create these improvements, including curb extensions, median refuge islands, new and better signalization and slower traffic speeds, particularly between 34 and 39th Streets along Hawthorne. Even though the final recommendation is not to put bike lanes on Hawthorne, some improvements will be made on the side streets (Lincoln and Salmon) to enhance bicycle use and the shared outside lane on Hawthorne will be continued. Special bicycle signage will be developed as well as a bike oasis for parking. Streetscape improvements including proper tree placement and parking strips are also part of the Plan.

Mayor Katz said it is important to use international signage and make all signs graffiti-proof. Trees and banners are needed to soften the metal infrastructure.

Commissioner Hales said this level of detail is needed to make Portland streets livable. He congratulated those involved for thinking through how to make the details work together.

Commissioner Francesconi asked if there was any money to pay for this.

Mr. Brown said once the plan is in place, Transportation will be able to go after grants to implement it. There is \$1.6 million in the System Development Charge targeted for transit improvements in Hawthorne and the next step is to look for funding options with the community.

Mr. Hoffman said they will have to carefully phase in the improvements but are optimistic about their ability to make these projects happen. A Local Improvement District is a possibility but will happen only if the property owners believe there is a true benefit for them.

Commissioner Francesconi said he hopes that the City does not raise expectations that it then does not have the funds to deliver.

Commissioner Hales compared this to some of the housing projects which have needed a large combination of financing sources to make them work. This was true for the Broadway/Weidler corridor where, once the plan was in place, opportunities were found to put the pieces together. The Systems Development Charge has already been identified as a funding source for the curb extensions and transit improvements.

Commissioner Francesconi asked if there was a prioritized list of Transportation projects.

Commissioner Hales said typically Transportation does not prioritize these kinds of project because it relies so much on community initiative.

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John Slavin, Bicycle Transportation Alliance (BTA) and Citizens Advisory Committee (CAC) Vice Chair, said BTA supported uphill climbing lanes and bike lanes in both directions but does not want to oppose the compromise worked out by the community. He urged Council to move forward.

Tom Badrick, President, Sunnyside Neighborhood Association, and President, Hawthorne Boulevard Business Association, said this does not create cross-through traffic and will improve livability.

Others speaking in support included:

Bill Boyd, CAC member
Don Mack, Sunnyside Neighborhood Association
Pamela Allegria, President, Willamette Pedestrian Coalition
George Eighmey, State Representative, House District 14
Young Park, Tri-Met
Jay Guliberty, 1635 SE 36th
Bruce Kent, CAC member and Hawthorne business owner
Caleb Winter, Sunnyside Neighborhood Association

Supporters asked Council not to shelve the work of 1-1/2 years the community has spent shaping this plan, which recognizes the need for a balanced multi-modal transportation system and outlines improvements for enhanced pedestrian safety and transit use while providing for an attractive streetscape. They said taking away a traffic lane and replacing it with bike lanes, while seriously considered, would divert many of the 500 to 700 cars an hour onto neighborhood streets. Ms. Allegria said the Willamette Pedestrian Coalition was puzzled about the inclusion of merchant displays on sidewalks which at this point is illegal.

Lisa Regenold, neighborhood resident and BTA member, said concern was expressed about bicyclists having to share the travel lane on Hawthorne with buses and cars. She opposed the recommendation to place a sign saying Walk Your Bicycles on the Sidewalk as that will increase confusion about where bicycles, which have a legal right to share the road, really belong. Despite some concerns that it will create a false sense of security for pedestrians, she said a marked crosswalk should be maintained at 38th to the Fred Meyer store and more signage should be added there as well. It should definitely not be removed.

Karen Frost Mecey, Executive Director, BTA, said the BTA does not support this Plan because it does not create a truly multi-modal street on Hawthorne. She said five years ago Transportation staff asked the BTA to help identify a neighborhood design for safe bicycle travel. Hawthorne was chosen as the demonstration project because it was in a neighborhood where bicycle and pedestrian usage was high and neither could travel safely. Auto usage was heavy and at high speed with undersized lanes. The BTA organized public meetings and offered a vision of Hawthorne well accepted by hundreds of people. However, the vision was

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muddled by budget restraints and these same fears could also scuttle the 1997 plan for Hawthorne, which should have included safe passage for bicyclists. Today's solution is less than visionary as it bows to citizen priorities based on peak hour traffic counts and speeds and fails to address real bicycle safety concerns, instead rewarding the single vehicle driver. She said BTA is regretfully resigned to the Plan but does not believe fancy bicycle racks are a good trade for safe and convenient passage on arterials. She noted City and State policies which call for providing safe bike lanes on arterials and state that alternate routes must not unreasonably foster out-of-direction travel. She said BTA offered a compromise plan. Instead of bike lanes on the entire length of Hawthorne, it proposed one uphill climbing lane from SE 11th to 30th and slower traffic from 30th to the east. Because west-bound traffic at peak morning hours would have been slowed by seven minutes, according to the traffic engineers, the CAC disregarded BTA's solution. Since there will be more bikes on Hawthorne, the BTA does endorse the plan to paint pavement markings reminding motorists of bicyclists' right to share the road. The CAC and neighbors also feared diversion of traffic into the neighborhood but the grid pattern in Southeast can absorb more traffic, if there is assurance that it is slow moving. She also opposed removal of the painted crosswalk on 38th.

Art Lewellan, Brooklyn neighborhood resident, said his designs for the South/North lightrail include a streetcar across the Hawthorne Bridge, eventually extending through the Hawthorne neighborhood. He is aiming for a 20 percent reduction in vehicular traffic by 2015 and by that time he expects the electrical infrastructure to be in place to phase in a streetcar system. While he does not favor three lanes for Hawthorne, use of the side street bike route does not work well because Madison does not go completely through. The City should consider a two-way bike lane on the north side of Hawthorne between 30th and 32nd so that Madison can become a more complete thoroughfare adjacent to Hawthorne.

Mayor Katz said she does not understand staff's reasoning that the crosswalk at 38th should be eliminated because it gives pedestrians a false sense of security.

Mr. Hoffman said there has been a lot of debate on this point and pedestrian advocates in general favor retaining the lines while Traffic Engineering staff is more conservative about their usefulness. A national study is underway now and more research is needed. The bottom line, however, is that the signs do not adequately affect driver behavior and the focus should be directed to other interventions such as traffic lights and curb extensions.

Commissioner Sten said he favors keeping the stripes. The rest of Council agreed.

Commissioner Francesconi said he is glad to see the community get to this point of compromise but is concerned about financing. He noted that this is also an important bus corridor and there is a need to increase service here.

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Commissioner Hales said he is committed to getting the improvements financed. He said the City needs to see more examples of the kind of problem solving process that occurred here and better education of motorists regarding sharing the streets with pedestrians and bicyclists.

Commissioner Kafoury said she does not have the sense that every street can be a bike street as she sees many near accidents all the time. Education is critical.

Commissioner Sten said he is personally drawn to BTA's argument that better bike access is needed but given the compromise that has been reached he will support this.

Mayor Katz said she wants to see international and graffiti-proof signage in place, more garbage receptacles and more frequent bus service to reflect the population increase in the area. She said Council needs to spend more time talking through the City's infrastructure needs and she also has asked the Association for Portland Progress to implement a "Polite Portland" campaign to reduce road rage.

Disposition: Resolution No. 35632. (Y-5)

S-1148 **TIME CERTAIN: 10:30 AM** - Accept Central City Streetcar Preliminary Design and Engineering of Phase I Alignment, adopt Central City Streetcar Budget and Capital Finance Plan, endorse preliminary Operating Plan, acknowledge contribution of Citizens Advisory Committee and direct Bureau of Transportation Engineering & Development to initiate final engineering (Resolution introduced by Commissioner Hales)

Discussion: Commissioner Hales said this is a moment for action and celebration and the streetcar will make a big difference in air quality and congested streets. He noted a Substitute had been filed to reflect Council's desire not to assume use of the utility charge as part of the finance plan. He moved its acceptance. Commissioner Kafoury seconded and, hearing no objections, the motion carried. (Y-5)

Mayor Katz noted that the motion references the \$7 million gap.

Don Magnusson, Chair, Portland Streetcar Inc., said they began a feasibility study of the streetcar two years ago. During that time they concluded an alignment for a 4-1/2 mile trackage and engineering plan, tested ridership feasibility and developed a \$42 million capital budget. They have also crafted a financial package and developed a construction schedule. Today they ask to be allowed to go to final engineering prior to construction.

Vicki Deide, Central City Streetcar Project Manager, Office of Transportation, reviewed the five different aspects of Phase One of the Central City Streetcar. These include the preliminary design, the \$42 million capital budget which will be

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covered in part by a rise in short term parking rates in the Smart Park garages, operation and maintenance, public involvement and future actions to be taken regarding the "we don't know" elements.

Commissioner Sten asked if the utilities issue had been resolved.

Ms. Deide said she believes so. Additional information was delivered to the Water Bureau several weeks ago and she believes they can come to a satisfactory conclusion.

Commissioner Kafoury asked why the resolution does not mention affordable housing in addition to the density.

Ms. Deide said it is included in Exhibit D and its lack of inclusion in the resolution itself was an oversight.

Commissioner Kafoury suggested adding affordability to the resolution as another criteria. Council agreed with Mayor Katz to treat this as a scrivener's error.

Commissioner Sten asked about Tri Met's role in covering some of the operating costs.

Mr. Magnusson said Portland Streetcar, Inc. plans to meet with Tri Met's Board in October to discuss that. Most business people believe the payroll tax they presently pay is adequate to pay for operating rail and transit in the region.

Commissioner Francesconi said he is nervous about adopting a budget with a \$7 million hole and then approving a preliminary operating budget with no plan to finance it.

Commissioner Hales said in order for the City to move forward with final engineering, there needs to be a finance plan for how the project is going to be built. Even though this is not 100 percent completed, being able to identify 5/6ths of the resources is reason enough to justify spending public funds and get this designed and ready to build. Other partners, such as the property owners and Tri Met, also need to know that Council accepts the financial direction Portland Streetcar, Inc. is taking.

Mayor Katz asked if the federal government would pay for the cars.

Ms. Diede said that will depend on the strings attached to giving federal monies to purchase the cars not manufactured in the U.S. She noted that the three manufacturers of the cars they prefer are all European.

Commissioner Francesconi asked what ideas there are to cover the shortfall and operating costs, other asking than Tri Met.

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Ms. Diede said Exhibit C sets out some of the strategies, including an examination of fares, advertising revenues, possible redirection of existing fees collected in the district or capturing some of the incremental revenues that will come as a result of development along the route.

Commissioner Hales said there has been some talk of a return on investment model to capture the increased value that happens in the River District and other places along the line, such as on SW 10th and 11th.

Commissioner Sten said stating that it will create increased property taxes, however, is a way to justify spending general fund monies.

Mayor Katz said yes, the finance plan should set aside "x" amount of additional property tax or business income tax that is generated because of the development generated by this project.

Michael Powell, Local Improvement District (LID) Chair, said property values in these neighborhoods are changing very rapidly and the numbers on the LID may be very conservative. The missing \$7 million is not likely to come in a clump but one piece of it could be the added value that an LID could capture.

Mayor Katz said this may be an alternative to South/North light rail and could serve as a model for the entire City. For that reason perhaps Council should think beyond how to finance the \$7 million shortfall. She asked when the public will see completion of the first leg.

Mr. Magnuson said by July 4, 2000 at the earliest.

Commissioner Hales agreed this ought to be the beginning of a streetcar system.

Mr. Magnuson said ultimately they hope to loop the City.

George Eighmey, State Representative, House District 14, said this should be the beginning of a truly comprehensive plan, particularly because of delays in getting the North/South light rail project going. His one concern is the need to link the streetcar with a total, integrated comprehensive transportation plan loop, which is the number one priority. This spur is five blocks west of that loop and, therefore, not even on the map. He questioned whether this is truly the best location for the streetcar. It should also provide a readily available linkup to the east side, the City's most densely populated area. He believes Council will be acting hastily if it approves this without identifying these linkups.

Commissioner Hales said he does not agree with delaying this as federal funds may not be available if Council does not act now. He agrees, however, that a connection to the east side is a priority and that is why the City is proposing to make the Hawthorne Bridge rail ready during the year it is closed for repairs. He

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said a junction to the MAX light rail is also being proposed where the streetcar crosses 10th and 11th.

Mr. Powell, representing the Northwest Triangle Association and Association for Portland Progress, noted their support for the project. He said the impact from the streetcar buildouts on area businesses should be far less than that of light rail, as it is a one-lane only construction project and costs far less to construct as well. He stressed the importance of this segment in linking the River District, Legacy Health System, Portland State University and relieving parking congestion for area businesses. He said he is committed to filling the \$7 million gap and finding a funding source for operations.

Commissioner Sten said Water Bureau and Environmental Services engineers are worried that straight current from the track could affect water pipes. The streetcar is not required to build to the same standard required of light rail but businesses ought to consider the possible impact if a water line goes out.

Mr. Powell said the question is how much certainty the Water Bureau wants. If there is a problem under the tracks, stopping the trolley during the repair work is not the end of the world. If the water system has to be moved to accommodate the track, that is a serious problem.

Commissioner Sten said if Water and Transportation engineers disagree about this, Mr. Powell's committee should review this before it comes back to Council.

John Carroll, Chair, Citizens Advisory Committee and Portland Streetcar, Inc. board member, said this is a milestone and a product of careful planning and a high degree of communication with the affected neighborhoods. The Buckman Neighborhood Association's position that this should be an integrated, not an isolated, system is one they share. The streetcar must be an important part of the regional transportation system and has to help shape development patterns, bringing in density and affordable housing. They know conflicts remain about the best way to move forward on this and are committed to making sure all are dealt with openly.

Roger New, New Park Development, said everyone is trying to figure out how to fill the gap and make a system like this work. He compared the streetcar to San Francisco's cable cars and said he believes it is going to be a wonderful way to move people around this community and make the City more livable.

Ed McNamara, Realty Trust Associates, described the Pearl Court affordable housing project, one of the first projects built in anticipation of the streetcar being in place. He said they ended up building 199 units with 18 parking spaces, giving them a density of 212 acres per unit and affordability between 40 and 60 percent of median income. They were also able to cut the public subsidy substantially because they were able to get higher density with the lower parking ratio.

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Normally, that kind of parking ratio would discourage all lenders, but given the vision of the River District and plans for the streetcar, that became a non-issue for the private market and the property manager.

Dan Booker, Northwest District Association (NWDA) Transportation Committee member speaking as a resident, said the streetcar provides a chance to get rid of cars in Northwest, reduce air pollution and get rid of some of the buses.

Larry Bissett, Buckman Neighborhood Association, said they began to look at the possibilities of a larger scale streetcar system on the east side which could be constructed for a fraction of what light rail would cost. He presented a rough sketch to illustrate what could be done to connect the major radials, using a combination of streetcars and electric buses.

Catherine Lawson, representing Portland State University (PSU), encouraged passage of this resolution to authorize the final engineering as it furthers many City goals and helps create an integrated innercity circulator system.

Ann Gardner, Schnitzer Investment, owners of the North Macadam property, said the streetcar is clearly part of their plan for this area and they believe it will provide a very important linkage to Northwest Portland, PSU, Oregon Health Sciences University and the Central Eastside. They are working now with the same engineers the City has used to address the issues raised by Commissioner Sten and create a rail-ready system.

Connie Hunt, Vice President, Central Eastside Industrial Council (CEIC), said the CEIC has taken no formal position but blesses the concept. It is very important to have the Central Eastside included in the vision for expanding the streetcar as soon as possible. She requested fiscal equity for the Central Eastside and expressed concern about the financial resources and how that might affect the timeline for including the rest of the City.

Art Lewellan, Brooklyn neighborhood resident, said his plan (the LOTI) calls for running the streetcar over the Hawthorne Bridge and includes three streetcar systems. He believes bumping the buses from the mall to 10th and 11th will harm the streetcar. He said the streetcar should connect to the Hawthorne Bridge via Columbia and Jefferson streets, which would connect with Johns Landing and serve the area better than light rail could. However, he believes OHSU is not a proper route for the streetcar because of the hill.

Peter Fry, 2153 SW Main Street, strongly supported the streetcar project and running it across the Hawthorne Bridge to unite Portland with a loop. He believes, however, more time should be taken to craft a better financial plan as raising parking rates \$.20 to raise \$21 million is deceptively easy and the consequences are being ignored. This one segment of the project appears to use up all the easy sources of funds, locking out future segments.

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Steve Fosler, Citizens Advisory Committee for the Streetcar Project, said the project has been citizen shaped and driven and he is confident it will continue to be. The streetcar is not isolated as there will be future phases and it is one of the big things the City must do.

Commissioner Francesconi agreed that the streetcar is one of the big things the City should do as it is one of the few ways to influence development patterns and is critical to the vitality of downtown. It can also help on housing affordability. He also believes the streetcar is just as important on the east side in order to link Lloyd Center and OMSI. However, there are neighborhoods that will not benefit from the streetcar for many years and these outlying neighborhoods need infrastructure, too.

Commissioner Hales said this Council, like others before it, needs to take some risk and be bold.

Commissioner Kafoury said this is an important step, not just for the River District, but for all downtown. She fears South/North may not be built because of its high cost and the City must begin planning for less expensive alternatives.

Commissioner Sten said the City is on the right track here.

Mayor Katz said today the City is implementing at least two major pieces of Central City 2000. She is hopeful this segment will be part of a larger vision and a way to finance it will be found. She thanked Senator Hatfield for the \$5 million he was able to obtain for this project.

Disposition: Substitute Resolution No. 35633. (Y-5)

1179 Reject all bids for Inverness Force main Section D for the Bureau of Environmental Services (Previous Agenda 1108 - Rebid 214)

Discussion: Cay Kershner, Clerk of the Council, noted a request from the Purchasing Agent to accept an amended report rejecting all bids for this project.

Commissioner Sten said there seems to be some problem getting easements from the Port of Portland.

Disposition: Accepted as amended. (Y-5)

Mayor Vera Katz

***1180** Accept a grant from Multnomah County in the amount of \$1,719,400 for 1996 flood damages (Ordinance)

Discussion: Mayor Katz noted these resources will be used for the acquisition of

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flood damaged properties along Johnson Creek and adjacent to Lower Macleay Park.

Disposition: Ordinance No. 171448. (Y-5)

- 1181** Authorize the Mayor and Auditor to sign Agreement for Development between the City of Portland and Hoyt Street Properties, LLC, regarding contingent commitments for development in the River District (Second Reading Agenda 1105)

Disposition: Ordinance No. 171449 as amended. (Y-5)

- 1182** Approve the process for undertaking the River District Planning and Feasibility study for Parks and Open Space and direct the respective City Bureaus to undertake certain other activities related to implementing the Agreement for Development with Hoyt Street Properties, LLC (Previous Agenda 1106)

Disposition: Resolution No. 35634 as amended. (Y-5)

Commissioner Jim Francesconi

- *1183** Amend contract for vehicle towing and storage between City of Portland and A & Z Towing, Inc. dba Gainer, Inc. (Ordinance; amend Contract No. 50835)

Disposition: Ordinance No. 171450. (Y-5)

- *1184** Authorize the Bureau of General Services to begin site selection process for suitable office space or facility to relocate the development service bureaus and Permit Center from the Portland Building (Ordinance)

Discussion: David Kish, Director, Bureau of General Services (BGS), said right now the City is renting between 80,000 and 95,000 square feet of office space stretched over seven different locations. BGS would like to aggregate the development bureaus in one location in the fall of 1999 when the leases run out. This puts the package out to bid, either to buy, lease or build space.

Mayor Katz asked if the Portland Development Commission, which just recently moved to the Portland State area, would be one of the bureaus moved.

Mr. Kish said yes as its lease runs out in the fall of 1999. They are considering properties within the Central City boundaries, which includes the Central Eastside.

Disposition: Ordinance No. 171451. (Y-5)

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- *1185** Authorize agreement for marketing and sales services with Greg Lacotti for the 800 MHZ Regional Wireless Communications System for amounts not to exceed \$65,000 and provide for payment (Ordinance)

Discussion: Mr. Kish introduced Nancy Jesuale, the City's new Communications Manager. He said this agreement is an experiment to take the unused data capacity in their system and match it with customers who are knocking on the door to be included. Because of staffing constraints, BGS has not been able to do this as quickly as it would like. This ordinance allows the City to contract with an individual on a month-by-month basis to do that work.

Mayor Katz said she has heard complaints about busy signals on the system and would like to make sure this does not add to the problem.

Mr. Kish said a meeting is being held later in August with the Police on that issue. On the radio side, capacity is at about 30 percent. On the data side, a separate network, it is at about 9 percent of capacity.

Disposition: Ordinance No. 171452. (Y-5)

- *1186** Designate nineteen Heritage Trees in the City of Portland (Ordinance)

Discussion: Jane Glazer, Urban Forestry Commission, described the 19 trees nominated for heritage status.

Disposition: Ordinance No. 171453. (Y-5)

Commissioner Charlie Hales

- 1187** Accept the recommendation to proceed with streetcar accommodations to the Hawthorne Bridge and direct the City Engineer to initiate implementing actions (Resolution)

Disposition: Resolution No. 35635. (Y-5)

- *1188** Authorize the continuance of negotiations for the purchase of one street dedication and two temporary construction easements required for construction of the SE 17th Avenue and SE Ochoco Street Safety Crossing project, authorize the City Attorney to commence condemnation proceedings, if necessary, and to obtain early possession (Ordinance)

Disposition: Ordinance No. 171454. (Y-5)

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- 1189** Consolidate regulations regarding nuisance, housing and dangerous building code enforcement and increase penalties (Second Reading Agenda 1137; amend Code Title 29 and Code Chapters 3.30, 14.20, 18.02, 18.03, 22.05, 22.06, 24.10, 24.55, 24.80, 28.03 and 33.445)

Discussion: Council noted this had been amended to reflect the doubling of fines after six months.

Disposition: Ordinance No. 171455 as amended. (Y-4)

- *1190** Authorize the Purchasing Agent to negotiate a contract with Duncan Industries for electronic parking meter mechanisms and meter housings for the Lloyd Meter District without advertising for bids and provide for payment (Previous Agenda 1138)

Disposition: Continued to July 30, 1997 at 2:00 p.m.

Commissioner Gretchen Miller Kafoury

- 1191** Adjust FY 1997-98 Adopted Budget to increase the Regional Arts and Culture Commission Special Appropriation in the amount of \$15,000 (Second Reading Agenda 1139)

Disposition: Ordinance No. 171456. (Y-5)

City Auditor Barbara Clark

- 1192** Assess benefitted property for the cost of improving streets within the Harney Park HCD Local Improvement District (Hearing; Ordinance; C-9878)

Discussion: Linda Singer, 7101 SE Sherrett, protested her property assessment. She said the driveway was placed in the wrong location, forcing her to drive over a curb to get into the driveway. She has tried to resolve this with staff but failed.

Catherine Hale, 7103 SE Sherrett, said the contractors did very poor work on her paving and lawn reseeding. The neighbors also did not want the asphalt that was poured on their driveways but it was done anyway.

Commissioner Hales said it appears that legitimate problems have been raised regarding the quality of the work although that does not mean the City should not go ahead with the assessments. He directed the Maintenance Bureau to meet with the property owners to try to resolve these issues and consider carrying out some repairs.

Ms. Hale said a beautiful job was done on some of the other streets in the project but theirs was the last to be done and the contractor was in a hurry.

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Jerry Watzlawick, 7110 SE Sherrett Street resident, voiced concern about traffic safety because of the narrow streets. When cars are parked on both sides, two cars cannot pass, sometimes resulting in backed up traffic on 72nd because motorists are unable to turn onto Sherrett if someone else is coming out. Also, because of the way the street has been designed, some residents need a special permit to hook up to the sewers.

Stan Irish, 7101 SE Sherrett, questioned paying the contractor for poor quality work.

Commissioner Hales said the first thing the City will do is make sure the contractor has met the specifications. If not, he will be held responsible. He does not want property owners to get caught in an endless wrangle between the City and contractor over the work so, if the contractor is not responsible, the City should be.

Marlene Flannagan, SE Harold Street resident, said the asphalt is really ugly and does not match what was already in place. It is also not holding back the rocks.

Commissioner Hales moved to overrule the remonstrances. Commissioner Kafoury seconded and, hearing no objections, the Mayor so ordered.

Disposition: Remonstrances overruled; Passed to Second Reading August 6, 1997 at 9:30 a.m.

- 1193** Assess property for sewer system development contracts for the period ending June 10, 1997 for the mid-county and non mid-county area (Second Reading Agenda 1145; Z0660, Z0663, Z0664)

Disposition: Ordinance No. 171457 as amended. (Y-5)

Commissioner Sten moved to introduce an item on the Four-Fifths Agenda. Commissioner Hales seconded and, hearing no objections, the Mayor so ordered.

FOUR-FIFTHS AGENDA

- *1193-1** Issue Sewer System Revenue Refunding Bonds (Report introduced by Mayor Katz)

Discussion: Commissioner Sten said he brought this to Council today because otherwise its deadline cannot be met.

Disposition: Ordinance No. 171458. (Y-5)

At 12:45 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 30TH DAY OF JULY, 1997 AT 2:00 P.M.

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

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

- *1190** Authorize the Purchasing Agent to negotiate a contract with Duncan Industries for electronic parking meter mechanisms and meter housings for the Lloyd Meter District without advertising for bids and provide for payment (Previous Agenda 1138)

Discussion: Carleton Chayer, Purchasing Agent, said this ordinance allows the purchase of electronic parking meters and management systems from Duncan Industries without advertising for bids. After extensive research the Bureau of Traffic Management has been unable to find any other system that meet all City requirements, including compatibility with existing meters. The City has tested available meters from Duncan Industries, PLM and MacKay Meters since 1994 and found that PLM's did not meet many minimum requirements while the MacKay Meters failed the coin recognition test in 1995 and both the minimal requirements and coin recognition tests in 1997. He said the Charter provides for exemptions from public bidding in cases where no other products are available of equal value or are compatible with equipment already owned by the City. Bidding this out would be a sham, only increasing the total purchase price.

Jeff Hansen, MacKay Meters, said Council should deny the exemption from competitive bidding as MacKay Meters has an electronic parking system that is fully compatible with the existing Duncan meters and they believe the City would see substantial savings if this were competitively bid. He said his client has never been presented with anything indicating what the minimum standards for parking meters are. Tests were done on earlier MacKay systems but no evaluation results were provided for the meters currently in production, the Guardian meters, which were presented to the City for testing in June, 1997. He said they are fully compatible with the meters manufactured by Duncan Industries that the City uses now. He said MacKay calibrates their meters for coin recognition at the factory or on the streets and was told that coin recognition was not a "deal breaker." Claims that the MacKay meters do not have field inventory capability are simply not true. MacKay just competed successfully with Duncan on a contract in Miami, one of the conditions being that Mackay's system be compatible with the Duncan meters Miami already had. MacKay can do that in Portland and should be given the chance to bid on this product.

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Commissioner Kafoury asked if the key issue is rejection of foreign coins?

Dave Logsdon, Bureau of Traffic Management, said that is a very important element in evaluating meter products. He said Duncan Industries did test much, much better in this area than the other two companies. Every week the City gets a large bucket of returned non-USA coins collected in the meters.

Commissioner Kafoury said she had never heard this was a big issue before.

Mayor Katz asked if tests had been performed on Mackey's most recent model.

Mr. Logsdon said they tested the MK Three in January and April, 1997 but do not have the Guardian meter so there may be some misunderstanding there. Their last contact with the company was in April when they retested the MK Three meter.

Mayor Katz said if staff found out they had not tested the latest meter, would that require a competitive bid or at least a test to see if they meet the standards.

Mr. Chayer said there is a question of how much testing they can do and still get the meters in the Lloyd District in time.

Mr. Logsdon said staff does not think there is another product that will meet the standards and compatibility needs. The City currently has a Duncan system and if it bought a second one from another company it would require the City to run two sets of software.

Commissioner Sten said a bid could be rejected if the product was tested and found to be unacceptable.

Commissioner Hales said if specialized equipment is needed to do specialized work and there is a compatibility issue, then it sounds as if a waiver would be proper.

Commissioner Sten said he would prefer to give someone a chance to bid if they want to, even though that takes longer.

Mr. Logsdon said Miami has not yet started trying to integrate the Mackay and Duncan systems so it is not known for a fact that it can be done. If it cannot be done they will have to manage two very different systems. There are proprietary information issues because Duncan is not likely to share their computer programming details with competitors. The target date for metering the Lloyd District is September 15 and holding this up will complicate the public education and marketing efforts planned for August to coordinate with new transit service and a passport program for area employees.

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Commissioner Kafoury said she really objects to not bidding this out. Timing should not be a reason to get around it.

Commissioner Hales agreed but said trying to manage two sophisticated systems for the same generic product makes for a difficult situation. Timing is Transportation's problem because the community is expecting that the schedule it set will be followed.

Commissioner Francesconi asked if the compatibility issue could not be covered in the bid specifications.

Mr. Chayer said he asked those questions of the technical folks but that requirement would eliminate MacKay from bidding. He said Purchasing believes if this is bid out, Mackay will be unable to meet the City's minimum requirements.

Commissioner Francesconi said but then MacKay would have a forum to show whether they can make it compatible or not. Once the City gets computers, it is locked into one system automatically and no one will be able to compete in the future. Combine that with \$450,000 as compared with \$45,000 and that tips the balance for him.

Mayor Katz agreed, saying this puts Council in a Catch 22 situation. Once the original bid is put out to one company, the door is closed because no one else is compatible.

Commissioner Kafoury said this might be in conflict with all the work the City has done on trying to expand its pool of contractors.

Mayor Katz asked if the City could require the sharing of proprietary information so one company does not end up with a contract in perpetuity.

Mr. Chayer said they can require anything they want but whether they would get it is another question. He said Traffic Management has been working since 1994 to try to find competition so they could go out to bid. He is the one who recommended the waiver as, after researching this for three years, he believes it is a waste of taxpayers time and a sham to write a specification no one else can meet.

Commissioner Sten asked if the specifications are available so companies could make their equipment compatible at some future point.

Mr. Chayer said the City has been bidding meters as long as they have been in existence and have bought them strictly from Duncan. They have received bids over the years from other companies who have not met the minimum requirements. However, they can bid it out as there is a national market to be served.

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Commissioner Hales asked what happens to the time table for the Lloyd District if this is sent back to be bid.

Mr. Logsdon said they could prepare the specifications in several weeks. It would take another several weeks for bidding, followed by more evaluation. It would thus be September before there was an award and delivery time would be 30 to 45 days after that.

Commissioner Hales said that would mean installing the meters during the holiday season which is what the Lloyd District asked the City not to do. He is prepared to accept the recommendation of the technical staff in Transportation and Purchasing to make an exception. Otherwise the impact on the community is pretty regrettable.

Mayor Katz noted that no one from the City tested the latest meter submitted by MacKay and asked if it could be tested without going out to bid.

Mr. Chayer and Mr. Logsdon said that may be possible.

Johnny Waldo, MacKay Meters, said they delivered 10 meters, along with software and other information, to the City's meter shop in June and met with City employee Keith Ehringsen at that time.

Mr. Logsdon said Mr. Ehringsen said the last time he met with Mackay was in April.

Commissioner Francesconi asked Mr. Waldo if his company's meters are truly compatible.

Mr. Waldo said their meters can be adjusted to screen out whatever coins are causing a problem. Yes, the two systems are compatible and two cities, New York and Miami, are in the process of getting those systems going now.

Commissioner Kafoury suggested, since the City is up against a deadline, that Council pass the ordinance today but ask Purchasing and Transportation to run a check on the compatibility issue.

Mayor Katz said she wants to make sure that whatever is in the contract is information that can be shared with other bidders in the future so that the City does not have one bidder in perpetuity.

Commissioner Hales said he would like to work on the specifications to ensure that the next meter purchase can be done competitively if at all possible. However, he does not want the City to pioneer the use of two systems without further tests.

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Commissioner Francesconi asked if any cities currently have dual systems that are operating.

Mr. Waldo said most cities go to competitive bidding which results in having meters from different companies. With electronic meters, there is one software system.

Commissioner Francesconi asked him to name one city using two systems similar to Portland's.

Mr. Waldo said he cannot as it is just now becoming an issue with electronic meters.

Mr. Logsdon said they know of cities with multiple vendors but they are running separate software. Integrating into a single data base is new and has not been done yet.

Joseph Yazbeck, attorney for Mackay Meters, suggested doing another evaluation over the next week to allow the City to take a fair look at the meters delivered in June.

Commissioner Kafoury noted that no emergency ordinances can be done next week because not enough Council members will be present.

Mr. Chayer said he would stick by his original recommendation to purchase the meters from Duncan this time. He will not say it next time if they have tested products that can meet their needs.

Commissioner Sten said he would change his mind and support Mr. Chayer out of deference to Commissioner Hales' judgment. He does not think timing is an excuse as it could have been bid 30 or 45 days ago. The reality is that Duncan will get the bid and the harm to the District is real.

Mayor Katz asked Mr. Chayer to make sure there is more flexibility next time.

Commissioner Hales said his real concern is with long term usage. He said exemptions ought to be granted in cases where products have been tested to meet specific standards. He said he generally favors supporting award of this contract to Duncan.

Commissioner Sten said he is not happy with that decision but will support Commissioner Hales.

Mayor Katz said she wants to see more flexibility in such contracts next time.

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Commissioner Francesconi said he agrees with Commissioner Sten and will defer to Mr. Chayer this time, also because integrating the systems has not really been tried yet.

Disposition: Ordinance No. 171459. (Y-5)

Commissioner Charlie Hales

1194 Report on differences between the current zoning and Comprehensive Plan designations in the Centennial neighborhood (Report)

Discussion: David Knowles, Director, Bureau of Planning, said the Comprehensive Plan designation recommended by the Planning Commission is indicated in parenthesis on the yellow shaded area on the map shown, which came to Council in December, 1995. Centennial opposed those designations which are higher than the current zoning, as indicated on the map in bold. Because of Centennial's opposition, staff worked out a compromise to maintain the current zoning, change the Comprehensive Plan Map to match the Planning Commission's recommendation but keep the current zoning. That is contrary to Council policy which calls for no difference between the zoning map and the Comp Plan map. However, in this case a distinction was recommended, with the acknowledgement at some future time the zoning map and the Comp Plan map would be conformed based on future housing production. The intent was to require that every development within the yellow areas that wants to build at the Comprehensive Plan designation would have to go through a review process, which would allow citizens to have input on the higher density projects. That review costs the property owner about \$2,500. The agreement was summarized in a number of places but here there is disagreement about what was intended. In hindsight it appears that the Planning Bureau was not as clear as it should have been but Mr. Knowles he reviewed meeting notes from the Outer Southeast Neighborhood Plan and found a list of specific map changes which show what was going to happen. Those instructions, which Council adopted, were to leave the zoning in place and adopt the Comprehensive Plan designations. This is precisely the system in place in the Albina Plan where in some cases there is a difference in the Comp Plan and the zoning. An explanatory statement notes that light rail infrastructure must be in place before the conforming amendments are made.

Commissioner Francesconi asked why City policy says there should be no change between the Comprehensive Plan and the zoning map.

Mr. Knowles said the practical implication is that there is more certainty in having a map with one zoning designation. In areas where the infrastructure may not support a higher designation, the current zoning was left in place when the Comp Plan designation was changed.

Michael Harrison, Planning Bureau, said when the Comprehensive Plan was

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adopted in 1981, the Council did none of the upzonings provided for with that adoption. One of the compromises the Council agreed upon in trying to improve acceptance of the Comprehensive Plan was to consider individual upzoning case by case. That was done throughout the 1980s but because they were not getting the Comprehensive Plan allowed zoning in place, they became increasingly in danger of slipping out of compliance with the minimum density standards in the State's metropolitan housing rule. One objective of the community neighborhood planning program was to reduce the gap between the current zoning map and what the Comprehensive Plan theoretically would permit.

Commissioner Francesconi said here an exception was made because the parties thought there was a compromise agreement between the neighborhood and the City. However, there has been a genuine misunderstanding of the essential terms of this agreement and for this reason he cannot accept the Bureau's proposed option two.

Mayor Katz said she misunderstood too.

Mr. Knowles said Planning would not have agreed to do what the neighborhood thought it agreed to do. And the neighborhood probably would not have agreed to do what Planning thought it was doing.

Commissioner Francesconi noted that three options are listed, with number two being to keep it as it is, based on an agreement which he does not think was an agreement. Option one is to return to what the neighborhood wanted and option three is to follow the Planning Commission's recommendation. He asked if this could be sent back to the Planning Commission to see if a binding agreement can be worked out. If not, Council will have to decide between options one and three.

Mr. Knowles said he does not believe the Planning Commission will change its recommendations as they are basically consistent with what was done in the rest of Outer Southeast. They are likely to say they believe it is appropriate to change the Comprehensive Plan designations from R7 to R5.

Commissioner Francesconi said he cannot vote for a policy based on an agreement that violated City policy and was not an agreement. Therefore, he cannot vote for option two and is not prepared to choose between the other two. He said he would like to give the neighborhood some opportunity to come to an agreement before this is cleaned up.

Mayor Katz said that would take the process one step back.

Commissioner Sten asked how much difference this will make in housing units. It looks like most of the neighborhood is still zoned R7.

Mr. Knowles said there would theoretically be a mathematical difference of 1,700

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units between the old and new zoning. He said the vast amount of Centennial was left R7, one of the few neighborhoods in the City to maintain that designation.

Mayor Katz said the misunderstanding needs clarification. She said Council can take a step backwards to see if some agreement can be reached, although she thinks that is unlikely.

Bruce Cody, Chair, Centennial Neighborhood Association, said a lot of upzoning had nothing to do with the Comprehensive Plan designations and that is why they could include 1,000 housing units in their goal. The point of contention is Planning's contention that it clearly conveyed to the neighborhood that the Comp Plan designations would be applied immediately. The neighborhood was also told that Planning was not at liberty to make changes because that was the policy recommended by the Planning Commission. However, Centennial does not understand how there could have been any misunderstanding because the planning document written by staff says the housing unit "trigger" would prompt the institution of the Comprehensive Plan designation and it would be enacted only if and when Centennial did not achieve its housing goals. That is what Centennial agreed to and what Council approved. Furthermore, Amendment 29 C-2 of the Outer Southeast Plan states that "when the trigger goes off, apply the Comprehensive Plan designation along with the A-overlay." This shows that the Planning staff itself, at the time of deliberations, thought the Comprehensive Plan designations would not be applied for 10 years. The problem is that the Planning Bureau withheld any timeline as to when these designations would go off and they only appear on the neighborhood plan after it was passed. The neighborhood thought it had an agreement to get away from the massive upzoning the Planning Commission recommended and now feels it has been subject to a "bait and switch" practice by the City, resulting in the placement of large portions of multi-family zoning right in the middle of the single-family area.

Commissioner Francesconi asked what they would choose between option two and going back to the Planning Commission for another look before returning to Council.

Mr. Cody said their experience with the Planning Commission was bad as their input only resulted in upzoning that was twice as bad as before. He fears going back would be used to punish them.

Commissioner Sten said he would guess the Planning Commission will recommend exactly what they have been recommending all along, option three, and then Council will have to pick. He has a hard time seeing how another round of discussions will clarify the situation.

Commissioner Hales said he is not sure he understands the misunderstanding. The neighborhood thinks no one in the City who has a two map situation should have that opportunity and the Planning Bureau thinks everyone in that situation

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should. Council has to figure out how to untangle that mess. The Planning Bureau's recommendation is to leave it alone as any change will only make things worse. The Planning Commission is likely to say all the properties should have been upzoned as originally recommended. Are there other options? Picking the neighborhood's solution will make the affected property owners angry and the Planning Commission's recommendation will make the neighborhood angry.

Mr. Cody said if Council can figure out where it would like to be, then it can try to unscramble the mess and try to get back to that.

Commissioner Hales asked if Council had any other choices than the ones he outlined.

Mr. Cody said he did not think so.

Louise Cody, Centennial Neighborhood Association, said the neighborhood has shown that the Comp Plan designations are to be applied when the trigger goes off, citing the language in 29-C-1 and 2 in the Outer Southeast Plan amendment report. She said Centennial is asking Council to go back and reinstitute that agreement and not apply the Comp Plan designations for 10 years, only if and when the housing goals are not met. The neighborhood is also asking for an administrative hold on Comp Plan designations so that when they go to the Planning Commission to have them removed people will not be able to apply for the Comp Plan designations. She said the neighborhood wants the agreement written and approved by the Planning Bureau to be honored.

Jim Worthington, Centennial Neighborhood Association, said Planning staff told the neighborhood it misunderstood the wording but what it was told is very plain. The minutes state that the Planning Commission came back and said they agreed with all the eight Centennial amendments except for some questions on the A-overlay. They did not raise a question on the wording. He discussed this issue with Michael Harrison and was told anyone could still request a zone change under the regular method. The neighborhood understands and agrees with that but that is a completely different process than what occurs under the Comp Plan designation process, which is almost automatic. He said this misunderstanding is almost a breach of contract.

Donovan Scheer, 15300 SE Main, 97233, said the City should stick to the original plan with the 10-year trigger.

Bob Luce, 3441 SE 174th, 97236-1234, said Council should support the continued livability of Centennial and carry out the original agreement with Planning.

Mr. Cody asked what is wrong with option one.

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Michael Roche, Land Use Chair, Southwest Neighborhood Information and Multnomah Neighborhood Association, 8920 SW 40th St., supported Centennial's position. He said this is a question of trust and he believes neighborhoods are being asked to support unbearable levels of growth. If the deals that are cut are not worth anything, it raises questions about the integrity of the process. If there is confusion, perhaps this should go back to square one. It would be a bad precedent to push this forward as it will only further similar concerns in other neighborhoods.

Commissioner Francesconi asked Mr. Knowles to address the December, 1995 amendment report written by staff and the language which states: "the agreement calls for a trigger to kick in a Comprehensive Plan designation for certain areas at a later date." What does that mean and does it support Centennial's position?

Mr. Knowles said the wording that is used consistently throughout the documents, including this one, is the notion that the Comprehensive Plan designation would go into effect. What they meant by that was that the designation was in place on the map but it was not the operating zoning. That is where some of the confusion arose. The neighborhood interpreted those words, "Comprehensive Plan Designation," to mean something that would not be anywhere in the regulations but would come into effect later. What staff meant by it, and what was clear in Council's adopted instructions, was that the designation was in place on the map but the zoning in effect as the regulatory tool was the current zoning. He was not personally a party to those conversations but he guesses the neighborhood clearly expected that the Comp Plan designation would not be anywhere on the map. Staff understood that the designation would be on the map but that it is not the operating zoning.

Commissioner Francesconi said he would like to eliminate Option 2 and, as he is not prepared to say why they upzoned it, he is not prepared to rule on Option 3. He requested a delay for 60 days and then he will be prepared to make a decision.

Commissioner Sten asked what happens in those 60 days.

Commissioner Francesconi said for 60 days we keep it the way it is.

Commissioner Hales said there may be some choices in terms of process. Council could ask the Planning Commission to review this although it has already made its recommendation, which Council did not accept. Council thought it understood what the agreement was between the Planning Bureau and Centennial and it was wrong too. Now it is stuck with a situation where everyone's expectations have been confounded by what the law and policy actually mean in practice. Another option would be to take up the other two choices at some future specified time.

Mayor Katz said usually requests for delays are honored and the question before

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Council now is whether to send this back to the Planning Commission or just have Council review it.

Commissioner Francesconi withdrew the idea of sending it to the Planning Commission.

Commissioner Kafoury said Council needs to clarify in 60 days that people who make applications will be handled the same as in the past. So when people bring things in, Council does not have to go through appeals on the process.

Mr. Knowles said he cannot refuse to accept an application or an appeal. He asked if Council had any instructions for him to follow over the next 60 days.

Commissioner Hales said what Mr. Harrison stated about the huge pressure the City is under to deal with regional density and growth is true. The City is trying a lot of new things and in this difficult environment, simplicity is a virtue. He does not want to spank the Planning Bureau but as future solutions are sought, the City should be very clear about its zoning policy, which is complicated enough. He said simpler mechanisms ought to be used in the future.

Mr. Knowles said he feels badly about this miscommunication but when Planning makes a mistake they own up to it, as they did with the A-overlay when they processed a Code amendment to fix it. In this case, there was a miscommunication and he is happy to continue the discussion to see if they can find another solution but he honestly does not know what that might be.

Mayor Katz said she is always optimistic that something can be found to satisfy the situation. She would also like the City Attorney to look at the language to see what it really says. If Council then wants to maintain the status quo, it probably ought to be spelled out much more clearly so people really know what it means.

Commissioner Francesconi said what Mr. Harrison said is that it is really a matter of trust now. Option number two is not an option for him, so it is either one or three. He asked staff to negotiate with the neighborhood if it chooses to do so. He agreed with Commissioner Hales that this is not a clean way to do this but because the issue is trust, he is still hoping for some satisfactory outcome.

Commissioner Hales said his point is not that the City should not negotiate but that it ought to be very clear and simple. He said he has always been wary of the two-map approach and this is one more reason not to do it.

Commissioner Francesconi apologized to the neighborhood for his comments last week about frivolous cases. However, Council has to move forward now.

Commissioner Sten said if there is going to be a 60-day delay that time should be used constructively.

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Mr. Worthington asked if there could be a moratorium for 60 days.

Mayor Katz said no. However, within the 60 days there will be an opportunity to make those changes.

Commissioner Hales said what will come to the Council in 60 days is two choices for amendments of the Zoning Code, either Option 1 or 3. People could also bring forward other options at that time that also amend the Zoning Code.

Mayor Katz said there may be other options.

Disposition: Continued to October 1, 1997 at 2:00 p.m.

1195 TIME CERTAIN: 3:00 PM - Consider request to amend the Comprehensive Plan Map and change the zone of property located at NW 14 to 17th, Thurman and Savier, from Industrial Sanctuary (IGI) to Central Employment (EXd) (Hearing; LUR 97-00158 CP ZC)

Discussion: Ruth Spetter, Senior Deputy City Attorney, outlined the procedures to be followed at this hearing.

Susan McKinney, Planning Bureau, described the proposed uses, including a school and a retail store, that would occur if the zone change were granted. She said the Hearings Officer's analysis was not based on a specific use but on full build out. Once the zone change is granted, it is permanent and does not apply to a particular use. The applicant has suggested approving the change with a condition restricting the use but the City cannot do that. She showed slides of the site and said while this is not like the Costco case, the preservation of industrial sanctuary land raises the same issue of potential conflicts between uses. The Hearings Officer weighed in towards denial of this request. Ms. McKinney read the approval criteria for a Comprehensive Plan map change. She said the future availability of this four-acre site with good transportation linkages could make it an excellent site for incubating new businesses. She noted that the Northwest Industrial Sanctuary currently has only a one percent vacancy rate and the proposed use may compromise transportation uses by others. The Hearings Officer, after balancing the approval criteria, denied the zone change request.

Commissioner Francesconi asked if housing could permanently be banned.

Ms. McKinney said the issue stems from the Metro Functional Plan which requires the City to create minimum density standards for all zones that allow housing. General Employment and Commercial zones allow housing but there are no standards creating minimums or maximums for them in the Code now. The Functional Plan also states that the City cannot take any action that would reduce the set minimum density. This would make applying a condition of approval

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prohibiting housing questionable. She noted the Industrial Sanctuary does not allow housing but the upzoning would.

Jeanne Harrison, Office of Transportation, described City transportation policies and their applicability to this case. She noted that sidewalks are missing in two locations between the closest bus stop and the site. It is highly likely there will be increased bus service to this area soon, although neither the route or funding have been determined. She said the Transportation Demand Management Plan needs to be tailored to a specific use and it is hard to apply such plans for retail outlets as they are usually focused on industrial and school uses. The mix of office, retail and institutional uses with industrial uses may create safety problems and conflict with freight movement, eventually pushing out industrial uses of the area.

Jamie Charbonneau, Bureau of Traffic Management, Office of Transportation, described the adequacy of transportation services and parking impacts. Two of the most important services this case impacts are street capacity and on-street parking impacts. The applicant shows the minimum level of service would be adequate at the intersections around the area and there is one intersection under the new zoning, at maximum level of development, which would be at level E, the lowest level of service and one at which there would certainly be congestion. Most of the others would operate at level D or better. The maximum level of development would increase the delay at the intersection at 14th and Thurman by at least 2-1/2 times compared to what it would be under the existing zoning. The applicant had proposed a limitation on the floor area ratio to minimize the impacts but that would still have the potential to reach level E. What is actually being proposed for this site, however, would likely keep service at an acceptable level. Applicant's proposal includes a minimum required parking scenario based on what would be required in an EX zone. With the poor transit service that currently exists, it seems as though the retail parking demand would likely be higher and the demand would probably be closer to the Code maximum parking requirement, four spaces for every 1,000 square feet of retail, rather than the basis the applicant used, which was two spaces. Their assumption about office space and other uses is probably accurate in a situation where transit service tends to be poor. Effects of the Floor Area Ratio (FAR) on parking impacts would still not guarantee there would be no parking impacts if the zone is changed to EXd. In that zone the only review that is required for proposed developments would be design review, where there is no approval criteria regarding adequacy of services. She said the range of impacts could vary widely with a zone change to EXd and is difficult to determine.

Robert Ames, River District Steering Committee, said this property should have been included in the River District to begin with, particularly given its close link to Terminal One. He said the City needs to respond to market opportunities and while he supports the concept of the Industrial Sanctuary, this should be the final resolution of where the boundaries should be placed.

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Commissioner Francesconi asked why the boundaries have not been discussed yet.

Frank Bird, President, Northwest District Neighborhood Association (NWDA), said NWDA supports this proposal. He said most people never have considered this property to be part of the Industrial Sanctuary and it should be reviewed on a site specific basis. He noted the boundary review currently being undertaken by NWDA and the Northwest Industrial Neighborhood Association (NINA) Task Force. He said not all the land zoned Industrial should be considered Sanctuary as a lot of industrial land is not being fully utilized.

Commissioner Sten asked if any clarity has resulted from this.

Mr. Bird said it has been agreed to by all the Northwest neighborhoods.

Others testifying in support of the proposed zone change included:

Michael Czysz, 1336 NW Northrup, 97209
Tad Savinar, PO Box 10798, 97210
Debbie Thomas, 3110 NW Luray Terrace, 97210
Michael Powell, speaking for Homer Williams
Bill Bach, PO Box 3527, 97208
John Emrick, 3188 NW Aloclek Dr., Hillsboro, 97211
Sally Lawrence, President, Pacific Northwest College of Art
John Cogley, Daniel Smith Art Supplies
Eric Leahy, Grant High School student
Mary Folberg, Northwest Academy of Arts
Will Vinton, President, Claymation
Ed Israel, CTR Systems
Chuck Landskroner, Past President, NINA
Sharon Genasci, 2217 NW Johnson, 97210
Dan Volkmer, 2205 NW Johnson
Don Drake, real estate broker

Supporters said the neighborhood is eclectic and changing and staff is out of touch with what is happening in that area. Instead of letting it sit vacant, Council should consider what is best use of this property, an abandoned tire warehouse. They said this is an isolated triangle that should not have been included within the Industrial Sanctuary boundary in the first place. They stressed that the area has never been totally industrial, citing the presence of a number of retail and other uses nearby. and contending that the buildings themselves are not good for modern industrial uses. Some testified that this property is a natural buffer between the housing in the River District and the industrial area and that it is a mistake to think this will ever be used for industrial purposes. Mr. Vinton said the definition of what is industrial will change dramatically in the next century and that the creative arts should be considered an industry too, which all three proposed uses will advance. Mr. Bach, a realtor who has represented major

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industrial developers in the City, said the preservation of large tracts, 20 acres and above, are what is needed to attract industry to the City.

Chuck Martin, Alliance of Portland Neighborhood Business Associations (APNBA), said the APNBA Board voted six to zero to oppose this application. He said they believe it is critical to keep industrial land available as all the good vacant land is now gone. He said this request for spot rezoning will encourage everyone else to do likewise and conditioning it is not a good idea either. He said this four blocks links to the other 18 blocks in the Industrial Sanctuary and granting this request will sever that link. He said these buildings can be great incubators for new businesses but if they are so dysfunctional they should be torn down. It is spurious to say they cannot be used for industrial purposes. Approving EXd zoning will allow housing which is simply not compatible with industrial uses. He said this is a wonderful academy but once the zone change is approved there is no guarantee that some other allowable use will not locate there. He said there is a scarcity of industrial land in the City and within the Urban Growth Boundary and this proposal should be rejected in order to preserve what remains.

Commissioner Francesconi asked Mr. Martin about the value of sites under 20 acres and what it would take to buffer the area to meet the concerns of industry.

Mr. Martin said this site could be a good distribution center and said he believes this property is pretty well buffered now, with Front Avenue acting as the buffer. He said NINA is still discussing boundaries with NWDA, primarily looking at the Thurman/Vaughn corridor close to 21st Avenue.

Commissioner Sten asked when should boundaries be reviewed that were drawn in 1980 in a very different market.

Mr. Martin said the City has reviewed the area twice in the last 12 years. He said the City needs to look at this from a broader perspective than just these four acres.

Dale MacHaffie, ESCO and Chair, Industrial Sanctuary Task Force, said Council stopped two attempts by Costco to move into the Industrial Sanctuary. He said the City asked NINA to develop a neighborhood plan and Council should wait for its completion rather than spot zoning. He said businesses still need certainty about the Industrial Sanctuary.

Mayor Katz asked if he believed NINA would be recommending changes to the current zoning and if it had looked at this area.

Mr. MacHaffie said the general feeling is to stick with the status quo but tighten up the granting of conditional uses in order to achieve a stronger buffer between the River District or anything up against the Industrial zone.

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Other opponents of the change included:

Susan Stone, NWDA Planning Committee
Kitsy Brown Mahoney, President, NINA
Linda Davis, Cogan Owens and Cogan
Steven Daneman, NINA
Peter Fry, 2153 SW Main, #104, 97205

Opponents said granting this zone change, which would allow housing as well as retail uses, is not good planning or good policy. They said if this is granted, the Industrial Sanctuary will no longer be defensible and the result will be a block by block battle over rezoning. Current market forces, if unfettered, will push out more and more industrial uses, forcing industrial business owners to leave the City. Several requested that Council wait for completion of the NINA neighborhood plan, due for public review this September/October, as it addresses boundary, transition and buffer area issues.

Mr. Fry requested that the record be left open for seven days. He said the zone change is not supported due to the deficiency in transportation services and the erosion of industrial zoning reduces the range of what remains available. Full blocks are in extremely high demand on the Central Eastside and he does not know why that should not be the case here.

Commissioner Sten asked Mr. Fry about OMSI's presence in the Central Eastside Industrial area.

Mr. Fry said initially OMSI was allowed under a conditional use approval. The zone was then changed to General Employment, not EXd which allows housing, because the facility is very valuable to the surrounding industrial area.

Commissioner Kafoury said a one percent vacancy rate does not jibe with her impression of the area.

Al Solheim, owner/developer of the property, said this plan amendment concerns the knowledge-based economy, a density-impacted area and urban/light industrial services and their importance to the economic success and vitality of the River District and Northwest Portland. Many people support this project because it complements their vision of the future and the importance of attracting the intellectual industry. He said the Lutz property has always been a buffer between the industrial area and Northwest Portland and now it is acting as a buffer between the downtown and the industrial area to the West. He said inclusion of this property in the industrial sanctuary was accidental and these buildings are functionally obsolete for industrial use. Serious efforts are also underway to define where the industrial sanctuary should actually be and they will not be resolved for some time. He said the Lutz property is a gateway to the River District and Northwest Portland and assessed market value for this property runs

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way above industrial values. He said EXd is far more appropriate for a vital, density-impacted Central City industrial area.

Bob Stacey, attorney representing the applicant, said there is no question but that Council understands the importance of the industrial sanctuary to Portland's economy. The real question is whether there are any circumstances under which a zone change from industrial land can be approved. He said his applicant has a great proposal and a great location on a site that abuts the River District and the entire northern boundary abuts EXd zoning. Across the street is RX, the highest density residential zoning the City has. The proposal is compatible with the zoning around the site as this is the gateway into the River District. By contrast, the property has an almost unmeasurable physical effect on the industrial sanctuary, which stretches from Lovejoy to Sauvie Island and the property is a long way south of the boundary between NWDA and NINA. This is not spot zoning, which is what happens when areas in the middle of a zone are redesignated for another use. This is at the edge and modifies the boundary between two zoning classifications rather than cutting off industrial-zoned land. There are no adverse traffic impacts on this Industrial Sanctuary and they are not using land or buildings adaptable to industrial development. One of the industrial uses suggested was replacing the present buildings with tilt-up warehouses and this is preferred by opponents over adaptive reuse. However, the applicant believes mixed use in these buildings furthers the objectives of the River District and reinforces the zoning pattern placed on Terminal One and the Hoyt Street rail yards. He noted that the Hearings Officer, in her decision, says this is a very close call because the redesignation would make a logical rezoning pattern compatible with the River District and that it is desirable to place a school, retail and employment within walking distance of the planned housing. She also concedes that the transportation system will support the proposed uses and that additional transit services will be available within the next year. He introduced a letter from Tri-Met substantiating its intent to provide that service by September, 1998. He said both the Hearings Officer and staff, however, recommend turning down the proposal because "regardless of whether there is or is not an excess of industrial land, whether they are inefficient for modern use or whether the redesignation has the support of area associations and businesses, the bottom line is that the industrial sanctuary policy says that industrial land should be preserved for manufacturing purposes." This is too rigid a reading as the Comprehensive Plan calls for a balance of goals and preservation of the Industrial Sanctuary should not be used to veto all other goals. One should not look at a single policy in isolation but at the Plan as a whole.

Mr. Stacey noted the identified need for further review of appropriate zoning for the land within the Industrial Sanctuary, an indication of the need to put the line between mixed use and industrial in the right location. He said this case is one such review where it is appropriate for Council to look at the facts and determine that there is no damage to industrial use, there is no traffic problem and there is benefit to the other Comprehensive Plan policies. A vote for this proposal is not a

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vote against the Industrial Sanctuary as this use will not interfere with neighboring industrial uses or cause a choke point in the transportation system. He said this is a case where there are great old buildings which are no longer functional for industrial uses and this is a perfect opportunity to balance the goals of the Comprehensive Plan as a whole to implement the River District while doing no harm to the Industrial Sanctuary. He distributed some proposed conditions for approval which would avoid any adverse transportation impacts.

Beth Wemple, Kittelson and Associates, 610 SW Alder, said they analyzed three different development levels and found acceptable traffic operating conditions at all three. Regarding the concern about the combination of industrial and non-industrial trips, she said field observation confirmed there are no heavy industrial uses in the study area. They did not see a lot of trucks using the public right-of-way nor did they see forklifts. The percentage of trucks (about 4 percent at 14th Ave. at peak) in the traffic counts confirms that and is much lower than at other intersections in the industrial sanctuary. She noted accident reports are very low. In summary, their analysis shows that there is ample capacity to accommodate the zone change and no indication that the mix of industrial and non-industrial trips would be a problem.

Commissioner Hales said the most questionable aspect of the application for both him and the Hearings Officer is transportation. While the proposed use is compatible with the River District and what exists nearby, the biggest question is what kind of transportation behavior is likely to appear on this site if it is zoned EXd. To meet the criterion, the change has to be complementary to what is nearby, not parasitic. He is concerned about a site plan that has 160 parking spaces and a lease that has 100 parking spaces for 100 employees. He said he wants to see how much better this developer can do than simply place suburban-style development on this site. A significant number of employees should arrive by foot, bike or transit rather than by automobiles. He is concerned that criterion is not yet met and that the proposed conditions do not meet it. If this is approved, he would expect to see Transportation Management plans that included employer-assisted housing, and a smaller number of parking places.

Mr. Stacey said staff wants to ensure that this proposal does not flood streets with on-street parking and wants to see at least the minimum parking requirements met, the 110 spaces required under EXd zoning. They have more spaces than that in part so they will not take away on-street parking spaces others rely on. He said they want additional transit service and additional residential opportunities nearby and expect those to happen in the future. Both the applicant and Transportation staff agreed that the best way to handle Transportation Demand Management Plans is on a use-by-use basis and conditions at the Comp Plan stage might not address all the potential uses at this site. The proposal commits the applicant to developing a Transportation Demand Management Plan before a tenant improvement permit can be granted.

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Commissioner Hales told staff he would like to drop minimum parking requirements in urban districts. He asked what the applicant thought of a condition specifying the minimum as the maximum in addition to the other requirements. How low can you go?

Mr. Stacey said they would like Council's support in getting the transit Tri Met is already planning at peak hours to a full level of service. Tri Met will not run empty buses past Terminal One when Terminal One itself is empty but they expect to have a bus when housing is developed there. As the River District develops there is a great opportunity to increase alternatives to the automobile. Until that time, they propose to limit FAR to half that allowed by the zone and will not go beyond this level of development until there is better transit service. There would be a full public hearing process if that happens.

Mr. Solheim said the 160 spaces serve three buildings and 120,000 square feet of building area. He said some will be allocated and some will be shared.

Commissioner Hales said he would like to gradually reduce the parking over time as the River District develops. He realizes right now there are no transit services and no housing but some years from now that will be different and he does not want them to have 160 parking spaces then.

Mr. Solheim said the property has unique restrictions on it, including the existing placement of buildings and 500 feet of frontage up against the railroad line so there are a lot of easements going through the site. They do not have a lot of opportunities for additional buildings.

Mr. Stacey said in terms of traffic impacts on industrial uses, 160 to 180 parking spaces is not a problem. Transportation pointed to a concern about level of service at maximum build-out at the intersection of 14th and Thurman. That would mean there could be a 37 second delay to turn left at the stop sign. That is not a choke point in the industrial transportation system even under a build-out they cannot achieve because of size limitations.

Commissioner Francesconi asked why they did not seek a conditional use.

Mr. Stacey said the maximum allowable size limitation for retail use in the IG1 zone is 3,000 square feet. Above that, it is a conditional use and the standard is that the customers must be from the industrial area. That is not the case here and there is also a prohibition on schools in industrial zones.

Commissioner Francesconi asked why they did not go through a legislative process involving the Planning Commission.

Mr. Stacey said NWDA is updating its plan and NINA has been working on an update but it has been over a year since Council adopted a resolution inviting that

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activity. The committee is now developing criteria on how to draw boundaries and he does not know why Council would ask an applicant to wait one to three years for an unfunded process by two neighborhood associations to be completed.

Commissioner Hales asked if staff had a chance to review these conditions.

Mr. Stacey said they have been discussed only in concept. This is new language and they do not propose an immediate decision by Council on this now.

Commissioner Hales said he needs further discussion with staff and the applicant with respect to both findings and conditions.

Ms. Spetter said the Metro Functional Plan must be complied with if this is approved and the City does not know for a fact whether this proposal can comply with it.

Commissioner Francesconi asked if Council had the option of sending this to the Planning Commission for review.

Ms. Spetter said no, it cannot intervene at this point.

Mayor Katz asked if a prohibition on residential uses could be added as a condition.

Mr. Stacey said he understands that it is difficult to keep track of such conditions but the City has the ability to do so and legally Council can do it.

Commissioner Kafoury moved to tentatively overturn the Hearings Officer's recommendation and grant the Comprehensive Plan Map amendment and zone change subject to conditions of approval and modifications to be made over the next two weeks.

Commissioner Hales seconded.

Ms. Spetter noted that all would be subject to review by the City Attorney and Metro.

Commissioner Kafoury said no one knew 10 years ago what was going to happen with the River District. The whole nature of this area has now changed and Council has the authority to legislatively reflect that change. She said Policy 5.8, calling for a variety of efficient and safe industrial sanctuary and mixed-employment areas, talks to a much broader definition than just manufacturing. She said if transportation impacts are mitigated and there is a requirement for transit she does not believe the proposal conflicts with the character of either the industrial sanctuary or the River District.

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Commissioner Hales said the basic ideas of the proposed conditions are good but he wants further discussions between Transportation, the Planning Bureau and the applicant about the particulars as he believes the City must be very aggressive about issues like parking ratios, Transportation Demand Management plans, etc., to ensure a level of performance appropriate in an urban setting.

Commissioner Sten said he does not want to go so far as to say minimum and maximum parking requirements need not be met simply because this is an industrial area and on-street parking is going to be a real problem. This is a weird site and if there are cars they should be off the streets as much as possible.

Commissioner Francesconi said he will vote no because he does not believe such a zone change can be done in this narrow a context. When dealing with important policy it is better to do it in a policy context rather than through a zoning decision, especially in an industrial sanctuary with a one percent vacancy rate. In this case, there are too many questions about transportation services, freight and housing and a legislative review would be preferable to changing policy in this way, especially as Council already set up a process to examine the sanctuary boundaries in April, 1996. His bias is towards keeping blue collar workers in the heart of the City and he is looking for that mix of artists and truck drivers that keeps the middle class in the City.

Commissioner Hales said this is a very close call for him as preserving the industrial base within the City is very important and should not be lost. However, these circumstances are compelling enough that he has changed his mind. He believes the creative industries are an important part of the City's future and that this rezoning provides a reasonable transition between the River District and the Industrial Sanctuary. He thinks the change is more supportive of the Comprehensive Plan as a whole than keeping the present zoning designation as long as there are tough conditions to prevent suburban encroachment.

Commissioner Kafoury said the location of this particular property sets it apart from the rest of the Industrial Sanctuary.

Commissioner Sten said he supports the motion as he believes the change to EXd better meets the Comprehensive Plan goals and will be a more useful zone. The fact that this site was used as a tire warehouse for years tells him it is not viable for industry. He views this as a buffer site that should be judged on whether it can be used in a way that will not hurt industry. The fact that Council has agonized this much should strongly affirm its belief, however, in the importance of the Industrial Sanctuary and how important it is. If the City can get viable economic use out of what he considers a lousy site, one that is not really attached to most of the industrial district, without harming the Industrial Sanctuary, then he believes the zone change is a good idea. He urged completion of the review on the Industrial Sanctuary.

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Mayor Katz voted aye. She said this property is the gateway to both the Industrial Sanctuary and the River District, which is why this has been such a struggle for Council. She is very nervous about buffers also. She said Goal 5, Economic Development, was the most difficult for her but she noted that it calls for creation of a strong and diverse economy, which the City has been successful in doing. She noted that one of the City's target industries identified in the Central City 2000 Plan is the creative media and arts, plus backroom informational services. These are the industries that will stay in the City and Council needs to enlarge its definition of what industries are and begin to think about what space opportunities they can be given. She agreed with Commissioner Sten that this is a lousy piece of property and that the proposed use is probably the best use for this little triangle.

Ms. Spetter reminded Council of the need for Metro review.

Disposition: Tentatively grant request with conditions; applicant prepare findings and ordinance for August 20, 1997 at 2:00 p.m.

Council adjourned at 7:10 p.m.

BARBARA CLARK
Auditor of the City of Portland

Cay Kershner
By Cay Kershner
Clerk of the Council