



CITY OF  
**PORTLAND, OREGON**

**OFFICIAL  
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 5TH DAY OF NOVEMBER, 1997 AT 9:30 A.M.

THOSE PRESENT WERE: Commissioner Francesconi, Presiding; Hales, Kafoury and Sten, 4.

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

On a Y-4 roll call, the balance of the Consent Agenda was adopted as follows:

**CONSENT AGENDA - NO DISCUSSION**

**1657** Cash investment balances September 18 through October 15, 1997 (Report; Treasurer)

**Disposition:** Placed on File

**1658** Accept bid of Jensen Drilling Co. for Ditch Camp slide area horizontal drains, Phase II for \$197,400 (Purchasing Report - Bid 98056)

**Disposition:** Accepted; prepare contract.

**1659** Accept bid of Suburban Leasing, Inc. for a one-year lease of used vehicles for \$130,356 (Purchasing Report - Bid 98066)

**Disposition:** Accepted; prepare contract.

**1660** Vacate a certain portion of NE Holman Street south of Airport Way, under certain conditions (Ordinance by Order of Council; C-9932)

**Disposition:** Passed to Second Reading November 12, 1997 at 9:30 a.m.

**1661** Vacate certain portions of N Tyndall Avenue, N Trenton Street and N Delaware Avenue, under certain conditions (Second Reading Agenda 1622; C-9939)

**Disposition:** Ordinance No. 171725. (Y-4)

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**Mayor Vera Katz**

- 1662** Dedicate repayments of principal and interest on Housing Investment Fund loans for redeposit to the Housing Investment Fund, thus establishing the fund as a revolving loan fund for housing projects (Resolution)
- Disposition:** Resolution No. 35651. (Y-4)
- \*1663** Pay claim of Sandy Chang (Ordinance)
- Disposition:** Ordinance No. 171726. (Y-4)
- \*1664** Pay claim of Roland Trosclair (Ordinance)
- Disposition:** Ordinance No. 171727. (Y-4)
- \*1665** Authorize the purchase of Herman Miller furniture for remodeled City Hall from State of Oregon and Multnomah County contracts for a total of \$576,339 and provide for payment (Ordinance)
- Disposition:** Ordinance No. 171728. (Y-4)
- \*1666** Authorize the Purchasing Agent to negotiate a contract with Dodge-Regupol, Inc. for the installation of gymnasium flooring (Ordinance)
- Disposition:** Ordinance No. 171729. (Y-4)

**Commissioner Jim Francesconi**

- 1667** Accept contract with A.C. Schommer & Sons, Inc. to provide contract management services and general contractor services as complete and authorize final payment and release of retainage (Report; Contract No. 30708)
- Disposition:** Accepted.
- \*1668** Authorize a contract with Kodak Company to furnish a Kodak IS85F high volume reflective copy machine and a three year service agreement for \$45,070 and provide for payment (Ordinance)
- Disposition:** Ordinance No. 171730. (Y-4)
- \*1669** Authorize expenditure of \$78,240 for upgraded HVAC system for the temporary homeless shelter (Ordinance)
- Disposition:** Ordinance No. 171731. (Y-4)

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\*1670 Authorize sale of property located at 39th and NE Sandy Boulevard (Ordinance)

**Disposition:** Ordinance No. 171732. (Y-4)

**Commissioner Charlie Hales**

1671 Set hearing date, 9:30 a.m., Wednesday, December 3, 1997, to vacate certain portions of SW 2nd Avenue and SW Richardson Street (Report; C-9920)

**Disposition:** Adopted.

1672 Set hearing date, 9:30 a.m., Wednesday, December 3, 1997, to vacate NW Harris Street and a portion of NW Bailey Street south of NW Springville Road (Report; C-9935)

**Disposition:** Adopted.

1673 Accept completion of the SE 90th Avenue and SE Woodstock Boulevard street improvement project and authorize final payment to Nutter Underground Utilities Co. (Report; Contract No. 31227; Project 1718)

**Disposition:** Accepted.

\*1674 Approve Modification 2 to City of Portland/Tri-Met Westside Light Rail Construction Management and Services Agreement for services related to the Bureau of Fire, Rescue and Emergency Services (Ordinance; amend Contract No. 29203)

**Disposition:** Ordinance No. 171733. (Y-4)

**Commissioner Gretchen Miller Kafoury**

\*1675 Contract with Dan Davis for fire suppression and prevention services for FY 1997-98 (Ordinance)

**Disposition:** Ordinance No. 171734. (Y-4)

\*1676 Authorize a contract and provide for payment for paving of Portland Fire Bureau Maintenance Center (Ordinance)

**Disposition:** Ordinance No. 171735. (Y-4)

\*1677 Contract with Northwest Pilot Project for \$164,294 to assist homeless and at risk seniors to obtain and maintain permanent affordable housing and provide for payment (Ordinance)

**Disposition:** Ordinance No. 171736. (Y-4)

- \*1678 Contract with Transition Projects, Inc. for \$491,311 to provide shelter and services to homeless men and women and provide for payment (Ordinance)

**Disposition:** Ordinance No. 171737. (Y-4)

**Commissioner Erik Sten**

- 1679 Accept completion of the Airport Way 1 and Cherry Park PS controller replacement and facility improvements, Project No. 5387, and authorize final payment to McCoy Electric Co., Inc. (Report; Contract No. 30919)

**Disposition:** Accepted.

- 1680 Accept completion of the improvements of N Maryland - Schedule A, Project No. 5392, and authorize final payment to S-2 Contractors, Inc. (Report; Contract No. 31176)

**Disposition:** Accepted.

- 1681 Accept completion of the improvements of N Maryland - Schedule B, Project No. 6177, and authorize final payment to S-2 Contractors, Inc. (Report; Contract No. 31176)

**Disposition:** Accepted.

- 1682 Authorize contract for the demolition of the packaging resources building at the Columbia Wastewater Treatment Plant (Ordinance)

**Disposition:** Passed to Second Reading November 12, 1997 at 9:30 a.m.

- \*1683 Authorize Joint Funding Agreement with U.S. Department of the Interior for water resources investigations and provide for payment (Ordinance; Project No. 6022)

**Disposition:** Ordinance No. 171738. (Y-4)

- \*1684 Authorize a contract and provide for payment for the NW Everett Street sewer reconstruction project, Project No. 5985 (Ordinance)

**Disposition:** Ordinance No. 171739. (Y-4)

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REGULAR AGENDA

**\*1654** **TIME CERTAIN: 9:30 AM** - Adopt Supplemental Natural Resource Inventory and ESEE Analysis for City Resource Site 30, Boring Lava Domes; adopt Boring Lava Domes Supplement to the Johnson Creek Basin Protection Plan; amend official Zoning Maps (Ordinance introduced by Commissioner Hales; amend Titles 33 and 34)

**Discussion:** Tom McGuire, Planning Bureau, described the State's Goal 5 planning process, which all jurisdictions must meet. He said an ESEE (Environmental, Social, Economic and Energy) analysis is used to determine and balance resource values and noted that the Boring Lava Domes Supplement is tied to the Outer Southeast Plan which calls for another look at the amount of environmental protection that should be provided.

Mr. McGuire said to implement Goal 5 the City established Environmental Protection (EP) and Environmental Conservation (EC) zones, of which the EP is the most restrictive. He described the location and characteristics of the Boring Lava Domes area (Site 30), noting that the inventory was redone and the Johnson Creek Basin Protection Plan was then amended to make it consistent. He said this is a steeply sloped area which includes a lot of tributaries to Johnson Creek and raises flooding issues, particularly given the heavy development pressures upstream. A major part of the plan looks at conditions upstream in order to get a handle on those. He said all issues have been resolved except one concerning the proposed width of the EP zone on one particular piece of property.

Mr. McGuire showed slides of the 1800 acre study area (which included 600 properties) to illustrate the resources, existing developments and drainages. The natural resources identified are primarily creeks, drainages, forests and wildlife habitat. The Planning Commission held two hearings on the Plan and deferred a decision on the Mitchell Creek site, where the width of environmental protection is at issue, until completion of a further evaluation by outside consultants hired by the property owner. Staff has since met with the owner and consultants but feels very strongly that the resource quality supports the 200-foot setback on the north side of Mitchell Creek on this property. The quality of resources could also support a 200-foot setback on the south side as well but staff at this point is recommending 150 feet there. That was part of their effort to get to yes with the property owner even though they disagree with a number of the consultants' findings.

Ivy Frances, Bureau of Environmental Services, said the Johnson Creek watershed is under tremendous pressure to develop and passage of the Boring Lava Dome Plan can play a key role in providing environmental protection. It will help reduce additional stormwater running into Johnson Creek, protect spawning grounds for fish by reducing sedimentation, reduce summer water temperature and protect wildlife habitat by providing 200-foot buffers on both sides. The buffers are also needed to maintain stream stability.

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Wendie Kellington, attorney for property owner Phil Gentemann, explained why they believe the proposed buffers are too wide on the Gentemann property. She said at the first Planning Commission hearing her client testified that he thought 200-foot buffers were wrong and said he would like to hire BEK and OKAT to do a site-specific analysis of the resources. She said the Planning Commission continued the hearing but because of its busy schedule was unable to hear the results.

Phil Gentemann, 2137 NW Merrywood, West Linn, OR, said the only area they are concerned with is in the northwest corner, where the issue is 150-foot versus 200-foot setbacks. The property is already zoned R10c with a conservation zone on the majority of the area. After receiving notice of the proposed zoning, he hired OTAK and BEK consultants at a cost of almost \$40,000 to gather data on which to make a decision. The information BEK developed indicated that the setback, based on information the City had, should be 50 feet from Mitchell Creek. However, after meeting with Mr. McGuire they agreed to 150 feet and the only issue now is over the 200-foot setback. Increasing the setback in the northwest corner by 50 feet will lessen the number of houses they can build by 11.

Ms. Kellington said this is based on existing R10 zoning which they understand the City may change.

Mr. Gentemann said the lots vary in size from 5,000 to 10,000 square feet. The consultants concentrated on Mitchell Creek and the ravines. There will be another environmental review when the development plan is done. He said they can live with 100- or 150-foot setbacks in the northwest corner.

Mike Peebles, OTAK, 17355 SW Boones Ferry Rd., Lake Oswego, 97035, outlined the efforts undertaken by OTAK and the property owner to deal with the impacts of the new environmental protection zones on the development. These included mapping, field studies and surveys of the center lines and tops of banks of the drainage corridors. They also worked closely with BEK Consultants in physically locating resource areas for protection and worked outside those areas in preparing their development plans. A total of 202 housing units were estimated, based on a 100 foot setback on Mitchell Creek. With a 150 foot setback, the number was reduced to 161 units. A 200-foot setback would eliminate several additional building sites.

Dr. Paul Whitney, BEK Consultants, 317 SW Alder, 97204, said they do not understand, based on the data they collected, the logic for the City's designation of EP zones on this parcel. He said they collected site specific data on water quality, erosion, wildlife habitat and wetlands, and then applied the City's rules, as they understood them. Based on the erosion they saw on the site, they are not sure the 200-foot buffer applied will address the active erosion that is going on here. He said adding the buffer zone will be only 10 percent effective in addressing water quality problems in urban streams. What is really needed are custom-designed

structures to detain the water on site and allow the water system to be upgraded. They do not understand how the City can justify 200 feet as their data shows the riparian habitat would be protected at 150 feet. What is really needed is to address the problem of downcutting and erosion.

Ms. Kellington said the science does not support a determination that a 200-foot setback is appropriate. The science does support 80 to 100 feet and the property owner has agreed to 150 feet as a compromise. She noted the City's promise to Metro to provide more housing units in order to maintain the Urban Growth Boundary, many of which are to be derived as a result of the Southeast Community planning efforts. She said staff states that the City's housing inventory does not include this property but that begs the question as this property is zoned R10 and the City is expecting to get a certain number of units out of it so as not to fall below the City's five percent underbuild. Based on the existing zoning, 202 units would be called for.

Commissioner Francesconi asked if the property owner is willing to downcut and undertake the erosion control measures suggested by the BEK consultant.

Mr. Gentelmann said yes. Ms. Kellington said this is the third planning effort on this property and the property owner would like to go back to the first analysis where a water quality management area was applied. Staff said they would rather not do that but the property owner has proposed to apply the more aggressive protective measures.

Commissioner Sten said under a PUD there is nothing but design to prevent the property owner from building 202 units with this setback. Density is spread over the whole site so this setback would simply mean the units would have to be built on smaller lots, which is a City goal as well.

Ms. Kellington said the way the Environmental Conservation and Protection zoning touch one another, there are far greater impacts than might be anticipated on this site.

Bob Roth, Watershed Coordinator for the Johnson Creek Watershed Council, outlined the reasons for the Council's strong support for the Planning staff recommendations, specifically the 200-foot setback on the north bank of Mitchell Creek on the property in contention. This site has the highest ranking in the Lava Dome study area for habitat values. Research shows that the steeper the slopes, the larger the buffers that are needed to prevent landslides and keep the site intact.

Liz Callison, 6039 SW Knightsbridge Dr., 97219, urged support of the staff recommendations. She said incentives are available to property owners for conservation zones, including tax abatements and wildlife habitat grants. She said statewide goals for housing are not applicable here as all environmentally zoned land is excluded from the buildable lands inventory. She then added that these

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regulations should also be applied to City property, not just private property, and called for adding administrative review of all development in environmental zones in order to better track encroachment by the City and non-profit groups. The definition of development should also be expanded to include utility maintenance and emergency projects. She contended that a number of City culvert and slide repair projects are not being properly reviewed and are destructive to fish and wildlife habitat. Regarding utility lines, as proposed in Code Section 33.431.150, she questioned a quote from the State Land and Conservation Division which seems to demand that the City plant trees between sewer lines and an adjacent creek. Sewer lines can leak and break when tree roots clog them.

Mike Houck, Audubon Society, urged adoption of the plan. He said the staff recommendations are really very conservative and there is no scientific basis to determine a specific number of feet for the buffers. Council's policy must be based on recognizing staff's best professional judgment, along with good science. He reminded Council of its commitment to do its share to ensure the success of the Governor's Steelhead Plan. He strongly disagreed that this would impact regional housing goals as virtually all the lands being talked about here have been taken out of the buildable lands inventory. Land use planning has to be linked closely to water protection and while it is hard to tie one particular action to the degradation of an entire stream system the cumulative effect can result in the loss of fish and wildlife habitat.

Commissioner Francesconi asked why a 200-foot buffer is better protection for water quality than 150 feet plus other requirements such as downcutting.

Mr. Houck said the 200-foot buffer is much more justifiable based on the scientific literature he has reviewed but it basically comes down to a judgment call. He said this is the most significant stream in the Lava Domes Plan area and should be protected to the highest degree possible. He said the remedial work should be done in addition to providing the buffer.

Mr. Roth said natural buffers offer a better chance to purify impurities while man-made systems have a tendency to fail or become overloaded.

Amanda Fritz, Planning Commission member, said the Commission felt some urgency in moving forward because of the development pressures and some of the problems seen downstream in Johnson Creek. She said stakeholder should not be encouraged to bypass the Commission, as happened on this property, as it limits public comment on the data that has been submitted. She said this is the most significant site in the plan area for habitat values and if not maximized on this site the whole inventory might need to be redone. To her that means there should be 200-foot buffers on both sides of Mitchell Creek for flood plain values and groundwater recharge. The property owner is planning to develop right up to the EP zone line and, if that is the case, the line needs to be moved to provide a better buffer. She rejected his suggestion that it was not possible to build 200 homes on



40 acres, which is her estimate of what would be left out of the EP zone.

John Unterworth, 8701 SE 156th, supported the staff recommendation and disputed assertions that the seasonal creeks are a recent event or a result of runoff.

Mr. McGuire said while 11 homesites will be lost by requiring the 200-foot buffer, a PUD gives the developer flexibility to rearrange the lot pattern in a way that would allow him to get the number of homes he wants. (On a 69 acre property, about 29 acres would be in the protection zones.) Goal 10 (Housing), is not an issue here because it is not included in the 1987 buildable lands inventory which is the basis for the housing target. He said there is no iron-clad standard for the number of feet set for a buffer but many other resource values were factored in to decide where to place the Environmental Protection zone and call for a 200-foot buffer. He said they use a list of significant and contributing factors to make their decision.

Commissioner Hales said this does not seem the right forum to make scientific decisions about this plan. He noted the amount of technical information that has been provided here and where the break should be between EP and EC zoning when there is no specific setback standard. Does the resource within the 200-foot boundary meet the criteria for the highest level of protection?

Mr. McGuire said while experts may disagree, he believes the 200 feet is a conservative number that meets staff's "comfort" zone. He noted that the Oregon Department of Fish and Wildlife also supports the 200 feet.

Commissioner Francesconi asked if the 200-foot setback is consistent with what is being applied in the rest of the resource.

Mr. McGuire said no, because this property had the highest habitat quality and largest width.

Tim Brooks, Adolfsen Consultant, said in working with the property owner, the mapping of this site has improved dramatically. He said in the field they established that six significant factors were met inside the 200-foot line, making this an A-quality resource warranting full Goal 5 protection. Hence the EP zone.

Commissioner Francesconi said regional housing goals are not going to drive every issue facing the City, like water quality and flooding. He is hesitant to substitute his judgment for staff's when it comes to the important tributary into Johnson Creek.

Commissioner Hales said while he appreciates the careful study the property owner has made to come up with a sensible development plan, he can find no grounds to overrule the quality staff work here. He said a wider protection zone makes sense in this unusually sensitive area. He believes the City is exercising real leadership in the region in terms of balancing resource protection and development.

Commissioner Kafoury said she does not feel there is enough evidence to overrule staff.

Commissioner Sten said to make density work extra steps need to be taken to protect green spaces. He hopes Planning will help the developer come up with a PUD redesign that works under these rules and that gets the property owner the number of units he needs.

**Disposition:** Ordinance No. 171740. (Y-4)

**1655** **TIME CERTAIN: 10:30 AM** - Authorize application to the U.S. Department of Housing and Urban Development for a Section 108 Loan in the amount of \$8,000,000 (Ordinance introduced by Commissioner Kafoury)

**Discussion:** Martha McLennan, Bureau of Housing and Community Development, said this complements the Economic Development Initiative grant recently awarded by HUD and the two pieces together will be combined to set up a commercial redevelopment loan fund, primarily to support mixed-use development projects in Northeast neighborhoods within the Enterprise Zone. Each individual project will be reviewed for benefits and risks and brought to Council for approval. A Steering Committee is being formed to help design the program and program administration will be contracted to the Portland Development Commission. Loans to developers will be secured by the property and by loan repayments. In case of inadequate repayments, HUD will use future community block grant funds as the source of repayment.

Ms. McLennan explained that the original proposal, which was withdrawn, was for a single project rather than for establishment of a fund. The goal here is to be very clear in documenting the public benefits that will result with each project. She noted that there are already projects in the pipeline, such as the Standard Dairy, that have a need for this but whether funding from this loan will be available for them in time is unknown right now.

**Disposition:** Passed to Second Reading November 12, 1997 at 9:30 a.m.

**\*1656** **TIME CERTAIN: 11:00 AM** - Adjust FY 1997-98 Adopted Budget for Fall Budget Adjustments (Period 3 FY 1996-97) (Ordinance introduced by Mayor Katz)

**Discussion:** Ken Rust, Bureau of Financial Planning, said this ordinance adjusts the FY 1997-98 budget and also includes the budget monitoring report and minor supplemental budget.

Randy Webster, Bureau of Financial Planning, explained that these are primarily technical adjustments to distribute encumbrance carryovers to bureaus from projects uncompleted at the end of the fiscal year as well as carryovers on grants and capital projects. He noted that the distribution of resources approved by

Council resolution following passage of Ballot Measure 50 is the most significant action. He said they are distributing \$6.75 million this fall in accord with those choices. There was also \$5.6 million available in the forecast that Council agreed to hold over until winter and that will be presented in January. There was a request to carry over \$650,000 in excess Planning fees above the estimated revenues and the Bureau is requesting an appropriation of \$138,000 in discretionary monies, plus the 50 percent originally approved, to support limited-term positions in the Permit Center. The other issue is the state of General Fund contingency which, after this and actions Council will be asked to take tomorrow, will have a balance of \$870,000. A technical adjustment for general fund overhead to deal with fluctuations in use of services within the fund may also require more use of contingency, possibly up to \$400,000.

**Disposition:** Ordinance No. 171741. (Y-4)

**\*1685** Amend City Code to make it unlawful to keep certain large cats within the City's boundaries, with exceptions (Ordinance introduced by Commissioners Francesconi, Hales, Kafoury and Sten; amend Chapter 13.10)

**Discussion:** Commissioner Sten moved certain technical amendments to this ordinance. Commissioner Kafoury seconded and the motion passed. (Y-4).

Citizens speaking in support of the ordinance included:

Stephen Belknap, Pacific Northwest Animal Club, 17300 SE Troge Rd.

Ginger Becken, 8243 SE Franklin

David Hatch, 3122 SW Willard, 97219

Ann Hatch, 3122 SW Willard, 97219

Ms. Becken thanked Council for making a distinction between exotic and dangerous pets.

Barbara Wilton, 7800 SE Luther Rd., said Greg Anderson, owner of the controversial Siberian tiger that initiated this process, has provided above-average security and accepted responsibility for fulfilling all the safety requirements the permit required.

Council members stated their belief that tigers do not belong in the City. Commissioner Sten said a distinction should be made between exotic and dangerous animals and in this case government needs to respond to a dangerous situation.

**Disposition:** Ordinance No. 171742 as amended. (Y-4)

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**Mayor Vera Katz**

**S-1686** Specify terms for issuance of Water System Revenue Bonds, 1997 Series A (Ordinance)

**Discussion:** Commissioner Sten said a substitute ordinance had been filed and moved its acceptance. Hearing no objections, the Mayor so ordered.

**Disposition:** Substitute Ordinance No. 171743. (Y-4)

**Commissioner Charlie Hales**

**1687** Consider vacating a portion of SE Mt. Scott Boulevard east of I-205 and west of SE 98th Avenue, at the request of JBH Company (Hearing; Report; C-9934)

**Disposition:** Approved; City Engineer prepare ordinance. (Y-4)

**City Auditor Barbara Clark**

**1688** Assess benefitted property for the cost of constructing street, storm sewer and water main improvements in the Brentwood/Darlington HCD District No. 1 Local Improvement District (Hearing; Ordinance; C-9895)

**Discussion:** Commissioner Kafoury moved to overrule the two remonstrances that were filed. Commissioner Hales seconded and the motion carried. (Y-4)

**Disposition:** Remonstrances overruled; Passed to Second Reading November 12, 1997 at 9:30 a.m.

**Communications**

**1689** Request of Dan Blazing to address Council concerning violation of basketball hoop regulations (Communication)

**Discussion:** Dan Blazing, no address stated, asked Council to enforce the ordinance regarding placement of basketball hoops on City streets. He said the residents across the street from his house have been violating these regulations and have been vandalizing his property as a result of his complaints.

Commissioner Hales said the ordinance is not currently being enforced but he will look into this situation.

**Disposition:** Placed on File.

At 11:45 a.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 5TH DAY OF NOVEMBER, 1997 AT 2:00 P.M.

THOSE PRESENT WERE: Commissioner Francesconi, Presiding; Hales, Kafoury and Sten, 4.

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

**1690** **TIME CERTAIN: 2:00 PM** - Adopt and implement the Sellwood-Moreland Plan (Ordinance introduced by Commissioner Hales; amend Title 33)

**Discussion:** Mark Bello, Planning Bureau, noted that the Planning Commission held hearings on the Plan and considered 30 amendments. Two major challenges were how far to downsize the zoning and how to plan for redevelopment along Crystal Springs and Johnson Creek Boulevards. The Sellwood-Moreland Improvement League (SMILE) recommended downsizing to R5 with A (accessory dwelling units) and D (Design Review) overlays while the Planning Commission recommended downsizing to R2.5 AD.

Michael Harrison said the foundation for the Plan rests on the Comprehensive Plan established in 1980 and also supports the Metro Functional Plan. Three issues considered were: 1) energy conservation; 2) encouragement of development close to transit; and 3) housing affordability. He said Planning staff has tried to increase housing by 10 percent in areas where community planning has taken place. Mr. Harrison reviewed the applicable policies regarding transit streets, increased residential density, infill development, full utilization of existing housing stock, neighborhood preservation and design quality. He said the decision was made to apply design review and use the A zone to require a higher level of review. Theoretically, the Plan would increase opportunities for residential housing by 30 percent although a more realistic estimate would be for 10,000 units within 10 years, given approval of the R2.5 zoning proposal. No analysis was done regarding the numbers that would result from the R5a zoning proposal. The Plan calls for a shift away from automobile zones and for reinforcement of owner occupancy. The argument that infrastructure needs to be in place first to support the zoning changes is a chicken and egg argument but staff believes a land-use plan must come first.

Commissioner Francesconi said adding infrastructure is the trade off for getting neighborhoods to accept increased density.

Mr. Harrison said the Planning Commission recommendations would shift R2 to R2.5, a 20 percent reduction in density. The neighborhood has requested further downzoning to R5. Most of the area has been downzoned R2 since 1959.

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Lee Leighton, President, SMILE, 6113 SE 17th Ave., 97202, described the public outreach process, including interactive workshops, and reviewed the changes the neighborhood has requested since the Planning Commission hearing. He noted that the Planning Commission and staff had worked out a plan to add design review in the areas proposed for upzoning and they believe that is a terrific idea.

The first change request concerns property in the north end where the neighborhood had initially proposed a 2:1 Floor to Area Ratio (FAR) wherever a residential zone adjoins property proposed to be downzoned to R5a. This is an area the neighborhood would like to preserve as an historic district. After further discussion with staff, however, they believe it would be better to zone the crescent around those homes R1 rather than using the FAR as proposed. That, together with the design standards, will provide a better transition to the residential edge.

Mr. Bello said the 2:1 FAR is not very different in terms of its density implications from the R1 zone. Since the R1 zone allows an FAR of about 1.8:1, staff can support this change.

Mr. Leighton said the second change concerns a commercial office building owned by Mr. and Mrs. Wasson that is immediately under the Sellwood Bridge. The neighborhood initially proposed residential zoning but never intended to create a non-conforming situation and recommends that the present CO2 zoning remain.

Mr. Bello said staff has no objections to retaining commercial zoning there but the CO2 zone would create an island at that location. Either the CG and CS zone already adjacent to this property would work better rather than adding a third commercial zone.

Third, Mr. Leighton said the Planning Commission recommended that the zoning designations not be changed in the area generally southeast of Tacoma and McLoughlin which is subject to flooding. There are two references, Page 45 and 64, that refer to high density at those locations.

Staff said they had no objection.

Fourth, Mr. Leighton said the Planning Commission report should be amended to state that 450, not 250, people attended the March 5 SMILE meeting where the zoning proposal vote took place. Fifth, the report should also be changed to permit downzoning from R2 to R5 as proposed by the neighborhood in two areas - the north end referred to above and the residential areas of the Sellwood neighborhoods. Planning staff and the Planning Commission recommend R2.5a but the neighborhood feels very strongly that these areas need to be stabilized while an historic inventory is undertaken. On October 15, the SMILE board approved a \$5,000 allocation as matching funds to apply for a grant to begin that work. He said while it is true those areas have been zoned R2 for a long time, they have not seen the kind of growth and redevelopment pressures before now. He said the

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neighborhood is willing to accommodate additional infill housing at locations served by transit but at the same time has a legitimate concern for neighborhood stability. They ask that the Plan be amended to agree with the neighborhood's original R5a proposals in the north end and Sellwood and adopt the proposed amendments.

Supporters of the Plan with the amendments proposed by Mr. Leighton of SMILE, specifically the change in zone from the proposed R2.5a to R5a, included:

Eileen Fitzsimons, 1405 SE Martins, 97202  
Mark Perepelitza, 1933 SE Umatilla, 97202  
Dr. Peter Donohue, 1026 SE Lexington, 97202  
Richard Laughlin, Peoples Coalition, 7515 SE 18th, 97202  
Margaret Branson, 625 SE Manchester Place, 97202  
Gary Blackmer, 1405 SE Martins, 97202  
Kathleen Stokes, 1545 SE Spokane, 97202  
Lou Hansen, 926 SE Rex, 97202  
Krista Shipsey, 1565 SE Umatilla, 97202  
Heidi Cropsey, 1216 SE Tenino, 97202  
Teresa Pucik, 6726 SE 20th, 97202  
Mike Houck, Audubon Society  
Tim Barnes, 836 SE Lexington, 97202  
Doug Menely, business owner at 8606 SE 17th Ave., 97202  
Mike Pucik, 5800 SE 19th, 97202  
Dorothea Fleskes, 1309 SE Linn, 97202

Supporters of the amendments said R5 will relieve development pressures and make some of the oldest, most historic homes less susceptible targets for demolition. They also questioned the lack of appropriate infrastructure to support the increased density. They said the Plan was approved by only a 17-vote margin at a General membership meeting attended by 450 people and that was only with the understanding that the proposed R2.5a zoning would be changed to R5a. They stressed the historic significance of many of the area's homes and called for an historic inventory prior to any zone change. They noted that use of the A overlay will allow residents to add dwelling units without encouraging them to tear down historic homes for multi-family redevelopment. Amendment supporters also noted that no other neighborhood in the City had R2 zoning imposed on it, as the Sellwood area did in 1959. Mr. Houck questioned the notion of redevelopment in the flood plain.

Kathy Gerard, Sellwood-Moreland resident and business owner and President, Sellwood-Moreland Business Association, said the Board unanimously agreed to endorse the plan presented by the neighborhood association. She said the neighborhood needs a chance to evaluate the historic nature of the area but she also believes that businesses have to have room to grow.

Some residents requested specific changes in zones on their property.

Jim Wasson, 278 SE Spokane, 97202, owner of the office building under the bridge which Mr. Leighton referred to in his testimony.

Ray Husari, 5238 SE Milwaukie Ave., 92702, owner of an apartment building in the north section being rezoned for RH, said RH is misplaced here. It is based on light rail sitings which may or may not occur.

Neil Schulman, 8815 SE 9th, 97202, supported further study of the rezoning of the Johnson Creek flood plain but requested that the Bureau of Environmental Services be involved. He said Policy 12, which calls for linkages between greenways, should be addressed more specifically. He said the Oaks Bottom area near Mitchell Street, proposed for high density zoning, should be put on hold because it is slide prone.

Brian Posewitz, 8508 SE 11th, 97202, said he would like to have his lot kept R2, as currently zoned. He said high density does not necessarily mean bad neighborhoods and what he sees as blight are the old houses which have not been maintained.

Curtis Jones, Brummell Construction Company, requested that certain properties in the residential sector south of Tacoma which are owned by Clyde Brummell remain zoned R2.5 and for properties south of SE Umatilla and SE 17th to be zoned industrial.

Mr. Bello said the zone changes requested by Mr. Brummell would require a special ordinance and staff at this time is not recommending these changes.

Opponents of the plan included:

Peter Donahue, Neighbors for Livability, 1026 SE Lexington Street, 97202  
Robert Boulware, 1216 SE Tenino, 97202  
Ray Husari, 5238 SE Milwaukie Ave., 97202  
Richard Laughlin, 7515 SE 18th, 97202  
Renee Kimball, 2224 SE Umatilla, 97202  
Susan Johnson, 6103 SE 18th, 97202  
Alex Gregory, 317 SW 4th, #950, 97204  
Evelyn Osborn, 1741 SE 19th, 97202 (reading letter from Hugo K. Schutz)  
Ray Arrigotti, 3401 SE Harold Court, 97202

Opponents said they do not see the need for added density and believe this plan is an assault on single-family ownership. They objected to projecting density increases on the basis of light rail station infrastructure that is many years away from being built. The lack of infrastructure planning, particularly for transportation, has already resulted in increased



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congestion and cut-through traffic. The failure of the City to do proper fiscal impact and traffic analyses will further add to the plan's inadequacies.

Commissioner Kafoury asked about the discrepancy in zoning. People felt they had voted for one plan and now there is another.

Commissioner Francesconi noted that a number of amendments are being proposed and the wording will be available later from the Planning Bureau. Then Council will then come back to vote on them.

Mr. Bello said this was a neighborhood-submitted plan and Bureau staff waited to react until the very end, after the March hearing. Parameters were not given although the City policies upon which the plan would be evaluated were distributed. Things became contentious when zoning designations were assigned and there was also a process issue about when the vote would take place.

Mr. Harrison said staff advised the neighborhood that the Bureau had an obligation to make a recommendation to the Planning Commission that considered the needs of both Sellwood and the City as a whole. Staff made recommendations to the Planning Commission based on consultations with other bureaus and other Planning departments. The neighborhood did the very difficult task of coming up with a proposal that had enough support to get a majority vote in a very large, contentious and well-run meeting. However, the Planning Commission's job is to offer additional advice and that needs to be balanced in today.

Commissioner Kafoury said she wanted to make clear that the Planning Bureau thought what the neighborhood came up with was okay and later it was changed.

Mr. Harrison said an earlier neighborhood proposal, in the summer of 1995, did not propose as much downzoning as the current proposal being recommended and staff told them it could support that. Then, in an attempt to broaden support for the plan, they made a number of adjustments, including the very significant downzoning.

Commissioner Hales said both the Planning Commission and the neighborhood are right to propose downzoning from the current R2 and Council has a legitimate question about which version is better. The R2 imposed in 1959 was awkward at best and can be improved on substantially with either of the options proposed. He would like to see a memo from the Planning Commission outlining its rationale before taking action.

Commissioner Francesconi asked Council members to outline any concerns they have.

Commissioner Hales said there is a difference in the amount of non-conforming uses that would be created by downzoning to R5 in the north area versus the south.

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He asked how many non-conforming uses will be created by the two different scenarios and what the effect will be.

Commissioner Kafoury said she is leaning towards support of the R5a zone. She noted that staff did not have any problems with the rest of the amendments submitted by the neighborhood and asked how many other amendments are being reviewed and why it would take staff a month to deal with them.

Mr. Harrison said they want to be sure the different divisions of the Planning Bureau support the recommendations and check with other affected bureaus, such as the Bureau of Environmental Services and Transportation as well.

Commissioner Sten said the general scheme being proposed makes a lot more sense than what is in place now, whether it is R2.5 or R5, although he too is leaning towards R5a right now. He needs more information about the riparian zones and whether more work is needed there. He also is glad that another look is being taken at the flood plain and wants BES to check and see if any additional areas need to be reviewed.

Commissioner Francesconi said the question is R2.5 versus R5. Without this plan the neighborhood will lose its ability to control change and keep its small town character. He said other concerns include further study of the greenway, what happens if the light rail station is not built and the flood plains. He also questioned whether the neighborhood might be better protected with the R2.5 overlay if an historic inventory was conducted. He asked what role the R5 zoning recommendation played in getting agreement on the plan.

Mr. Leighton said in fashioning a plan that allowed for reasonable redevelopment potential they tried to rely on Metro's model rather than just the 10 percent guideline. That effort produced substantial process delays and ultimately failed to produce reliable results. He said when they were told they had to make a decision by March they got the neighborhood plan committee together and found they were unable to reach an agreement with the Planning staff about R5. It forced them to shift into more of an advocacy mode and support the R5 change.

Commissioner Hales asked if people were voting for R5 or R2.5 when the neighborhood vote was taken.

Mr. Leighton said the plan advocated for R5, rather than leaving it at R2 or changing it to R2.5, but those attending knew this was not guaranteed and that Planning staff did not agree. Frankly, it did make the difference in the vote.

Commissioner Francesconi said he would like to know what happens historically to businesses when downzoning occurs and how non-conforming uses are handled.

**Disposition:** Continued to December 4, 1997 at 2:00 p.m.

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**1691** Adopt and implement the Sellwood-Moreland Neighborhood Plan (Resolution introduced by Commissioner Hales)

**Disposition:** Continued to December 4, 1997 at 2:00 p.m.

At 4:35 p.m., Council recessed.

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A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 6TH DAY OF NOVEMBER, 1997 AT 2:00 P.M.

THOSE PRESENT WERE: Commissioner Francesconi, Presiding; Kafoury and Sten, 3.

OFFICERS IN ATTENDANCE: Cay Kershner, Clerk of the Council, Linda Meng, Chief Deputy City Attorney, and Officer, Chuck Bolliger, Sergeant at Arms.

**1692** **TIME CERTAIN: 2:00 PM - Tax Supervising and Conservation Commission hearing on the Fall Supplemental Budget (Hearing)**

**Discussion:** Charles Rosenthal, Chair, Tax Supervising and Conservation Commission (TSCC) opened the hearing.

Larry Nelson, Bureau of Financial Planning, said the Fall Supplemental Budget includes changes to 13 funds and involves five major actions. These include: 1) adjusting increased balances in six funds; 2) accounting for \$290,000 in additional business license fees; 3) a carryover of a \$5.6 million grant for affordable housing projects; 4) transfer from the capital improvement fund of money to purchase the OMSI building; and 5) transfer of \$3 million from contingency of which \$2.4 million is a transfer to the Housing Trust Fund and \$600,000 is allotted to the Parks Bureau for purchase of the OMSI building.

Members of the Commission questioned Council members about Housing Trust Fund priorities, plans for the OMSI building site, the status of the Capital Maintenance Plan and whether the Health Insurance Fund reserve balance was too high.

Ken Rust, Acting Director, Bureau of Financial Planning, said Council is trying to build the capital set asides to take care of routine maintenance in general fund bureaus. They may also consider another general obligation bond measure in 1998 to cover some of these maintenance needs.

Commissioner Francesconi said the Parks Bureau is committed to seeking a bond measure in 1998 to cover maintenance needs unaddressed by the last bond measure and to purchase additional land for park deficient areas. Fire station and transportation needs are also being reviewed.

Commissioner Kafoury noted that Council upped the maintenance fund by \$1 million this year but that will not help much in covering the huge backlog of maintenance needs for fire stations and parks.

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Mr. Rust said a consultant is reviewing all the City's reserve funds, including the Health Insurance Fund, to see if they are funded at the appropriate levels.

Having no further questions, Mr. Rosenthal closed the hearing.

**Disposition:** Placed on File.

**\*1693** Adopt a Supplemental Budget for FY 1997-98 and make budget adjustments in various funds (Ordinance introduced by Mayor Katz)

**Discussion:** Commissioner Sten moved to remove the emergency clause as it is not necessary for ordinances authorizing appropriations, which go into effect upon passage. Commissioner Kafoury seconded and, hearing no objections, the motion carried.

**Disposition:** Ordinance No. 171744 as amended. (Y-3)

At 2:25 p.m., Council adjourned.

BARBARA CLARK  
Auditor of the City of Portland



By Cay Kershner  
Clerk of the Council