



CITY OF  
**PORTLAND, OREGON**

**OFFICIAL  
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 4TH DAY OF MARCH, 1998 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; Ben Walters, Deputy City Attorney; and Officer Chuck Bolliger, Sergeant at Arms.

Agenda No. 215 was pulled from Consent. On a Y-5 roll call, the balance of the Consent Agenda was adopted as follows:

**CONSENT AGENDA - NO DISCUSSION**

- 212 Cash investment balances January 8 through February 4, 1998 (Report; Treasurer)

**Disposition:** Placed on File.

- 213 Accept bid of Glock, Inc. for furnishing an annual supply of Glock hand guns for \$124,300 (Purchasing Report - Bid 98097)

**Disposition:** Accepted; prepare contract.

**Mayor Vera Katz**

- 214 Acknowledge March as National Purchasing Month and recognize the accomplishments of the Bureau of Purchases for the City of Portland (Resolution)

**Disposition:** Resolution No. 35676. (Y-5)

**Commissioner Charlie Hales**

- 216 Set hearing date, 9:30 a.m., Wednesday, April 1, 1998, to vacate a portion of NE 52nd Avenue between NE Wisteria and NE Sandy Blvd. (Report; C-9944)

**Disposition:** Adopted.

- \*217 Revocable permit to Jake's Restaurant to close SW Stark Street between SW 12th and 13th Avenues from 11:00 p.m., March 16 through 9:00 a.m., March 18, 1998 (Ordinance; waive Code 14.24.030)

**Disposition:** Ordinance No. 172021. (Y-5)

MARCH 4, 1998

**Commissioner Gretchen Miller Kafoury**

- \*218** Contract with Sisters of the Road Cafe for \$25,000 to establish a microenterprise business and provide for payment (Ordinance)
- Disposition:** Ordinance No. 172022. (Y-5)
- \*219** Agreement with Southeast Uplift Neighborhood Program, Inc. for \$27,035 to assist young people in Outer Southeast Portland in acquiring unsubsidized employment and provide for payment (Ordinance)
- Disposition:** Ordinance No. 172023. (Y-5)

**Commissioner Erik Sten**

- 220** Accept completion of the Fiske B Basin CSO Pollution Reduction Facility, Project No. 5730, and authorize final payment to Brundidge Construction, Inc. (Report; Contract No. 31119)
- Disposition:** Accepted.
- \*221** Increase contract with Global Action Plan for the Earth (Ordinance; amend Contract No. 31411)
- Disposition:** Ordinance No. 172024. (Y-5)
- \*222** Authorize a contract and provide for payment for the construction of 8-inch water main in the NE Faloma road main project (Ordinance)
- Disposition:** Ordinance No. 172025. (Y-5)
- \*223** Call for bids to purchase facility access management equipment and installation for Water Bureau facility at 1900 N Interstate and provide for payment (Ordinance)
- Disposition:** Ordinance No. 172026. (Y-5)
- \*224** Authorize the Purchasing Agent to sign an emergency purchase order as a contract with the lowest bidder to remove and dispose friable asbestos-containing material in the packaging resources building (Ordinance)
- Disposition:** Ordinance No. 172027. (Y-5)
- \*225** Authorize a contract and provide for payment for the design of Tanner Creek stream diversion Phase 2, Project No. 5500 (Ordinance)
- Disposition:** Ordinance No. 172028. (Y-5)

**MARCH 4, 1998**

- \*226** Amend contract with Kohler Meyers O'Halloran, Inc. to increase total not-to-exceed contract amount to \$30,000 and shorten the term of the contract for negotiation and relocation services for the Johnson Creek Land Acquisition Program (Ordinance; amend Contract No. 31339)

**Disposition:** Ordinance No. 172029. (Y-5)

- 227** Authorize contract to the lowest responsible bidder for storm water sediment disposal or recycling service (Second Reading Agenda 205)

**Disposition:** Ordinance No. 172030. (Y-5)

- 228** Authorize contract to the lowest responsible bidder for the construction of the Wet Weather Treatment Facility influent pump station (Second Reading Agenda 206)

**Disposition:** Ordinance No. 172031. (Y-5)

**City Auditor Barbara Clark**

- 229** Accept report from PRS International on its review of payments to vendors (Report)

**Disposition:** Accepted.

- \*230** Extend contract with PRS Profit Retrieval Systems to identify and recover overpayments to vendors for FY 1996-97 (Ordinance)

**Disposition:** Ordinance No. 172032. (Y-5)

**REGULAR AGENDA**

- \*215** Authorize the purchase of furniture for the Bureau of Environmental Services through an Oregon State Price Agreement for approximately \$450,000 and provide for payment (Ordinance)

**Discussion:** Commissioner Francesconi said he was not comfortable placing this on the Consent Agenda. He noted that four bids were received for this purchase and this was the lowest.

**Disposition:** Ordinance No. 172033. (Y-5)

- \*211** **TIME CERTAIN: 9:30 AM** - Accept a \$20,000 grant from PacificCorp's East Stewards Program as part of their partnership with the Portland Energy Office in the Green Neighborhood Network (Previous Agenda 209; introduced by Commissioner Sten)

**Discussion:** Commissioner Sten said Hollywood was selected as the designated Green Neighborhood, where efforts will be concentrated to see if sustainability and energy efficiency can be improved. He thanked PacificCorp for its grant and continued support for this program.

Laura O'Keefe, Energy Office and program manager for the Green Neighborhood Network in Hollywood, said the idea is to deliver coordinated services that will enhance the natural

MARCH 4, 1998

environment and teach people how to use resources more efficiently. One program, the replacement of 40 incandescent lamps with high efficiency light bulbs will save \$550 a year in energy costs for the Hollywood Theatre marquee. She said the program includes partnerships with 20 entities, including non-profits and City bureaus, as well as PacifiCorp.

Sheila Holden, General Business Manager, Pacific Power, said the reduction of CO2 emissions is a cornerstone of the Earth Stewards program, a project they believe could be applied in other communities around the country.

Beth Stadt, National Wildlife Federation, said their backyard wildlife habitat project fits perfectly with the goals of this effort and they are pleased to be one of the program's partners.

Richard Baer, Manager and Special Events Coordinator, Hollywood Theatre, said the Theatre sees itself as a beacon for the neighborhood and expects a lot of pluses from this program, including power use analyses and increased recycling efforts.

Mayor Katz asked what outcomes are expected.

Ms. Holden said PacifiCorp expects to be able to document a reduction in CO2 emissions. They hope to build capacity into the community to change the practices and spread this knowledge to others.

**Disposition:** Ordinance No. 172034. (Y-5)

231

Accept bid of Jubitz Corporation for furnishing an annual supply of gasoline and diesel motor vehicle fuel via cardlock stations for \$444,520 (Purchasing Report - Bid 98088)

**Discussion:** Susan Schreiber, Interim Purchasing Director, said two firms, Albina Fuel and Jubitz Corporation, bid on the City's cardlock fuel services and both were found to be responsive and responsible. Purchasing, with support from the key user groups, the Fire Bureau and Fleet Services, recommends award to the lowest bidder, Jubitz Corporation.

Linda Bidwell, Purchasing Division Manager, described the selection process. She said two bids were received and at first Purchasing recommended that the bid be awarded to Albina Fuel because Jubitz was found to be non-responsive because of its inability to demonstrate an emergency backup system. Jubitz then claimed it had not had enough time to set up its emergency backup system. She noted that Albina Fuel had previously had the contract for a number of years. After several meetings with the users, Purchasing agreed that the City should give Jubitz two weeks to set up its emergency equipment and then schedule an emergency testing date. That was done and Jubitz passed. Purchasing then determined that under State statute, City Code and other legal instruments, it had to award the bid to Jubitz as the most responsive, responsible low bidder.

Nancy Ayres, Senior Deputy City Attorney, said State statute defines "lowest responsive bidder" as "the lowest bidder who substantially complied with all prescribed public bidding procedures and requirements and who has not been disqualified." She said the City is required to give a bidder a reasonable period of time in which to show whether they are qualified or not. Her

**MARCH 4, 1998**

understanding is that Jubitz initially was given less than one working day over a holiday weekend to show that it could perform. The affected bureaus then reconsidered and determined that was not an adequate amount of time and arranged a subsequent appointment for testing. The disqualification statute applies when a company fails to show it has adequate equipment or personnel to perform the contract. That, however, has not been interpreted to mean it must have all the equipment in place at the time the bid is submitted. She said that would be an unrealistic and expensive way to do business. A better interpretation would be to require a company to have the necessary equipment at the time it begins the contract.

Harry Jacocks, senior procurement specialist, Purchasing Bureau, said the correct procedures were used in awarding this bid.

Mayor Katz asked why the one-day time allotment was not flagged.

Ms. Bidwell noted that Albina held the contract for six years and had the emergency backup equipment in place so Purchasing did not realize this would be a problem.

Mr. Jacocks described what emergency backup requires.

Commissioner Kafoury said she thought Purchasing had very strict rules about deadlines and timing. She said Jubitz was given a set schedule and then, retrospectively, the City decided it was not timely.

Ms. Ayres said Jubitz submitted its bid in a timely manner and there were no set schedules in the specifications for these evaluations.

Ms. Bidwell said because Albina had this contract for six years, it had all the equipment in place. This was the first time another company made a low bid and Purchasing was unaware that a length of time would be needed to demonstrate the emergency backup equipment. The time frame was not identified in the specifications but was determined by the Fire Bureau. The Bureau called Jubitz on a Friday to inform them of a test on Monday, the day after Christmas. She said Purchasing was not technically astute enough to realize that was not enough time to put the equipment in place. After looking at the specifications, Purchasing concluded that this deadline restricted viable competition and that it was legally within its ability to grant the two weeks without any detriment to Albina.

Commissioner Kafoury asked if this contract could be rebid.

Ms. Ayres said yes, Council does have that option.

Commissioner Francesconi said the City Attorney is telling Council that a company does not have to have the equipment at the time a bid is submitted but rather, at the time they proceed. Ted Runstein, attorney for Albina Fuel, says the opposite.

Ms. Ayres said she feels comfortable in her legal position that a contractor needs to be prepared at the time work is to begin. She said it would be prohibitively expensive if a company bidding on construction of a building, for instance, was required to purchase all the equipment and

**MARCH 4, 1998**

materials at the time the bid was submitted.

Commissioner Francesconi said a very good contractor has been doing a responsible job for years. Does anything in the bidding process allow additional weighting to be given that factor or does that conflict with competitive bidding practices.

Ms. Ayres said nothing in the statutes provides for that, although individual specifications might allow weighting for past performance. There was nothing like that in the specifications.

Ted Runstein, attorney representing Albina Fuel Co., said a significant part of the contract acknowledges that emergency equipment is necessary for police and fire personnel, especially when power is not available. He said there was no evidence that Jubitz had the equipment available, as required, by the time the bid was supposed to start, on January 1. Originally, Jubitz may have planned to rely on others for emergency equipment. He noted that Albina Fuel completely complied with the bid request and presented its bid in the proper format, which Jubitz did not. This bid came in on December 2, and was supposed to start by January 1 but Jubitz did not have emergency equipment available as the bid required. He stressed the importance of having the necessary equipment, especially when one deals with emergency agencies.

Tom Rask, attorney also representing Albina Fuel Company, said some of the issues the Bureau of Purchasing is presenting are incorrect. The technical users reviewed the two bids and concluded, on the face of the bids, that Albina Fuel should be awarded the bid because it satisfied the requirement to provide the emergency generator and because the cost numbers in the Jubitz bid format were not quite correct. Also, rather than giving Jubitz two weeks to comply, in reality it was almost 60 days. On December 26, both bidders were notified of tests to be conducted December 29. There were no complaints by Jubitz at that time about the time line. Rather they attempted to satisfy the test and failed.

Neal Arntson, President, Albina Fuel Company, said they have won and lost bids on technicalities in the past 40 years but have never before experienced the deference given to one company that occurred here. He said it is clear that contracting laws have been breached.

Commissioner Francesconi asked if the argument is that the company had to have the emergency apparatus, not at the time of the bid, but on January 1, the date the contract started.

Mr. Rask said both vendors had to meet the requirements of the bid at the time they submitted it. If you do not accept that argument, then the equipment should have been available by January 1 and, arguably, during the test the City provided. Jubitz had two chances to meet the requirement and did not meet it or raise the issue until January 6, well after the date the contract was supposed to start.

Commissioner Francesconi asked if anything legally prevents the City from delaying the start of the contract.

Mr. Rask said the question is at what time does a company have to have the equipment necessary to comply with a bid. The answer has to be when the bids are due or, at the latest, when the contract is to be initiated. Jubitz requested time to provide the equipment so it could satisfy the

MARCH 4, 1998

bid requirements. It took them 60 days to do so, not 12 or 14. Under that scenario anyone could bid without the proper equipment. In the statute on disqualification, the second category is "failure to have equipment."

Mark Cleveland, Vice President, Jubitz Corporation, said the bid requires that a company be capable of providing emergency backup power on a mobile basis. He said the company is able to do that but is not in the practice of buying equipment, such as \$10,000 compressors, until it knows it has the bid. Also, regardless of the emergency power backup capacity on January 1, the company would have had to have cooperation from the previous vendor during the transition process. He said Jubitz appeared on the sites on the dates requested and brought mobile fuel trucks with it. The company did and can provide the backup power and believes it is capable of meeting City requirements. Jubitz bid approximately 30 to 40 percent below previous bids and is prepared to live within the terms of that offer, providing significant savings for the City.

Diana Phillips, Fleet Services Director, Jubitz Corporation, said the company received a fax on Friday, December 26, notifying them of the test and asking them to respond by 3 p.m. as to whether they could provide portable backup generating systems at four locations the following Monday morning. They were prepared to purchase those systems if they won the bid but did not know they would be asked to test that equipment prior to even receiving notification that they were awarded the bid. She said it is not Standard Operating Procedure to get such requests by fax and be given such a limited window of time to respond. They called to protest that procedure the following week and were told that a lot of influence had been going back and forth between the Fire Bureau and Albina Fuel and that this was a surprise test.

Commissioner Francesconi asked what would have been done differently if they had been given two weeks notice.

Ms. Phillips said they would have checked to see if it was absolutely necessary to provide the backup power generating system prior to being awarded the bid. If so, Jubitz would have been there with the equipment, just like they were when they had the two weeks window. A surprise test was given, with 24 hours advance notice, which Jubitz passed.

Mr. Cleveland said the back-up location sites are not owned by Jubitz and the company had to negotiate with others in order to provide insurance verifications. This turned out to be a difficult process and Jubitz committed to being ready by February 12 to conduct a test. That gave them time to get permission from the third parties to access the sites.

Commissioner Francesconi asked why they had not done that when they submitted their bid.

Mr. Cleveland said there is a good reason why the City has had only one supplier for this contract in the past. He said at the 11th hour they got permission from the other site owners but never did get permission from Albina to demonstrate this capacity on their site.

Mayor Katz asked who sent the fax on December 26 and who set the short time line.

Mr. Jacocks said the Fire Bureau sent the fax and set the time line. Purchasing did not know about it until Jubitz raised the issue.

MARCH 4, 1998

Ms. Bidwell said technical specifications are normally reviewed by the user bureau and since the time frame was not included in the specifications, Purchasing believed it was the Fire Bureau's responsibility to determine it. She said Purchasing did not know about the time line and did not have the technical expertise to judge what the detriment was. However, later Purchasing concluded that some remedy should be provided in keeping with the City's policy of encouraging competition and came to an agreement about a satisfactory time frame.

Mayor Katz said the process is disturbing and she has a problem having a user group set a time line without oversight by the Purchasing Bureau.

Ms. Bidwell agreed although she noted that Mr. Jacocks has over 200 annual supply contracts and Purchasing staff does not have the time to work out this kind of detail.

Commissioner Kafoury asked why this should not be rebid.

Ms. Bidwell said Purchasing felt it had a low, responsive and responsible bid and that it would not be advantageous to go back out to bid. She noted that the cost of changing suppliers cannot be taken into account if one is to meet the competitive bidding requirements. She said under State statutes one must have a good reason to rebid and Purchasing does not believe it has one in this case.

Commissioner Francesconi asked if the City Attorney's office believed it had the legal authority to extend the bid.

Ms. Ayres said the specifications state that the contract is to begin either January 1 or the date the contract is executed. There is no requirement that it begin on January 1 if there is some reason the process cannot be completed.

Commissioner Francesconi asked if the City can delay the start of the contract to whenever it wants to allow people to get equipment.

Ms. Ayres said the purpose of the delay was not to allow them to get the equipment but rather to satisfy the City that the bidder was qualified. During the approximately 60 days before this came to Council, the Purchasing Bureau met with the Fire Bureau to determine a reasonable way to proceed.

Commissioner Francesconi asked if the City itself confuses the process, is that grounds to rebid.

Ms. Ayres said the City would need to make findings that it was in the public interest to reject this bid. Low price is always a critical consideration and while the process may not have been perfect it was fair and reasonable and no fatal flaw was found.

Commissioner Kafoury said she is not comfortable with this.

Mayor Katz asked what Council wanted to do with this.

Commissioner Hales said the process is flawed but not to the point where it should be rebid.



MARCH 4, 1998

Commissioner Francesconi said he is torn between starting over and awarding the bid to Jubitz.

Mayor Katz said her concern is that a user group (the Fire Bureau) made a determination that created this situation.

Ms. Bidwell asked if Council would like to delay this until more clarification can be provided.

Commissioner Francesconi asked what the practical effect of that would be.

Commissioner Kafoury said the Fire Bureau timing was ridiculous and at a minimum Purchasing should send instructions to the bureaus to use a little common sense in such matters. But she also thinks the City must strictly enforce the bid regulations.

Ms. Schreiber said Purchasing will be happy to bring this back later.

Commissioner Sten said he would like Purchasing to work with the Commissioner in Charge to bring this back with a clear recommendation.

**Disposition:** Referred to Commissioner of Finance and Administration. See March 18, 1998 at 9:30 a.m.

#### Mayor Vera Katz

\*232 Accept a \$400,000 grant from Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, for the G.R.E.A.T. program by the Portland Police Bureau (Ordinance)

**Disposition:** Ordinance No. 172035. (Y-5)

\*233 Accept a \$28,763 grant from the Oregon Department of Transportation to continue the Motor Carrier Safety Assistance Program in the Police Bureau Traffic Division (Ordinance)

**Discussion:** Police Sergeant Bob Moyer, Traffic Division, said this is the continuation of a very successful program which assists in funding two full-time officers in the Traffic Division.

**Disposition:** Ordinance No. 172036. (Y-5)

#### Commissioner Jim Francesconi

\*234 Authorize agreements with First USA Bank to develop a Portland Parks and Recreation affinity card program (Ordinance)

**Discussion:** Commissioner Francesconi said Parks drove a very hard bargain with a prior vendor, who has now backed out. Parks has now reached a similar agreement with First USA Bank for an affinity card program.

Bob Schultz, Innovative Funding Manager, Parks Bureau, said although the prior agreement with

**MARCH 4, 1998**

Newport Bank fell through, this program is a very good deal, one that is estimated to produce \$65,000 in revenues the first year.

**Disposition:** Ordinance No. 172037. (Y-5)

**Commissioner Charlie Hales**

- \*235 Authorize a contract and provide for payment for Plaza Block improvements (Previous Agenda 199)

**Disposition:** Ordinance No. 172038. (Y-5)

**Commissioner Gretchen Miller Kafoury**

- \*236 Increase agreement with Portland Development Commission by \$3,106,018 and provide for payment (Ordinance; amend Agreement No. 31495)

**Discussion:** Commissioner Kafoury said this indicates what the carryover money in the supplemental budget is being used for.

Howard Cutler, Bureau of Housing and Community Development, said of the \$3.1 million in the supplemental budget, \$1.7 million is in encumbrances and carryovers from the last fiscal year. Another \$548,000 is a new authorization through the private lender participation agreement. He outlined what the remaining \$600,000 will be used to fund, including neighborhood and non-profit organization projects, sprinkler retrofitting and loan servicing origination equipment for the Portland Development Commission.

**Disposition:** Ordinance No. 172039. (Y-5)

- \*237 Amend agreement with Portland Development Commission to transfer workforce development activities to the Workforce Development Board (Ordinance; amend Agreement No. 31495)

**Discussion:** Mr. Cutler said they would like to delay this so that the contract being prepared by the Workforce Development Board can be considered at the same time and the parties involved can update Council on workforce development efforts.

**Disposition:** Continued to March 25, 1998 at 9:30 a.m.; Time Certain.

**Commissioner Erik Sten**

- 238 Grant a franchise to Sprint Communications Company L.P. for ten years (Ordinance)

**Discussion:** David Olson, Manager, Office of Cable and Franchise Management, said this puts Sprint on an equivalent basis with the other telecommunication franchisees and will bring significantly more revenues to the City.

**Disposition:** Passed to Second Reading April 8, 1998 at 9:30 a.m.

239

Amend the Intergovernmental Agreement among the cities of Gresham, Fairview, Portland, Troutdale and Wood Village and Multnomah County which created the Mt. Hood Cable Regulatory Commission (Ordinance; amend Agreement No. 50042)

**Discussion:** Sue Dicile, Mt. Hood Cable Regulatory Commission (MHCRC) member, outlined the three major changes this agreement incorporates, including: 1) establishment of a multi-jurisdictional grant process for the dedicated funds under the TCI and Paragon franchises; 2) continue the non-Portland jurisdictional funding formula to Multnomah Community Television; and 3) correct outdated references. With these amendments, the grant process for the west side, which has been very successful, will be extended throughout the County. Grants will also be extended to schools, libraries and other public institutions countywide. As part of the first recommendation, the MHCRC is proposing two specific amendments: 1) that the Commission be given the authority to determine who receives community access capital grants; and 2) that grant purpose/evaluation criteria be added to the portion of the IGA over which the jurisdictions retain discretionary authority. Regarding the Multnomah County Community Television funding allocation, there is no financial impact on the City of Portland but it does enable the jurisdictional partners to continue to fund it at their agreed-upon level.

Mayor Katz asked who currently makes the decision regarding use of the grant money from Paragon.

Mr. Olson said currently there is only one much smaller pot of money available under the grant fund and that is for TCI/West Portland which is solely within the City's jurisdiction and has come up through Council thus far. However, with renewal of the Paragon franchise, the pot of money is now countywide.

Mayor Katz asked if Council will still be making the final decisions based upon the recommendation of the MHCRC.

Mr. Olson said Council will make the final decision on the Commission's budget which includes the grant funds.

Commissioner Sten said Council will not review the grants.

Mr. Olson said the criteria for the grant allocation process will come before Council for discretionary review and the grants themselves will be contained in the Commission's budget, which requires unanimous approval by the City and the partner jurisdictions.

Commissioner Sten said Council passes the total budget and the Commission decides who gets the grants.

Commissioner Kafoury asked how much money is involved.

Mr. Olson said they are expecting about \$550,000 from Paragon and \$327,000 from TCI to be available in grants next year.

Mayor Katz said that is a lot of money to be allocated by a Commission.

**MARCH 4, 1998**

Ms. Dicile said the other jurisdictions had the same concerns.

Commissioner Sten said Portland will have to share with other jurisdictions and using a countywide process makes sense.

Mayor Katz said she hopes one criterion for awarding the grants will be based on population.

Mr. Olson said the criteria are being developed by the Commission and he will return to Council with them later.

**Disposition:** Passed to Second Reading March 11, 1998 at 9:30 a.m.

At 11:03 a.m., Council recessed.

MARCH 4, 1998

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 4TH DAY OF MARCH, 1998 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; Kathryn Beaumont, Senior Deputy City Attorney; and Officer Chuck Bolliger, Sergeant at Arms.

**\*240** **TIME CERTAIN: 2:00 PM** - Amend Zoning Code to limit replacement of surface parking spaces on superblock in the Core area of the Central City Plan district (Ordinance introduced by Commissioner Hales; amend Title 33)

**Discussion:** Cary Pinnard, Planning Bureau, said this amendment changes the zoning code to correct an oversight in the Central City Transportation Management Plan (CCTMP) implementation regulations. If staff had realized they had this opportunity to get vacated streets rededicated, they would have included it in the implementing regulations. The change states that when streets are rededicated on Superblock sites in the downtown core area, parking removed from surface lots does not have to go into the parking reserve but can be reconstructed in the same parking sector under specified conditions. The actual situation involved here happens on a Superblock site owned by Northwest Natural.

**Disposition:** Ordinance No. 172040. (Y-5)

**\*241** Authorize Development Agreement between the City of Portland and Northwest Natural to facilitate the timely development of the Chinese Classical Garden and the Port of Portland headquarters building, both in Northwest Portland (Ordinance)

**Discussion:** Ms. Pinnard said this amendment authorizes the City to enter into an agreement with Northwest Natural to rededicate these previously vacated streets. In addition, the City plans to buy an existing surface lot to use for parking that is now occurring on the proposed Chinese Garden site. That is not covered in this amendment but she understands the lot the City proposes to buy has status under the CCTMP for this use and does not need this amendment.

Greg Kantor, Northwest Natural, said after their site was selected by the Port of Portland, they realized they would lose all their parking rights under the current regulations. Because of the economic value of those parking spaces, this was a major disincentive to completing the sale. They met with City staff to see if a solution could be found and staff realized that for this Superblock it was in the best interests of the City to get back the vacated streets. Staff decided that the best way to fix this glitch was to amend the CCTMP.

Commissioner Francesconi thanked Transportation and Planning staff for coming up with a solution that allows the Chinese Garden and Old Town development to go ahead without creating an exception that would damage transportation policies.

MARCH 4, 1998

Commissioner Hales said this affirms the hope of many that every downtown surface parking lot will "grow" something better. It is very much in the City's interest to see these lots converted to other, higher purposes.

Mayor Katz said this was a maze that was not easy to work through but the solution will have a ripple effect, solving Northwest Natural's and the Port's problems and giving the City more potential for developing another block sometime down the road.

**Disposition:** Ordinance No. 172041. (Y-5)

At 2:15 p.m., Council adjourned.

BARBARA CLARK  
Auditor of the City of Portland

*Cay Kershner*

By Cay Kershner  
Clerk of the Council