



CITY OF

PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 13TH DAY OF MAY, 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 Larry Sievert, Sergeant at Arms.

Agenda No. 606 was pulled from Consent. On a Y-5 roll call, the balance of the Consent Agenda was adopted as follows:

CONSENT AGENDA - NO DISCUSSION

- 593** Cash investment balances April 2 through April 29, 1998 (Report; Treasurer)

Disposition: Placed on File.

- 594** Accept bids of Ruffin Enterprises, Wakabayashi Construction Co., and J. F. Courville Construction for sidewalk repair services for \$87,862 (Purchasing Report - Bid 98148)

Disposition: Accepted; prepare contract.

- 595** Accept bid of W. G. Moe & Sons, Inc. for Inverness storm water sediment vactor pad replacement for \$219,745 (Purchasing Report - Bid 98166)

Disposition: Accepted; prepare contract.

- 596** Accept bid of Northside Trucks and Equipment for two 33,000 GVW cab and chassis with 5 cubic yard dump body for \$104,852 (Report; Bid 98172)

Disposition: Accepted; prepare contract.

- 597** Accept bid of Northside Trucks & Equipment for one 55,000 GVW cab & chassis with 15 cubic yard dump body and air drop axle for \$91,240 (Report; Bid 98173)

Disposition: Accepted; prepare contract.

- 598** Accept bid of Portland Motorcycle Co., Inc. for seven police motorcycles for \$68,950 (Report; Bid 98187)

Disposition: Accepted; prepare contract.

- 599** Establish the Portland Livable Community Showcase Policy Committee (Resolution introduced by Mayor Katz and Commissioner Hales)

Disposition: Resolution No. 35692. (Y-5)

Mayor Vera Katz

- *600** Extend legal services agreement with Bogle & Gates for outside litigation representation (Ordinance; amend Agreement No. 31184)

Disposition: Ordinance No. 172238. (Y-5)

- *601** Extend legal services agreement with Bogle & Gates for outside legal defense assistance (Ordinance; amend Agreement No. 31469)

Disposition: Ordinance No. 172239. (Y-5)

- *602** Authorize Gas Tax Revenue Bonds, 1998 Series A. (Ordinance)

Disposition: Ordinance No. 172240. (Y-5)

- *603** Extend Contract with AmericanChiropractic Network (Ordinance; Contract No. 50111)

Disposition: Ordinance No. 172241. (Y-5)

- *604** Extend Contract with Managed HealthCare Northwest (Ordinance; Contract No. 50101)

Disposition: Ordinance No. 172242. (Y-5)

- *605** Pay claim of Alexandru Cristurean (Ordinance)

Disposition: Ordinance No. 172243. (Y-5)

Commissioner Jim Francesconi

- *607** Authorize an agreement with the Friends of the Children's Museum, Inc. to provide supplemental services and programs through the Children's Museum during the fiscal year 1997-98 (Ordinance)

Disposition: Ordinance No. 172244. (Y-5)

- *608** Authorize agreement with Subaru, Inc. to provide signage on the scoreboard at Strasser Field (Ordinance)

Disposition: Ordinance No. 172245. (Y-5)

Commissioner Charlie Hales

- 609** Accept installation of school zone beacons at twenty-five school crossing locations as complete and authorize final payment to Linnco Electric Company (Report; Contract No. 31231)

Disposition: Accepted.

- 610** Authorize the release of an additional \$800 to close contract with Davis Landscape Nursery, Inc. (Revised Report; Contract No. 30815)

Disposition: Accepted.

- 611** Declare the purpose and intention of the City of Portland to construct pedestrian improvements in the SW Capitol Hwy/Bertha to Cheltenham Pedestrian Local Improvement District (Resolution; C-9954)

Disposition: Resolution No. 35693. (Y-5)

- *612** Continue and enhance the City Employee Trip Reduction Incentive Program beyond June 1998 (Ordinance)

Disposition: Ordinance No. 172246. (Y-5)

- *613** Authorize a contract and provide for payment to construct the SE 17th Avenue traffic calming project between SE McLoughlin Boulevard and SE Tacoma Street (Ordinance)

Disposition: Ordinance No. 172247. (Y-5)

Commissioner Gretchen Miller Kafoury

- 614** Contract with Trauma Intervention Programs, Inc. for crisis intervention training for \$48,000 (Ordinance; waive City Code Section 5.68)

Disposition: Passed to Second Reading May 20, 1998 at 9:30 a.m.

Commissioner Erik Sten

- 615** Accept completion of the North Portland Sanitary Sewer Extension No. 2, Project No. 5895 and authorize final payment to S-2 Contractors, Inc. (Report; Contract No. 31509)

Disposition: Accepted.

- 616** Accept completion of the Alder Basin Phase 2 - Unit 2 sewer reconstruction, Project No. 5885, and authorize final payment to Insituform West, Inc. (Report; Contract No. 31145)

Disposition: Accepted.

- *617** Authorize contract for constructing temporary facilities for construction of various projects at the Columbia Boulevard Wastewater Treatment Plant (Ordinance)

Disposition: Ordinance No. 172248. (Y-5)

- *618** Authorize the Mayor to submit a proposal to the US Environmental Protection Agency to apply for an Environmental Monitoring for Public Access and Community Tracking grant of \$520,000 (Ordinance)

Disposition: Ordinance No. 172249. (Y-5)

- *619** Authorize the Water Bureau to contract with Tahan Advertising for a Regional Water Conservation media campaign for peak season 1998 (Ordinance)

Disposition: Ordinance No. 172250. (Y-5)

- 620** Authorize an agreement with CH2M Hill for an amount not to exceed \$50,000 to provide miscellaneous professional services in the area of emergency planning and provide for payment (Second Reading Agenda 576)

Disposition: Ordinance No. 172251. (Y-5)

- 621** Amend contract with Montgomery Watson, for \$498,000 for Phase IIC & IID to provide additional professional consulting engineering services to develop final contract documents for a new Intake and Control Building at the Bull Run Headworks site and provide for payment (Second Reading Agenda 577)

Disposition: Ordinance No. 172252. (Y-5)

- 622** Amend contract with KCM Inc. for \$573,700 for Phase IIA and IIB to provide additional consulting engineering services to develop final contract documents for the first two intertie projects and provide for payment (Second Reading Agenda 579)

Disposition: Ordinance No. 172253. (Y-5)

BARBARA CLARK

- *623** Cancel City liens which must be extinguished because of Multnomah County foreclosure or which are otherwise uncollectible (Ordinance)

Disposition: Ordinance No. 172254. (Y-5)

REGULAR AGENDA

- *591** **TIME CERTAIN: 9:30 AM** - Waive Title 33, Planning and Zoning, to implement a temporary shared parking pilot project in Northwest Portland (Ordinance introduced by Commissioner Hales)

Discussion: Susan Hartnett, Planning Bureau, described the citizen involvement process undertaken in crafting this agreement, which has been revised nine times. She noted concerns raised by the Northwest District Association (NWDA) regarding parking and the need for data collection in order to do a quantitative traffic analysis. She said the Office of Transportation has agreed to conduct four traffic counts and license checks to determine where the cars are coming from. The ordinance includes an 18-month sunset clause and also authorizes continuance for another 18 months if the parties agree. The parties may withdraw anytime they wish.

Joanne Krippaehne, Legacy Good Samaritan, said the hospital agreed to participate in this pilot project based on the following premises: 1) there would be a limit on the time and number of spaces available because the needs of patients and hospital visitors must come first; 2) Council would consider additional measures to relieve parking pressures; and 3) the hospital's participation in this pilot program implies no support of a parking permit program.

Steve Fosler, Project Manager, Nob Hill Business Association, said while this is just a small, first step it is a great opportunity to decrease some of the parking pressures in Northwest. He noted that only 200 spaces are being provided in a location not necessarily close to demonstrated traffic needs or at the hours needed. He said the District needs to continue to look for shared parking sites in other locations closer to the residential areas that can provide daytime parking opportunities.

Frank Bird, President, NWDA, said even 195 spaces is a big step forward.

Commissioner Hales asked if there was any flexibility regarding the 7:00 a.m. checkout time.

Ms. Krippaehne said originally the checkout time had been set for 8:00 a.m. but because the largest shift change occurs at 7:00 a.m., they felt moving it ahead an hour would be better.

Commissioner Hales encouraged Legacy to experiment with flexible times if possible.

Chris Smith, Chair, NWDA Transportation Committee, said care should be taken not to extrapolate this limited experiment to other shared parking situations. He said there is some concern that this will attract additional parkers if not managed correctly and a broader community plan is needed.

Commissioner Francesconi said he fears that the City will not learn much from such a limited experiment and asked if another parking lot should be tested at the same time.

Mr. Smith said they will carefully evaluate the valet component of the plan. Residential parking is more problematic because of the 7 a.m. time limit and other models are needed for stores.

Commissioner Hales asked how the 7:00 a.m. limit would be enforced.

Ms. Hartnett said both the ordinance and agreement have clauses that allow some flexibility if Good Samaritan wants to change the time.

Commissioner Hales moved to amend the agreement and change the relevant reference in the ordinance's findings from 7:00 to 8:00 a.m. Hearing no objections, the Mayor so ordered.

Disposition: Ordinance No. 172255 as amended. (Y-5)

***606** Declare surplus and authorize sale of property located at SE Blackberry Circle (Ordinance)

Discussion: Diana Lee Holuka, Property Manager, Bureau of General Services, said Stan Adkins requested that he be allowed to purchase a long, thin strip of property belonging to the Bureau of Maintenance in order to add that piece to a development he has planned. The Bureau agreed and then found that Margo Maris was also interested in buying the property in order to preserve the view and save the trees.

Ms. Holuka said the Urban Forester was asked to evaluate the property and reported back that the trees needed to be thinned, not all were viable and it would be better to remove a good portion of them. Mr. Adkins said he wanted to remove as many trees as possible and replace them on the southern portion of his property. Council now has to determine what is the best use -- assembly of a larger parcel for development or the sale to Ms. Maris.

Mayor Katz asked how the City normally disposes of property.

Ms. Holuka said the Bureau makes a recommendation to Council. She said no similar situation has arisen for many years. If a property has some use, she will get an appraisal and put it on the market. In this case however, because the property is only a few feet wide, they did research to come up with a reasonable price.

Mayor Katz asked if Mr. Adkins can develop his property without this piece.

Stan Adkins, PO Box 19438, 97280, said he purchased the property for his development from a woman who did not realize she did not own this piece. He said he was told by the Planning Bureau that entry to his development was required from Blackberry Circle. Without that access, his property will be landlocked.

Margo Maris, 13201 SE Blackberry Circle, 97236, said she wants to buy the property to preserve the trees but has no objection to the development and believes she could work out an agreement for the two accesses requested by Mr. Atkins. She noted that her offer was 25 percent higher than market value. She said leaving the trees in place fits with the desired goals for the Johnson Creek area.

Mayor Katz asked if she and Mr. Adkins could work something out.

Ms. Maris said yes as she has no problem providing access but does not want to remove all the rest of the trees, although she would agree to thinning them.

Commissioner Hales asked if the City is requiring access off Blackberry Circle as well as sidewalks.

Mike Hayakawa, Planning Bureau, said the Bureau of Transportation Engineering has indicated that a

sidewalk would be required along the southern frontage but he believes something could be worked out.

Commissioner Francesconi agreed to bring this back after the parties work this out.

Commissioner Sten said he sees no reason not to save the trees if access can be provided.

Disposition: Referred to Commissioner of Public Utilities.

- *624 Accept a \$10,000 grant from Oregon's Victims of Crime Act Program for the crisis response team of the Portland Police Bureau (Ordinance)

Disposition: Ordinance No. 172256. (Y-5)

- *625 Call for bids for AR-15 rifles, authorize a contract and provide for payment (Ordinance)

Discussion: Police Captain Norr explained why these particular weapons are needed. The estimated cost is \$122,000 to \$130,000.

Police Lt. Dave Benson, Manager, Training Unit, said these guns allow more stand-off distance, the ammunition used can penetrate soft body armor more readily, have a more precise aim-fire response and provide more options for street officers. He said shots fired from the shotguns currently in use do not always fall in the target area.

Police Sergeant Larry Beard said the shotguns used now have a substantial recoil and are not user-friendly.

Lt. Benson said the Bureau, which is asking for 850 weapons, may be able to obtain them from the military if they meet Bureau specifications. However, they plan on ordering the AR-15 rifles regardless of whether they are military surplus. If they are obtained from the military they will need to be retrofitted, which may decrease their reliability.

Commissioner Sten said other communities have worked with surplus military guns and asked why Portland cannot.

Lt. Benson said because of their concerns with quality and retrofitting. The guns used by the other communities have not been modified.

Commissioner Francesconi asked which officers will have guns and how they will be trained.

Lt. Benson said the guns will be available to check out from precinct armories. Before checking them out three days of training is required and three times a year every officer using them must qualify again.

Commissioner Francesconi asked how use of these rifles is reconciled with community policing principles.

Captain Norr said these guns provide greater stand-off ability and accuracy. Overall they are safer than

shotguns because of the number of pellets expelled.

Mayor Katz said it is not true every officer will be walking around with a rifle. They are making much greater use of non-lethal weapons. She said Council has the responsibility of making sure its officers are safe.

Disposition: Ordinance No. 172257. (Y-5)

592 TIME CERTAIN: 10:30 AM - Adopt a Letter of Intent to prepare agreements to develop a riverfront campus for Oregon Health Sciences University in the North Macadam District and direct the Portland Development Commission and bureaus to prepare a Business Plan to facilitate the development of the Campus (Resolution introduced by Mayor Katz)

Discussion: Mayor Katz said realization of the framework plan for North Macadam will be greatly aided by the decision of one of the City's largest employee, Oregon Health Sciences University (OHSU), to build a women's health center in North Macadam. One issue is access and transportation and there is a need not only to move people up and down to the hill, perhaps via a tram, but to link North and South Macadam to Lake Oswego.

Abe Farkas, Development Director, Portland Development Commission (PDC), said the focus of the letter of intent is 48 acres of Schnitzer/Zidell property, the northern portion of which is sought by OHSU for a riverfront campus for a women's health center and related development. The letter of intent will launch a cooperative work plan involving property owners, OHSU and the City, with opportunities for public involvement through meetings with the North Macadam Steering Committee and various Council briefings. He noted that both the Region 2040 Plan and the Central City 2000 Plan call for expansion of targeted health services and biotech industries in the core area as well as redevelopment of North Macadam from a former industrial zone to a community that provides a mix of employment, housing, open spaces and multi-modal transportation systems. Two products, a business plan and a development agreement, are expected to result from this letter. The business plan is expected to be completed by October 1, 1998 and the development agreement by May 31, 1999.

John Spencer, Project Manager for North Macadam Framework Plan process, said work has been proceeding on the framework plan for the entire 103-acre North Macadam site since last fall and a working vision document has just been completed. Very strong support for an OHSU campus is expressed in that vision. At the Council Informal in November, 1997, Council members raised a number of transportation and Greenway issues that need to be resolved in order for the OHSU project to proceed. As part of the framework process, a detailed transportation analysis is underway for the entire district as well as a comprehensive assessment of parks, open space and Greenway needs. These two tasks will be completed over the next several months so that they can be considered along with the OHSU business plan. The letter of intent calls for periodic review and comment by the Steering Committee and that information can be shared with Council as work proceeds on the framework plan.

Dr. Peter Koehler, President, OHSU, said the idea for the women's health center came from the community about three years ago and OHSU believes this is the place for the center and that it is time to move quickly to capitalize on the positive public and private interest in the project. OHSU believes North Macadam is the right place for the center because it is in the heart of the central city, close to

OHSU's main campus and will contribute to the economic well being of the City. To be a viable site, however, it must be easily accessible by all modes of transportation, particularly because additional health-related activities are contemplated here if the center works out successfully. A great many discussions have been held about the feasibility of an aerial tramway and if light rail connects to the river front there would be a seamless regional transportation system for employees and patients at less cost to the environment and neighborhoods. He stressed that it is not OHSU's intent, as some fear, that the women's center will be a wealthy, west side institution but will always be open to people from all economic and ethnic backgrounds.

Mary Wilcox, 2727 NW Westover Road, Director of the campaign for the Women's Health Center, said she has spent three years promoting the development of this center because of her conviction that more research is needed on women's health issues and that there needed to be one place that women could go to be treated holistically and to access reliable information. She said OHSU seemed the obvious choice for such a center. She showed a video developed by the Campaign for Women's Health describing the vision for the center.

Shelley Lorenzen, League of Women Voters, said while the League had little advance notice about this letter of intent, it does have a number of concerns about it. She said the League believes the City should be very cautious about getting involved in the development of individual properties before the Steering Committee is farther along in its work. It is easy to predict that all the North Macadam property owners will be requesting City investments in transportation infrastructure. In return, the City will want commitments on housing densities, affordable housing, parks and open space. She said it makes better sense to develop a global plan for North Macadam and negotiate a comprehensive agreement with all the property owners rather than doing them on a piecemeal basis. A second concern is the provision in the letter stating that OHSU property will not be subject to the North Macadam Steering Committee process. Taking the OHSU parcel out could place an unfair burden on the other property owners, forcing them to bear more than their fair share of density, open space and affordable housing to make the vision work. It could even make it impossible to meet those goals. To ensure that property owners of the OHSU site pay their fair share, one solution might be to escrow some of the Schnitzer/Zidell property that is not a part of the OHSU project. A third concern is with the provision which states that the financial arrangements between OHSU and the Schnitzers and Zidells will be confidential. While that may be appropriate in a private transaction, it is not appropriate when public assistance is sought.

Mayor Katz asked when notification went out.

Mr. Spencer said notification went to the Steering Committee late last week.

Keith Witcosky, a member of Mayor Katz' staff, said he had asked PDC to get the notice out at least two weeks in advance of the actual filing date for the letter.

Commissioner Francesconi asked about the status of the competition and whether a suburban location is being considered as an alternative.

Dr. Koehler said OHSU believes this is far and away the preferred site although they could pursue other alternatives if this does not go through. This is the logical place for the center.

MAY 13, 1998

Commissioner Francesconi asked where the money for the Center is coming from.

Dr. Koehler said OHSU plans to pay for the building through its fund-raising efforts but is hopeful that the City will come forward with the infrastructure necessary to make the site work.

Tim Goldfarb, Director, Clinical Services, OHSU, said he believes a suburban site is viable but Dr. Koehler asked staff not to pursue that pending approval of the North Macadam site. They view the funding as a public/private issue and are also seeking federal funding because of the magnitude of the project.

Commissioner Francesconi asked whether the City will be given adequate information to judge the economic return to the public on its investment.

Dr. Koehler said they look at this as a three-way partnership with the City, OHSU and the property owners who are providing a site. He does not believe there is anything in OHSU's agreement with them that would be controversial. In terms of return on investment, he would expect the City to see a major return based on the additions to the economy.

Mr. Farkas said there will be proprietary elements between OHSU and the property owners, which is normal to any transaction such as this. However, whenever public monies are involved, there will be an assessment and PDC will report back to Council through the course of the business-planning process and the development agreement. A market analysis is planned for the entire area, with concentrated work on this particular segment.

Commissioner Sten said it would be helpful to outline what will happen over the next six months as the business plan is completed, including when the hearings will be held and the schedule for each step.

Dr. Koehler said what is critical is making sure people can get to and from the center.

Commissioner Francesconi said Council needs to be more engaged in helping to meet the employment goals and the timeline so that problems can be identified and solved early on.

Commissioner Hales said while he is a strong advocate for planning, it is time to act as 17 planning exercises have already been undertaken in this district over the years. He said this is the right project in the right place. With respect to Ms. Lorenzen's testimony, he said focusing on every iota of financial equity with respect to development in the City versus the rest of the region misses the forest for the trees. He said a suburban office park now under construction will require \$50 million in transportation infrastructure and no organization has shown up to talk about whether that is good public policy.

Commissioner Sten said to have a world class women's health center on the River is well worth taking some risk and moving forward. He does, however, believe that what the City pays and how it pays are important questions to work through.

Mayor Katz said it is time to move forward on this small but very critical piece in the development of

MAY 13, 1998

North Macadam even though there are a lot of infrastructure challenges and, with 20 property owners in this small area, it is more difficult to arrive at a single vision. She is thrilled that the new center will include non-traditional approaches.

Disposition: Resolution No. 35694. (Y-5)

Mayor Vera Katz

Commissioner Gretchen Miller Kafoury

- *626** Accept a \$47,000 grant from the Federal Emergency Management Agency and amend FY 1997-98 Budget (Ordinance)

Disposition: Ordinance No. 172258. (Y-4)

- *627** Authorize submission of the Consolidated Plan and application for grants from the US Department of Housing and Urban Development under the Community Development Block Grant, HOME Investment Partnership, Emergency Shelter Grant, and Housing Opportunities for Persons with AIDS programs for Fiscal Year 1998-1999 (Previous Agenda 557)

Discussion: Commissioner Kafoury said this plan is used not only to obtain the grant money but to guide housing activities.

Wendy Cherubini, Bureau of Housing and Community Development, said there is one change in the plan this year which speaks to the length of affordability. The principle has been changed to state that there should be a direct relationship between the subsidy received and the number of units affordable for a 60-year term. In the past the principle stated that the length of affordability should relate to the depth of the subsidy.

Disposition: Ordinance No. 172259. (Y-4)

Commissioner Erik Sten

- 628** Amend Contract with Sverdrup Civil, Inc. to provide program management services to the CIP Management Program for a fifth year at a cost of \$800,000 (Ordinance; amend Contract No. 29404)

Discussion: Commissioner Sten said last year Council spent a lot of time reviewing a decision to use a mix of public and private employees to manage the CSO program. This year the \$800,000 will be used for technical assistance on the Willamette predesign and actual construction and management on the Columbia Slough. Contracting with Sverdrup has allowed the City access to some technical expertise it is hard to get quickly and some of these jobs will not last very long. Over the last year, he has moved more people onto BES's payroll for work that is ongoing. He said the minority subcontracting rate is 37 percent on this contract.

Disposition: Passed to Second Reading May 20, 1998 at 9:30 a.m.

MAY 13, 1998

- 629** Amend contract with Black & Veatch for professional engineering services for Columbia Boulevard Wastewater Treatment Plant digester modification project and provide for payment (Second Reading Agenda 582)

Disposition: Ordinance No. 172260. (Y-5)

City Auditor Barbara Clark

- *630** Create a local improvement district to construct street and sewer improvements in the Brentwood II HCD Local Improvement District (Hearing; Ordinance; C-9951)

Discussion: Andre Baugh, Office of Transportation, said this is a continuation of a project which began about four years ago to improve streets in Brentwood Darlington. Because of the income levels of the residents, this project is subsidized by a 70 percent block grant from the Bureau of Housing and Community Development. Property owners pay 30 percent, or an average cost of \$4,031, and the project grants a 100 percent subsidy to those at very low incomes. He described the scope of the project, which includes a piece of school district property that has been placed on the surplus list. The City is hoping to acquire that property to enhance livability in that neighborhood.

Commissioner Hales moved that the remonstrances be overruled.

Disposition: Remonstrances overruled; Ordinance No. 172261. (Y-5)

- 631** Assess property for sidewalk repair by the Bureau of Maintenance for billing processed through April 3, 1998 (Second Reading Agenda 586; Y1027)

Disposition: Ordinance No. 172262. (Y-5)

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

MAY 13, 1998

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 13TH DAY OF MAY, 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 Larry Sievert, Sergeant at Arms.

Commissioner Charlie Hales

- 637 Tentatively deny appeal of Collins View Neighborhood Association and uphold Hearings Officer's decision, as amended, to approve with conditions the application of Lewis & Clark College for conditional use master plan amendments with an adjustment at 0615 Palatine Hill Road (Findings; 97-00074 CU MS AD)

Discussion: Susan McKinney, Bureau of Planning, said the findings prepared by legal counsel for Lewis and Clark College have been carefully reviewed by Planning Bureau and Office of Transportation staff. Both are confident that they portray Council's desires in approval of this application. She pointed out two changes that were made to the Hearings Officer's conditions. One is the addition of a prohibition on high school graduations to be held at the Lewis and Clark campus. During the hearing before the Hearings Officer, their impact on the neighborhood was discussed and the College agreed to a condition restricting high school graduations. However, when the Hearings Officer rendered her decision, she failed to include that as a condition of approval even though she discussed it in the findings. In preparing the findings, the issue was rehashed and the College agreed that it was the Hearings Officer's intent to restrict such activities. However, without a condition there is no way to enforce that so a line has been added to state that "the College will not conduct high school graduation ceremonies at the Lewis and Clark campus."

Ms. McKinney said the second change is a condition tied to an adjustment originally requested for parking lot landscaping upgrades for surface lots. During the hearing before Council, applicants withdrew that adjustment request but a condition tied to it remained in the Hearings Officer's decision. That has now been withdrawn as it no longer makes sense. Two conditions were added in response to Council's instructions. The first is in regard to bicycle patrols and the second prohibits construction site grading, excavation or any ground disturbance between October and April 30.

Mayor Katz asked if there were any disagreements among the parties about any of these conditions.

None were noted.

Commissioner Hales asked if the items Ms. McKinney mentioned are already in the findings or need to be added.

Mr. McKinney said they are already included.

MAY 13, 1998

Commissioner Hales moved adoption of the findings and Commissioner Kafoury seconded.

Disposition: Findings Adopted. (Y-5)

- 632 TIME CERTAIN: 2:00 PM** - Prescribe the rates and charges for water and water-related services by the City of Portland during the fiscal year beginning July 1, 1998 to July 1, 1999, and fix an effective date (Ordinance introduced by Commissioner Sten)

Discussion: Mayor Katz said both she and Commissioner Sten have pushed hard to lower water and sewer rate increases.

Commissioner Sten said the bills will still go up, although not as much as projected. Sewer rates will rise by 9.2 percent and water rates will increase by 3.7 percent.

Dean Marriott, Director, Bureau of Environmental Services, said the nine percent increase in sewer rates was driven by the need for the City to deal with CSO and stormwater separation. He said BES has been successful in bringing down the cost on the sanitary side but less so with stormwater. He said a comparison of sanitary sewer rates puts Portland in the middle but its stormwater rates are close to the top.

Mr. Marriott also discussed a proposed charge which would significantly alter the way the City currently assesses stormwater Service Development Charges (SDCs). This change responds to a legal claim about the assessment system and in this case BES decided to work with the claimant to try to come up with a more equitable method. The proposed method will split the charge between on- and off-property sites so that developers can get credits for what they are doing on-site. A substantial increase, 23 percent, is proposed in the sanitary SDC which reflects a switch in the calculation methodology to one based on full replacement costs.

Mr. Marriott, referring to concerns of the Columbia Corridor Association, said BES has no problem in agreeing to the amendments it has proposed calling for credits up to 100 percent for stormwater improvements. However, BES disagrees with the points the Association raises about the methodology used to determine the sanitary SDCs. Its main objection is to the fact that rates are going up but BES is simply responding to Council's direction to see that new development pays its fair share.

Dave Hasson, Office of Finance and Administration, noted that his office raised a concern two years ago that growth was not paying its full share. While many methodologies may be chosen, the one selected is allowed under State statute and takes a replacement cost approach without allowing depreciation. While this is a fairly aggressive approach it may be justified on the basis that when a customer "buys into" the system, the City expects to provide service in perpetuity to that property and this approach provides funds for replacement over time.

Commissioner Francesconi asked if the City was consistent on this replacement approach with its other SDCs.

Mr. Hasson said no, Water and BES have reimbursement fees in their SDCs based on past investments while Transportation's fees are based on future improvements. He said the differences can be justified

MAY 13, 1998

in terms of the age and capacity of the systems.

Doug Morgan, Chair, Public Utilities Rate Board (PURB), reviewed the reasons for creating PURB five years ago and the role it has played in keeping the rates within acceptable boundaries. He said the PURB appreciates Council's recognition that the utility franchise fee is a contributing factor to the rate increase and is out of synch with cost-of-service principles. The PURB looked very hard at the CSO project but found there were not a lot of cost savings that could be achieved. Today it supports both the water and sewer rate charges. He noted that in the three years of the Board's existence it has developed the civic capacity to provide sophisticated analyses on very complex issues and the community will reap the benefits from this form of social capital. He said because of the disproportionate impact of the stormwater surcharges on large industrial customers, the opening on PURB for a representative of those customers needs to be filled soon.

Commissioner Sten said with the passage of these ordinances, BES and the Water Bureau can now move on to more systemic changes.

Mayor Katz noted the PURB recommendation calling for reimbursement of the cost of replacing water and sewer lines due to construction of South/North light rail and the Central City streetcar.

Ann Nickel, Columbia Corridor Association (CCA), said they understand the need for both the sanitary and stormwater charges but want to ensure that they be fair and equitable. They agree with the methodology on the stormwater SDC as the best compromise available but have real concerns about the actual nexus between the three components -- trips generated, frontage and imperviousness. Their major concern is with the trips generated. She also noted that in the Columbia Corridor, where there are drainage districts, many people have never paid any monthly stormwater fees and the CCA has worked with them to accept the fact that they will now start paying. Regarding stormwater management, the CCA would also like to participate in the Capital Improvement Project process and believes it needs more public airing than just through PURB. They only got notice about the sanitary SDCs two weeks ago and would like time to have input. They sought advice from a utilities economist who raised a number of points, including present value replacement costs. That issue was addressed by staff but the other issues remain, including how financing costs were determined, the average total cost of the EDU versus margin cost and also the methodology for replacement costs. She said while they do not oppose that methodology they do not quite understand it.

Mayor Katz said PURB meetings are open to the public and the Association should probably be there as often as possible.

Ms. Nickel said they attended a PURB meeting about the SDC but at that time the PURB could not find three people within the stormwater sub group to deal with it so it chose not to. The CCA was thus forced into a position of having to deal with it separately.

Commissioner Sten said he would like CCA's input about the best way to share information. He said his door is open and suggested that perhaps the CCA fill one of the openings available on PURB now.

Lisi Glancy, Port of Portland, supported the stormwater SDC but said more public involvement would

MAY 13, 1998

have been helpful in determining the methodology for the sanitary sewer SDC because of the significant potential increases involved.

Susan Davidson, Schnitzer Investment Corp., said they received no notice about the sanitary sewer SDC and are very concerned about the magnitude of the increase on phase one of their North Macadam project. The City has calculated the SDC fee at \$472,000, 60 percent more than the \$296,000 which would have been charged under the existing SDC. The heaviest burden will fall on residential properties and if the project were developed out to 100 percent office, the fee would drop from \$472,000 to \$172,000. She asked the City to consider the full impact of the fee, especially on residential development.

Ann Nickel, speaking for Thomasina Gabriele, Gabriele Development Services, said she had asked for clarification in how site is defined, how trips are calculated and the availability of credit for adding capacity to the system. Those are major issues for the institutions she represents.

Commissioner Sten said there is no low-income housing exemption in these SDCs, an issue he wants to address soon so they will be consistent with the Parks and Transportation SDCs. He believes all should have the same exemptions, if that is legally possible.

In response to the CCA concerns, Mr. Mariott said he would stand by BES' approach. He said he does not understand Ms. Davidson's calculations but will look into them.

Mike Rosenberger, Bureau of Water Works, said the water rates will increase by 3.7 percent and a typical customer will see an increase of \$.70 per month. Of that, \$.40 relates to the reallocation of fire line charges. Low-income customers will not be affected by the rate increases. He said the average Portland customer pays \$13.05 for water, a very competitive rate in this region.

Commissioner Sten said he has had second thoughts about the monthly billing option, intended to help low-income customers spread out the cost, because so few people have taken advantage of it.

Mr. Rosenberger said there has never been a groundswell of enthusiasm for it. He said the biggest cost to the Bureau is for additional meter readers.

Dave Hasson, representing the Utility Review Team, said PURB is reconsidering its recommendation that the City not go to a monthly billing system. There are two reasons to provide monthly billing: 1) it is easier for customers to pay on a monthly basis; and 2) it provides a more timely price signal for conservation purposes.

Commissioner Sten said the obvious answer to increased meter reading costs is eventually to have the meter reader read more than one meter so separate readings are not needed for electricity, gas and water. Also, in the future there will be automated meters and the utilities will then have the ability to charge more for water and electricity during peak hours.

Mayor Katz asked if the City had offered to read everybody else's meters.

Mr. Rosenberger said the Bureau has talked to both electric companies and Northwest Natural but part of the problem is agreeing on a technology that works for meters that are above the ground and those

MAY 13, 1998

below ground, and even under water. Some pilot work is underway and they will continue to discuss this as new technologies come on line.

Disposition: Passed to Second Reading May 20, 1998 at 9:30 a.m.

- 633** Amend Title 17 of the City Code to revise sewer and drainage rates and charges in accordance with the Fiscal Year 1998-99 sewer user rate study (Ordinance introduced by Commissioner Sten; amend Code Chapter 17.24 17.35 and 17.36)

Disposition: Passed to Second Reading May 20, 1998 at 9:30 a.m.

- 634** Amend Title 17 of the City Code to revise the stormwater development charge in accordance with a settlement agreement (Ordinance introduced by Commissioner Sten; amend Code Chapter 17.36)

Discussion: Commissioner Sten moved adoption of an amendment to Section C-1 to state that credits of up to 100 percent of the on-site portion of the stormwater system development charge will be granted for areas draining, either in whole or part, directly to the Willamette or Columbia Rivers, or the Columbia Slough, provided that the discharge for which the credit is sought does not pass the reimbursable City stormwater facilities and that the discharge meets all applicable water quality standards. Those providing for this credit must provide adequate documentation to demonstrate that the stormwater for which the credit is sought flows from the site to those receiving bodies without passing through city stormwater facilities. Development using stormwater facilities built under a public works permit which conveys stormwater runoff directly to one of the receiving bodies listed above without passing through other City stormwater facilities shall be eligible for up to 100 percent credit against the on-site charge. Commissioner Hales seconded and, hearing no objections, the Mayor so ordered.

Disposition: Passed to Second Reading as amended May 20, 1998 at 9:30 a.m.

- 635** Amend Title 17 of the City Code to revise the sanitary system development charge (Ordinance introduced by Commissioner Sten; amend Code Chapter 17.36)

Disposition: Passed to Second Reading May 20, 1998 at 9:30 a.m.

Commissioner Erik Sten

- *636** Amend Water and Sewer Utility License Fees (Ordinance; amend Code Chapter 7.14)

Discussion: Commissioner Francesconi said these measures accomplish what most taxpayers want -- to clean up the rivers. He appreciates PURB's emphasis on developing capacity in the community to help citizens and Council understand the magnitude of the task. He also believes this is a fair approach to revising the stormwater methodology although he still has some unanswered questions about the sanitary SDC methodology.

Commissioner Kafoury said she is pleased to see the enhancement for lower-income families and hopes the burden will not be too great on other payers.

MAY 13, 1998

Mayor Katz said those who conserve energy and natural resources should continue to get a break on the rates.

Disposition: Ordinance No. 172263. (Y-5)

At 3:05 p.m., Council recessed.

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 14TH DAY OF MAY, 1998 AT 6:30 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 Larry Sievert, Sergeant at Arms.

638 TIME CERTAIN: 6:30 - 8:30 PM - Continued public testimony on alignment preferences and other concerns about the South/North Light Rail project (Previous Agenda 498; introduced by Commissioner Hales)

Discussion: Testimony was taken from individuals who signed up but were unable to testify at the April 23, 1998 hearing on this project.

Those speaking in support of the Caruthers crossing option, rather than the Ross Island option, included:

Linda Craig, Audubon Society of Portland, 5151 NW Cornell Rd., 97210
Marie Phillippi, 4014 SE 9th Avenue, 97214
Don Stephens, 908 SE Cora, 97217
Julie Wilson, Geo Engineers, 7504 SW Bridgeport Rd., 97224
Lee Leighton, Sellwood Moreland Improvement League (SMILE)
M'Lou Christ, 904 SE 13th, 97217
David Rowe, 1529 SE Bush, 97217
Peter Fry, Caruthers Coalition, 2153 SW Main, 97204

Supporters said selection of the Caruthers crossing option, rather than Ross Island, would be less damaging to wildlife habitat and has greater ridership potential. Ms. Wilson said the Draft Environmental Impact Statement (DEIS) overstated the risk of hazardous materials on Caruthers while understating the risk on Ross Island. Mr. Fry said industrial sanctuaries are not incompatible with light rail but that the route should not displace businesses.

Kevin Downing, Sellwood Moreland Improvement League, supported the Caruthers crossing as well as a Tacoma Street station and a park and ride to connect to the Springwater Corridor. He said the station could be built in a way that would not harm Johnson Creek.

Ray Polani, Citizens for Better Transit, said a subway is needed downtown to meet capacity needs and to allow the trains to travel at faster speeds. He said the transit mall should be left to buses.

Fred Nussbaum, Association of Oregon Rail and Transit Advocates, (AORTA), said any surface alignment downtown should be considered an interim solution and the Hawthorne Bridge should be used rather than building a new bridge until the Caruthers crossing is completed. He said a Milwaukie to Downtown Vancouver option should also be part of the Environmental Impact Statement.

MAY 14, 1998

Art Lewellan, Brooklyn neighborhood resident, said he had proposed an alternate route which has been reviewed by the Office of Transportation. Among other things, it calls for an electric bus system on the mall, leaving light rail on the east side.

Meeky Blizzard, Executive Director, Citizens for Sensible Transit, said South/North light rail is a good investment as its infrastructure has a life of 50 years, much longer than highways.

Sara Singh, South Auditorium Coalition, supported a Harrison Street station and a downtown light rail route.

Larry Bissett, 305 SE 41st, 97217, supported the use of streetcars in Buckman and on the east side. He said he has made a counter proposal to Metro to the 36 stops now proposed for light rail. His plan calls for six stops which can cut travel time substantially.

Lee Perlman, Eliot Neighborhood Association, said the Association supports the Wheeler/Russell option in their area, while the Lloyd District favors I-5/Kerby. He asked if it would be possible to consider a mix and match of both.

Mayor Katz said many of these issues can be discussed at the upcoming Council Informal. Some of the concerns to be addressed include business displacement and jobs in Southeast, timelines for the various segments and meeting funding requirements. Something creative needs to be done about park-and-rides so that they become meeting places and not just transit auto stops.

Commissioner Hales said Council will see if it can agree on the alignments at the Informal and discuss other items of particular interest, such as a Springwater Corridor connection or a transfer station between the Central City street car and light rail.

Commissioner Francesconi asked if there were perimeters, such as speed, cost of the overall system, transportation efficiency, that Council needs to consider when it selects alignment and station options. He also asked what strategy is being developed to actually get the money.

Commissioner Hales said Council will try to reach consensus on the Portland alignment and other issues at the Council Informal.

Disposition: Placed on File.

At 8:30 p.m., Council adjourned.

BARBARA CLARK
Auditor of the City of Portland



By Cay Kershner
Clerk of the Council