



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 24TH DAY OF JUNE, 1998 AT 9:30 A.M.

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

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

***872 TIME CERTAIN: 9:30 AM** - Authorize submission to the voters in November, 1998 of a measure authorizing the issuance of General Obligation Bonds in the amount of \$53,825,000 to pay for facilities for the Bureau of Fire, Rescue and Emergency Services and the Emergency Communications Center (Ordinance introduced by Commissioner Kafoury)

Discussion: Fire Chief Robert Wall outlined the need for new fire stations as well as for seismic and ADA upgrades in existing ones. He said the average station is over 40 years old.

David Kish, Director, Bureau of General Services (BGS), said passage of this measure will increase the number of fully functioning fire stations from 28 to 31. He noted the \$53.8 million cost of the measure which, if passed, will cost the owner of a \$150,000 home an additional \$26.00 over a 20-year period.

Rachel Jacky, Fire Bureau, described the Neighborhood Emergency Teams (NET), which consist of volunteers who are trained as first responders to emergency situations.

Ed Burris, a NET member in the Multnomah area, supported the bond measure as a means of improving response times and providing better services, especially in areas that have seen rapid population growth.

Diane Redd, NET member in Mt. Tabor, said although NET members receive training, they need Fire Bureau backup as the responsibility for dealing with major emergencies rests with Bureau personnel.

Three citizens testified in support of including the cost of rebuilding Station No. 45, on the border with Gresham, in the bond measure. They were:

Bob Riddle, 15306 SE Gladstone, 97236
Melba Sealer, 16745 SE Division, #110, 97236
Jim Worthington, 32323 SE 153rd, 97236

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These citizens said the bond measure ignores the rapid growth that is occurring in this outer southeast area and questioned why residents there would support the measure since the proposed new stations at 82nd and Prescott and in the Sandy/Hollywood area are too far away to provide effective service. Mr. Worthington suggested that instead of manning the present Station 45 with a two-person rescue unit it would be better to move Station 41 to 102nd and put the replacement station for Station 45 on 162nd.

Chief Wall said the crew and apparatus for Station 45 are still in operation but the unit has been renamed Engine 21 and the Bureau is testing a regional response unit, composed of a four-person paramedic staff, which is dedicated primarily to the east side area. An evaluation team, with citizen representation, meets monthly to assess the impact of a roving unit as opposed to the Engine being right on the border of Portland and Gresham. While a crew is not responding out of Station 45, it is still serving that eastside area.

Commissioner Hales asked what the performance picture would look like in ten years with regard to meeting response time goals, especially along the eastern edge of the City.

Chief Wall said they foresee improvement in two areas: 1) on the west side where there are clearly insufficient stations; and 2) in Hollywood around 82nd Avenue and out toward 102nd on the east side. Station 40 in the Hollywood district would move from 60th/Going to 57th/Sandy. The roving engine would be relocated to 82nd and Prescott as the data shows that area generates a high volume of calls. Regarding Station 45, Chief Wall said by relocating that crew, response time will increase for the immediate area. However, by reallocating that resource, the Bureau plans to improve response time for the whole eastside area as 40 percent of the response by the crew at Station 45 was provided to Gresham. The City had hoped to work out a cooperative agreement with Gresham but Gresham decided against that. Now the Bureau needs to reallocate service delivery to the whole eastside region. Based on two months data, the preliminary evaluation shows that the roving unit is effective in filling in for vacant units when they are out of service for a longterm call or are in training. It also shows that the response time for the area right around Station 45 has increased. The next evaluation will consider whether the roving unit has improved response times for the whole area, not just a particular neighborhood. They expect to have a better idea of that when they have the data for three months.

Commissioner Hales asked whether there will be change in the capacity of Stations 41, 42 and 43 to house a rescue unit after the bond measure monies are spent. He asked what will happen to Station 45.

Chief Wall said they expect the actual design and remodelling plans will give them added flexibility and there is also the possibility of moving units around. Station 45, and several others, are being considered for sale and proceeds would be used either for apparatus or to offset the cost of the bond.

Commissioner Francesconi asked what specific response times are foreseen on the west side if the measure passes.

Chief Wall said they expect to see a decrease from about 15 to 6 minutes in the Forest Heights area. If the measure does not pass, the Bureau hopes to complete the plan using general fund monies, probably over 20 years or longer rather than the 10 it would take if the measure passes.

Commissioner Hales said it does not make sense to have Gresham refuse to cooperate in joint operations. He said this measure is about the quality of the physical infrastructure and the Bureau should not have to drive fire engines out of the stations every time there is an earthquake so the station does not fall down on them.

Commissioner Kafoury said the City has been reluctant to put tax measures on the ballot and searched diligently for funds within its budget before deciding to come forward with this. She said the Bureau and BGS have done a tremendous amount of careful work in preparing the seismic analyses and station location study.

Disposition: Ordinance No. 172392. (Y-4)

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

CONSENT AGENDA - NO DISCUSSION

873 Cash investment balances April 30 through May 27, 1998 (Report; Treasurer)

Disposition: Placed on File.

874 Accept bid of Nutter Underground Utilities Co. for mid-county sanitary sewer cleanup package C for \$109,976 (Purchasing Report - Bid 98151)

Disposition: Accepted; prepare contract.

875 Accept bid of Nutter Underground Utilities Co. for mid-county sanitary sewer cleanup package D for \$88,782 (Purchasing Report - Bid 98152)

Disposition: Accepted; prepare contract.

876 Accept bid of Pacific Utility Equipment Co. for one 50,000 GVW cab and chassis with flatbed and hydraulic crane for \$178,159 (Purchasing Report - Bid 98183)

Disposition: Accepted; prepare contract.

877 Accept bid of Schnauzer Construction, Inc. for Fire Bureau's logistics building HVAC system for \$49,990 (Purchasing Report - Bid 98194-SMP)

Disposition: Accepted; prepare contract.

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- 878** Accept bid of S-2 Contractors, Inc. for NW Davis sewer reconstruction for \$1,072,000 (Purchasing Report - Bid 98209)

Disposition: Accepted; prepare contract.

- 879** Accept bid of Parker Northwest Paving Co. for NE 55th Ave./Ainsworth St. HCD improvement for \$149,204 (Purchasing Report - Bid C-9929)

Disposition: Accepted; prepare contract.

Mayor Vera Katz

- 880** Confirm appointment of Paula Kinney, Gary Maffei, Bob Packard and Lenanne Sylvester to the Regional Arts and Culture Council (Report)

Disposition: Confirmed.

- 881** Appoint Jim Kelly to the Housing Authority of Portland (Resolution)

Disposition: Resolution No. 35705. (Y-4)

- *882** Amend contract with Associated Third Party Administrators for medical claims payment services for FY 1998-99 (Ordinance; amend Contract No. 50091)

Disposition: Ordinance No. 172393. (Y-4)

- *883** Pay claim of Cynthia Binning and Jack Davis (Ordinance)

Disposition: Ordinance No. 172394. (Y-4)

- *884** Authorize individual Commissioners and the Purchasing Agent to execute agreements under certain conditions to facilitate year 2000 compliance on behalf of the City (Ordinance)

Disposition: Ordinance No. 172395. (Y-4)

- *885** Authorize interim financing for the Fourth and Yamhill Parking Garage (Ordinance)

Disposition: Ordinance No. 172396. (Y-4)

- *886** Authorize Short Term Subordinate Urban Renewal and Redevelopment Bonds (Ordinance)

Disposition: Ordinance No. 172397. (Y-4)

Commissioner Charlie Hales

- 887** Set hearing date, 9:30 a.m., Wednesday, July 22, 1998, to vacate the dead-end remnant of NE Simpson Street east of NE 112th Avenue (Report; C-9947)

Disposition: Adopted.

- 888** Set hearing date, 9:30 a.m., Wednesday, July 22, 1998, to vacate a portion of SW Hume Street north of SW Hume Court (Report; C-9948)

Disposition: Adopted.

- 889** Accept completion of East Portland Community Center and make final payment with remaining retainage to be released in full upon authorization of the Construction Manager (Report; Contract No. 31015)

Disposition: Accepted.

- *890** Authorize Intergovernmental Agreement with Multnomah County to provide roadway maintenance to certain county roads west of the Willamette River during Fiscal Year 1998-99 (Ordinance)

Disposition: Ordinance No. 172398. (Y-4)

- *891** Adjust rates for Transportation System Development Charges (Ordinance; amend Code Chapter 17.15)

Disposition: Ordinance No. 172399. (Y-4)

- *892** Contract with Adolfson Associates, Inc. for land use planning services in the amount of \$40,000 and provide for payment (Ordinance)

Disposition: Ordinance No. 172400. (Y-4)

Commissioner Gretchen Miller Kafoury

- 893** Accept the Housing and Community Development Commission By-Laws revision (Resolution)

Disposition: Resolution No. 35706. (Y-4)

- 894** Appoint Paul C. Dagle and reappoint Peg Malloy and Bertha Ferran to the County-wide Housing and Community Development Commission (Resolution)

Disposition: Confirmed.

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- *895** Amend agreement with Oregon Health Sciences University for an additional \$17,232 and add to the scope of work (Ordinance; amend Contract No. 30982)

Disposition: Ordinance No. 172401. (Y-4)

- *896** Apply to the State of Oregon Office of Emergency Management for a grant for hazardous materials training for federal fiscal year 1999 (Ordinance)

Disposition: Ordinance No. 172402. (Y-4)

Commissioner Erik Sten

- 897** Accept completion of Wheeler Basin Phase 2, Unit 3, Project No. 5675, and authorize final payment to Coffman Excavation, Inc. (Report; Contract No. 31002)

Disposition: Accepted.

- 898** Make final payment for 12- and 8-inch water mains in NE 112th Avenue, SW Mt. Hood Lane and SE 79th Avenue to Copenhagen Utilities & Construction, Inc. and authorize release of retainage (Report; Contract No. 31563)

Disposition: Accepted.

- *899** Amend contract with GeoEngineers, Inc. to continue groundwater technical services support through Fiscal Year 1998-99 for the Columbia South Shore well field, at a cost not to exceed \$100,000 (Ordinance; amend Contract No. 31478)

Disposition: Ordinance No. 172403. (Y-4)

- 900** Authorize a contract and provide for payment for the construction of water mains in the NE 122nd Avenue and SE Thorburn Street package (Ordinance)

Disposition: Passed to Second Reading July 1, 1998 at 9:30 a.m.

- *901** Authorize agreements for the conveyance of property to the Bureau of Environmental Services, subject to certain conditions being fulfilled, and authorize acceptance of deeds and payments of expenses (Ordinance)

Disposition: Ordinance No. 172404. (Y-4)

- *902** Renew agreement with Douglas P. Sowles for project management services for the pump station engineering section of the Bureau of Environmental Services (Ordinance; amend Contract No. 30712)

Disposition: Ordinance No. 172405. (Y-4)

- 903** Consent to transfer of K.W. Mohr Refuse Co. solid waste and recycling franchise to K.W. Mohr Refuse Service, Inc. (Ordinance)

Disposition: Passed to Second Reading July 1, 1998 at 9:30 a.m.

- *904** Authorize a contract to Nutter Underground Utilities Co. for the N. Ivanhoe emergency sewer reconstruction project, Project No. 6413, for \$46,935 and provide for payment (Ordinance)

Disposition: Ordinance No. 172406. (Y-4)

- 905** Authorize an Intergovernmental Agreement between the City of Portland Bureau of Environmental Services and Portland State University in the amount of \$129,747 to assist the Solid Waste and Recycling Program in waste reduction activities (Ordinance)

Disposition: Passed to Second Reading July 1, 1998 at 9:30 a.m.

- 906** Increase contract with Multnomah County Office of Community Action and Development by \$10,000 (Second Reading Agenda 855; amend Contract No. 31562)

Disposition: Ordinance No. 172407. (Y-4)

- 907** Authorize an Intergovernmental Agreement with Portland State University to conduct a weight study of residential garbage and recycling services in the amount of \$86,306 (Second Reading Agenda 858)

Disposition: Ordinance No. 172408. (Y-4)

- 908** Authorize construction contract with the lowest responsible bidder to perform minor repairs to the existing 102-inch effluent outfall pipeline at the Columbia Boulevard Wastewater Treatment Plant (Second Reading Agenda 859)

Disposition: Ordinance No. 172409. (Y-4)

City Auditor Barbara Clark

- *909** Assess system development charge contracts and Private Plumbing Loan Program contracts (Ordinance; Z0686, Z0687, T0007, T0008, P0034)

Disposition: Ordinance No. 172410. (Y-4)

REGULAR AGENDA

Mayor Vera Katz

- 910** Adopt the Police Bureau 1998-2000 Strategic Plan (Resolution)

Discussion: Police Chief Charles Moose asked for Council's endorsement of the Plan.

Commissioner Hales said the Plan is good as far as it goes but more work is needed to get other agencies to join the Police Bureau in its community policing efforts.

Disposition: Resolution No. 35707. (Y-4)

- *911** Amend FY 1997-98 budget by transferring appropriations within City funds to prevent over-expenditure in controlled expenditure categories (Ordinance)

Disposition: Ordinance No. 172411. (Y-4)

- *912** Accept a \$970,113 supplemental grant award from the U.S. Department of Justice, COPS MORE '96 program (Ordinance)

Disposition: Ordinance No. 172412. (Y-4)

- 913** Adopt the 19th Amendment to the Downtown Waterfront Urban Renewal Plan to establish authority to purchase property at 333 SW Oak (Second Reading Agenda 862)

Disposition: Ordinance No. 172413. (Y-4)

Commissioner Jim Francesconi

- *916** Contract with Pioneer Courthouse Square, Inc. for \$100,000 to renovate and make improvements to Pioneer Courthouse Square and provide for payment (Ordinance)

Discussion: Commissioner Francesconi said the function of Pioneer Courthouse Square has been under reexamination since last year when some financial problems surfaced.

Robert Packard, President, Pioneer Courthouse Square Board, said the Board forged a triangle of support for renovation of the Square and this is the last installment of that project. He said they have been able to do more than anticipated with the amount of money they received, thanks to in-kind donations from a number of sources. The Board also has plans for a much more aggressive programming strategy and has also expanded security.

Steve Abel, Vice President, Pioneer Courthouse Square Board, said in the last 1-1/2 years, the Square has pulled out of a tail spin and been revitalized.

Commissioner Francesconi said the issue of homeless youth is still a serious one for the Square.

Mr. Packard said it is serious not just for the Square but for the City. The Square cannot be allowed to become an island of refuge for such young people as support from nearby businesses is crucial.

Commissioner Francesconi said it is a Square for all the citizens, not just the business community, and he hopes that the new park slated for the Goodman block can be designed to coordinate with it.

Commissioner Kafoury noted that the City set aside \$1 million in this year's budget towards a homeless youth facility.

Disposition: Ordinance No. 172414. (Y-4)

- *915** Approve agreement with the Multnomah County Sheriff's Office to jointly contract for vehicle towing and storage, and dispatch (Ordinance)

Discussion: Dennis Nelson, Manager, Bureau of Licenses, said this intergovernmental agreement with the Multnomah County Sheriff's office adds another agency to the list of those who have joined the City's contract. This signals that the contract is working smoothly and continues the trend towards consolidation of services when it makes sense.

Disposition: Ordinance No. 172415. (Y-4)

- *914** Contract for towing and storage of vehicles (Ordinance)

Discussion: Mr. Nelson reviewed the process for determining which towers should be included in the towing contract and noted that the Towing Board recommended against approving contracts with two, Bantu Towing and Atlas. Renewal of the Atlas Towing contract was not recommended based on its history of prior contract violations and the submission of misleading information.

Steve Moskowitz, attorney for Atlas Towing and Darcy Cadigan, the sole owner, said the Tow Board's denial of a tow contract was unlawful as the applicant met the minimum requirements in the contract and passed all the evaluation criteria, including passage of all inspections for facilities and equipment. While State law makes it clear the City has considerable leeway to reject all bids, its discretion is narrowed substantially with regard to rejecting an individual proposal. The rejection in this case was based on the applicant's "past history," which is not listed as one of the criteria. Thus an applicant going into the process would not know ahead of time that his past history could crop up at some point. Without that listing, State law applies and it states that to reject an applicant on that basis there has to have been more than one breach of contract in the last three years. Since Atlas has not had a contract with the City since July, 1994, that does not apply. Mr. Moskowitz contended that Bureau staff also misrepresented Atlas Towing's past history and he reviewed each incident

cited as the basis for its decision. He said Ms. Cadigan has been treated substantially differently than other owners, such as A and B Towing, which was reinstated this year for a one-year probationary contract after originally being terminated for call jumping, overcharging and responding out of district. In contrast, Atlas has not had a contract since 1994. Ms. Cadigan was also forced to suffer the humiliation of having her marital status and domestic relations discussed by the Tow Board. Two years ago, when she appeared before Council, Mayor Katz told her that if she got all the necessary documentation in order she would get a contract. He said Council can decide either to grant her a contract today or force her to go to court.

Commissioner Francesconi said while past history may not be relevant from a legal standpoint, the termination standard in the specifications (Exhibit 1) states that the City can terminate the contract for any reason in its sole discretion.

Mr. Moskowitz said once a contract has been granted, certain remedies are spelled out but Ms. Cadigan does not yet have a contract. What he is talking about are the criteria upon which someone is eligible to receive a contract. Once Ms. Cadigan gets a contract, she is subject to all the conditions and the remedies are clearly spelled out. One remedy is not, however, the prohibition against ever receiving a contract again.

Commissioner Francesconi asked why, since the City could grant Ms. Cadigan a contract and then terminate it after 60 days for past history or any other reason deemed appropriate, it cannot look at past history in awarding the contract.

Mr. Moskowitz said that termination clause refers to something that is uncovered about performance. He said under State law there are grounds to deny a contract if there has been more than one violation within the last three years. The City cannot deny a contract on the basis of criteria it has not spelled out.

Nancy Ayres, Deputy City Attorney, said the Tow Board does have the discretion to make determinations regarding towers they believe would not represent the City in a safe and responsible manner. Past history certainly is part of that determination. She said she is also not convinced that the State public contracting law cited by Mr. Moskowitz applies as this is essentially a concession contract, not a public contract in which the City pays money for services or improvements. If there is a history of criminal conviction, the Board is entitled to look at that. If the contractor is unable to fulfill the terms of the contract, the Board needs to consider that as well.

Commissioner Francesconi asked if she is relying on the general section of the contract about the purpose.

Ms. Ayres said she is relying on Section I and Section II.b (performance of contract) which states that the Board may consider arrest, charge, conviction or sentencing in reviewing any application for a contract or in determining appropriate sanctions or remedies under the tow contract. To her, that allows the discretion to make these kinds of determinations.

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Mr. Nelson said as part of the application, there are questions relating to arrest convictions, previous history etc. so it should be no surprise that the Board looks at that information. He said the history of Ms. Cadigan and others associated with Atlas has been confusing at best and cited the submission of altered insurance cards as one example.

Commissioner Hales asked where in the criteria the City says those are grounds for denial.

Mr. Nelson said there is specific wording about the submission of false material. However, the denial has a broader basis. Last year's denial was based, in part, on the submission of false or altered information. Although no false material was found this year, he believes the Board looked at a pattern and history of confusion about the nature of the ownership and the parties involved. In addition, the Board considered the pattern over the years of Patrick Mahre's relationship with Ms. Cadigan and the company. Staff believes his involvement is critical in reviewing this application.

Commissioner Hales said he suspects the City is making this harder than necessary and that Mr. Moskowitz may be right on the law and wrong on the merits. He said various City personnel call these contractors when a tow is needed and this service is an extension of the City. Therefore, the City has the ability to write pretty tough criteria, although in this case the City does not appear to have written the right criteria. Staff could solve this problem by rewriting it, rather than giving the Board so much discretion.

Commissioner Kafoury disagreed. She said the award of this contract is not a basic civil right but a privilege as these contracts are very lucrative. Why would the City have to prescribe every single detail? Traffic violations and arrests seem to her to be relevant.

Commissioner Francesconi said while it would be better to have past history as a specific criteria, the City Attorney has indicated that the City has the legal discretion to deny the application. He moved to approve the recommendation of the Towing Board and the Bureau of Licenses and deny the application. Commissioner Kafoury seconded and the motion carried. (Y-4)

Mr. Nelson said Bureau staff, the Towing Board and the City Attorney have looked at this carefully and all believe the City has clear legal authority to base its recommendation on the criteria that have been listed. He agreed with Commissioner Hales that they could do a better job of articulating those in a more orderly manner. Since this is the third year of the three-year contract, a work plan has been developed to restructure the new contract. He said the towers act on behalf of the City and he could not in good conscience approve the award of a contract to this particular company.

Disposition: Ordinance No. 172416. (Y-4)

Commissioner Charlie Hales

- *917** Authorize an Intergovernmental Agreement between the Bureau of Planning and the Portland Development Commission to provide economic and business related planning work and implementation for Gateway Regional Center, Hollywood Town Center and Sandy Boulevard Main Street, and St. Johns Town Center and Lombard Main Street (Ordinance)

Discussion: Commissioner Hales said he is very enthusiastic about these three projects.

Commissioner Kafoury noted the work of the Bureau of Housing and Community Development in this effort.

Commissioner Francesconi said the City still needs economic strategic planning for jobs in the neighborhoods.

Disposition: Ordinance No. 172417. (Y-4)

Commissioner Erik Sten

- *918** Change the franchise fee for solid waste and recycling from 4.0 to 3.45 percent effective July 1, 1998 in accordance with the FY 1998-99 solid waste and recycling rate study (Ordinance)

Discussion: Sue Keil, Bureau of Environmental Services, said while this brings the franchise fee down, rate payers will not see a rise in their rates as the reduction in fees will be absorbed by the Bureau through internal juggling and a draw down of reserves.

Disposition: Ordinance No. 172418. (Y-4)

- 919** Authorize a contract and provide for payment for the Bull Run Lake fish habitat structures, Phase I (Second Reading Agenda 866)

Discussion: Commissioner Sten said he still recommends going forward with this and noted that the State Fish and Wildlife Commission, responding to his query, has stated that it has no doubt that the cutthroat trout found in the Lake are a native species.

Disposition: Ordinance No. 172419. (Y-4)

City Auditor Barbara Clark

- 920** Assess benefitted property for the cost of constructing street/storm and sanitary sewer improvements in the SW 37th Avenue/Vesta Local Improvement District (Hearing; Ordinance; C-9875)

Disposition: Passed to Second Reading July 1, 1998 at 9:30 a.m.

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- 921** Assess benefitted property for the cost of constructing street and storm sewer improvements in the SW Palatine/43rd to 45th Avenues Local Improvement District (Second Reading Agenda 867; C-9855)

Disposition: Ordinance No. 172420. (Y-4)

At 11:15 a.m., Council recessed.

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 24TH DAY OF JUNE, 1998 AT 2:00 P.M.

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

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

***922 TIME CERTAIN: 2:00 PM** - Adopt the report and recommendations of the Planning Commission on the Citywide Environmental Overlay Zone Map Refinement Project and adopt amendments to the Official Zoning Maps of the City of Portland; amend Official Zoning Maps of the City of Portland (Ordinance introduced by Commissioner Hales)

Discussion: Tom McGuire, Planning Bureau, said two basic map refinements were done as part of this project which affect nearly all the environmentally zoned areas of the City, except the Columbia South Shore. Around 90 percent of the changes are technical map corrections based on switching the official zoning maps from paper, mylar-based maps to the much more accurate Geographic Information System (GIS). He said the County has completely remapped all the base-map information, such as locations of the tax lots and rights-of-ways, affecting the base maps by 10 or 20 feet. The GIS also lines up all the layers, such as topography and stream corridors. Based on this more accurate information, some adjustments have been made to the environmental zone lines. During this process, some corrections have been requested by individual property owners, which have also been folded into the project.

Mr. McGuire said this project does not change any of the original resource inventories and no conservation or protection zones were changed. He described an example of what happened "before" and "after" the refinements were made. He reviewed the public involvement efforts, including two public workshops and follow-up site visits in response to specific requests. The Planning Commission adopted the staff recommendations without any changes and requests approval of their report and recommendations. He said he has provided a memo with some supplemental map changes and minor changes to the ordinance. These reflect issues that arose after the Planning Commission's decision. Another small change is also needed, as noted in his one-page memo.

John Sparks, 10875 SW 89th St., Tigard, OR 97223, said Tax Lot 250 is presently partially zoned R7p and the owners request a change to R7c so that it can be developed to its highest and best use. The property was originally purchased by the Davises with the intent to build a duplex. He said the lot size is sufficient for the density requested and compatible with the surrounding structures. The need for environmental protection is neither justified nor fair as most of the water is runoff from Jackson High School's parking lots and tennis courts which flows into a drainage pipe at the low point of the property and then travels about 1,600 feet to a point alongside Oregon Department of Transportation property on 35th Avenue where it again enters a drainpipe. Of the 1,600 feet, about 1,000 feet is zoned as protected. He said

the water is not a significant environmental resource, partially due to its source, and the differentiation between environmental conservation and environmental protection is not justified in this instance. He said the only tax lot affected by this zoning is this one as the others are already developed. Restricting development of this particular tax lot is an unfair "taking" from a long-time tax payer.

Vivian Davis, 10875 SW 89th St., Tigard, OR 97223, said her husband bought this lot because she cannot drive and this is close to good transportation. She said the lot is down in a gully and they could build the duplex up.

Commissioner Hales said it appears from the map that the amount zoned C (conservation) is less under the current proposal than it was before. He said he believes there is still a significant amount of buildable area and asked if their concern was to use more of it.

Ms. Davis said they proposed a duplex there about three years ago and it was refused.

Mr. McGuire said the refinement proposed here shows less environmental coverage of their property than before and more closely follows the drainage way. He said this is an R7 single-dwelling zone which does not allow duplexes except on corner lots. They could build an accessory dwelling unit or apply for a Planned Unit Development.

John Gibbon, 13425 SW 72nd, Tigard, OR, said he is an attorney representing the Ramsey family which owns property along NW Skyline Boulevard adjoining Forest Park. He requested the removal from consideration for changes Map 2016, 2017, 2116 and 2117 which involve approximately 50 acres of land that has been subject of condemnation litigation with the City, which would like to include it in Forest Park. A settlement using Metro Greenspaces money has been worked out and adoption of these maps right now could potentially interfere with its completion. Metro and Friends of Forest Park support this action.

William Lobdell, PO Box 83161, 97283, said he owns 30 lots which have been in his family for 35 years. He said sometime in the 1990's, more stringent zoning was placed on this property which has negated the R7 zoning which has existed since day one on this property. He said the land is on a rocky hillside which he intended to develop. The water coming through the property is surface drainage and there are no aquifers there. In the proposal before Council today that water is designated as a stream and an area 50 feet on each side of it has been condemned. He said this zoning makes his property relatively worthless as it will prevent him from putting in a platted street, Germantown Court, and from building on the lots. Before the second overlay was proposed, he had an offer from Metro to purchase the property for \$240,000. With this overlay, Metro reduced its offer, first to \$200,000 and later to \$35,000. He said this "stream" is a drainage ditch and does not need to be protected.

Lou Sutton, 8316 N. Lombard, 97203, said a person's property should not be taken without just compensation. He said it is unfair to lessen the value of Mr. Lobdell's property by changing the zoning in this way.

John Sherman, Friends of Forest Park, supported the Ramsey family request and said

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everyone involved in the effort to purchase this property for Forest Park believes retaining the current zoning will facilitate closure of the purchase.

Jim Desmond, Metro, also supported the Ramsey request and noted that the family has signed a Memorandum of Understanding to sell 104 acres to Metro. He said, while he has not reviewed Mr. Lobdell's file, Metro bases its offers on market value and does have the ability to pay above market if it believes the property owner has been especially aggrieved.

Commissioner Hales noted that this ordinance does not invent environmental zones today but only adjusts those that already exist.

Mr. McGuire explained the environmental adjustments on the Lobdell property. He said a road and utilities could be put across the Conservation zone in order to develop the property. He said at first the entire property, which is extremely steep, was placed in an Environmental Protection zone but that was later changed to a Conservation zone.

Commissioner Hales said if Council sets aside the approach taken on this property, he does not know what it would say to others with streams crossing their property. He noted that only two property owners out of 1,000 are in this situation. He said he is inclined to go ahead with the request for the Ramsey property and not change the zoning there.

Commissioner Hales moved to adopt the proposed amendment concerning the Ramsey property and those suggested by Mr. McGuire. Commissioner Francesconi seconded. Roll was called and the motion carried. (Y-4)

Commissioner Sten said it is a continuing struggle to provide balance and the City has still not done enough to protect streams.

Disposition: Ordinance No. 172421 as amended. (Y-4)

At 2:45 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON
WAS HELD THIS 25TH DAY OF JUNE, 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; Linda Meng, Chief
Deputy City Attorney; and Officer Chuck Bolliger, Sergeant at Arms.

923 **TIME CERTAIN: 2:00 PM** - Adopt the final Central City Streetcar Capital and Operations
Plans and direct a variety of actions which will result in implementation of the Phase I Central
City Streetcar project (Resolution introduced by Commissioner Hales)

Discussion: Commissioner Hales said today Portland Streetcar, Inc. (PSI), is reporting back
to Council, as requested, on the capital and operations plan.

Don Magnuson, Chair, PSI, reported on the steps the group has taken since appearing before
Council in February. First it has concluded that Stacey and Witbeck should be recommended
as the general contractors because of their past experience and ability to help drive the cost
down. To answer corporate and bonding questions, PSI formed a Finance Committee, with
representation from City bureaus, which has issued a report in support of the streetcar. Work
is also continuing on formation of a Local Improvement District which should be ready for
Council consideration by fall. Finally, an operations and maintenance budget has been
prepared, with an estimated cost of \$5 million per year.

Phil Bogue, Chair, Tri-Met Board, summarized the terms Tri-Met has agreed to regarding the
Streetcar's operational costs. He noted that Tri-Met is committed to contributing up to \$1.6
million per year to support two-thirds of the cost of operations. The City commits to \$5
million in street improvements.

George Passadore, PSI Board and Tri-Met Board member, supported Tri-Met's contribution
and pointed out that the street car will be very compatible with the rest of the transportation
system. He said there is also an intangible benefit beyond the immediate economic gain.

Tom Walsh, Tri-Met Director, said Tri-Met cannot say no to a deal in which the City and
private businesses step up to pay all the capital costs and one-third of the annual operating
costs. In response to questions from Commissioner Francesconi, he said there will be no
diminution of services elsewhere as a result of this expense and there is no conflict with the
expansion of Fareless Square or other transportation improvements, such as rebuilding of the
Transit Mall or a pedestrian access across the Morrison Bridge. Regarding Fareless Square to
the Lloyd District, Mr. Walsh said several programs for conventioners are planned.

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Michael Powell, PSI Board, said he hopes to return in August with petitions in support of formation of a Local Improvement District along the streetcar route. He said businesses better understand how transportation can support development and how the streetcar can help reduce dependency on cars.

John Carroll, Chair, Citizens Advisory Committee for the Streetcar and PSI board member, said from day one the goal has been to view the streetcar as a serious component of the transportation system that can be extended elsewhere and not a "one of a kind" phenomenon. He said construction should have a minimum impact on businesses .

Steve Fosler, Citizens Advisory Committee member, said the neighborhood goal has been to change the concept of the street car as a novelty to one that is an integral part of the transportation system. He said the streetcar will encourage new transit linkages and provide new housing opportunities.

Jock Mills, Public Utilities Rate Board (PURB) member, said PURB considered this twice and unanimously passed a motion stating that it does not support having ratepayers pay the cost of relocating utility lines when the track for the streetcar is laid.

John Russell, Citizens Advisory Committee, said from a businessperson's perspective, the streetcar is a good deal for three reasons: 1) it will increase development along the line; 2) it provides a vital secondary link to light rail; and 3) it has the potential to expand to Riverplace and North Macadam.

Joe Tabor, downtown resident and member of the Libertarian party, opposed the project. He said people can walk the route just about as quickly as they can ride the streetcar, approximately 24 minutes. He said job growth is occurring in the Sunset corridor, where transportation improvements are truly needed, not downtown. The streetcar will only take passengers to recreational areas and at \$42 million, the projected cost per resident will be \$200 and a the cost of a ride would be about \$10. He suggested using vans instead, at a much lower cost, to see if the ridership is there and whether a streetcar is really needed before spending money to build the streetcar.

Jean Passell, 2624 SW California, said she fears the streetcar will decrease bus service downtown and also opposes the cost of this project. She said spending that much money just to move people from expensive living quarters to expensive spending places is not a priority.

Brad Carman, 1431 SW 11th, 97201, opposed the project. As a business owner near Portland State University, he believes the streetcar will reduce parking along 10th and 11th to the point where it will put him out of business. He said those two streets are the last two main streets for cars to get across town and taking them out will mean it will take forever to get across downtown.

Philip Nye, 2211 SW Park Place, #100, 97205, said more streetcars are definitely needed and the old lines should also be restored. He said they need less maintenance, use cheaper electricity and climb steeper hills much faster.

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Art Lewellan, 3205 SE 8th Avenue, supported the streetcar as a model for further transportation options throughout the nation. He urged Council to also consider including electric buses as part of the transportation system.

Rich Browning, Bicycle Advisory Committee (BAC), 1903 NW 27th Avenue, 97210, said the BAC is opposed to the streetcar until its safety concerns are addressed. As currently planned, the bike lanes next to the streetcar will be too narrow and unsafe, forcing bicyclists to cross the track at a dangerous angle that will cause serious accidents. He asked Council to direct Transportation not to proceed without proper mitigation and the funds to pay for it.

Bill Tripplett, Lake Oswego, opposed the streetcar project. He said no one is worried about the citizens who will pay for it through increased payroll taxes, parking fees and other hidden taxes. He said parking rates already discourage people from coming downtown and this proposal will only make things worse. He suggested pre-testing this by running a bus along this route first.

Kim Warkentin, 2109 NW Irving, #201, 97210, Northwest District Association member and a Citizens Advisory Committee member for the Streetcar, said the street car provides a unique opportunity to move people economically through neighborhoods and, in future phases, to reconnect neighborhoods.

Jarrett Walker, 614 SW 11th, #400, a transit consultant, opposed the project because it does not serve the goals of downtown development. He said the RFP for the streetcar feasibility study was written in a way that made it clear that support for a streetcar was the desired outcome. He said the City has fallen in love with a particular technology and overlooks the fact that a 10-minute wait is too long for a 20-minute ride. He said people will generally be able to walk faster than they can ride, as Tri-Met has projected the streetcar will travel at a route of four miles per hour.

Mayor Katz asked what he recommended.

Mr. Walker said the streetcar will fail because of the failure to get exclusive rights-of-way for it, which the City must have if it insists on a fixed route system. If not, the City would be better off with buses which have the advantage of maneuverability. Many very attractive and less expensive electric bus options are available.

B. J. Seymour, 1405 SW Park, #34, 97201, supported the project and said it is a long walk to get from one end of the route to the other and she envisions the streetcar as something lots of people will use to get to Portland State University from Northwest.

Sam Oakland, former Portland resident now residing in Siberia, supported the streetcar but also noted the need for solar-powered electric buses to solve pollution and noise problems.

Jada Mae Langloss, no address stated, supported the streetcar and asked for help in finding a job.

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Ken Rust, Bureau of Financial Management, Office of Finance and Administration (OFA), outlined major components of the financial plan.

Mayor Katz asked how much of the money from the City is discretionary and could be spent on other things.

Mr. Rust said very little. About \$2.9 million comes from the Parking Facilities Fund and is limited for use on transit-related and parking improvements. It could not be used for schools, added police, etc.

Commissioner Kafoury noted that some money was used for transit-related housing.

Commissioner Kafoury noted that the City might have to wait before it builds any more parking garages.

Commissioner Francesconi asked what would happen to ridership if the streetcar is caught up in traffic congestion.

Ric Gustafson, Project Manager, said the project has been planned to operate in a mixed-traffic situation and a lot of techniques are being used to address congestion. He said travel time is very important and they have estimated a range but will not know until the streetcar is in service exactly what adjustments might be needed to stay within that range. He said they are predicting 4,000 riders a day, which they believe is a conservative estimate.

Roger Shiels, Project Manager, said they see this as a demonstration project, with some risks which he believes are reasonable and worth taking. He disagreed with people who say this will not work.

Commissioner Sten asked why not use electric buses.

Mr. Shiels said he has never seen a bus that so flexible it can maneuver through traffic like a sports car.

Commissioner Francesconi proposed an amendment to the fourth paragraph on Page 2 of the resolution where it talks about "payments should be found from sources other than those identified for capital construction. He said he wants to make it clear that those sources are going to be "PDOT (Portland Office of Transportation)" sources as opposed to general fund sources. He moved to insert the word PDOT between the words "from" and "sources."

Commissioner Hales asked to explain what PDOT sources he is talking about.

Commissioner Francesconi said the resources would probably be from PDOT reserves as he understands that additional federal funds have been added to them,

Commissioner Kafoury seconded Commissioner Francesconi's motion for purposes of discussion.

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Commissioner Francesconi said he is in favor of the streetcar and believes the return is worth the risk. However, he wants to make sure, especially as there are federal funds available to PDOT that could cover this, that the City is not stuck later having to find general fund or tax increment money to deal with it.

Commissioner Hales said PDOT is a City bureau and relies on a variety of funding sources and he does not believe one should segregate them. There are a number of options to solve a funding gap problem and he wants to have as much flexibility as possible and not be over specific about the sources. Second, there are sources that might not be considered "PDOT" sources that Council might want to consider later on. He noted that the fourth paragraph, relating to the amount of utility work, is a very minor item, given the whole cost, and he does not want to micromanage the project team in solving this problem, especially as the project will have to come back to Council anyway.

Commissioner Sten said he agrees with both Commissioners. The City has a problem in that it has not specified where the money is coming from and PDOT has done a good job of working through the utilities issues and the impact on property owners. He said PDOT does need to be responsible for figuring out a plan to pay the City's share of the cost although he is unsure how specific Council has to be today. He believes the intent of the entire streetcar project is to show this can be built with funds coming from appropriate places. He believes this is a riskier project than other people do but that the risk is well worth taking, especially as the money is basically being taken from downtown parking revenues, not the general fund. Making it a high priority of the general fund is a whole other matter which needs to be discussed with citizens who rely on general fund for services. He also hopes a streetcar financing model can be found that is replicable and extended to other neighborhoods.

Commissioner Francesconi withdrew his first motion and made a second one to add "other than the general fund" after the word "sources" in the same part of paragraph four. He said additional general fund money cannot be used to plug into this model although he accepts Commissioner Hales' argument that he needs more flexibility.

Commissioner Sten seconded.

Commissioner Kafoury asked why he wanted to attach the amendment to the Water Bureau resources portion and not to the whole project. She said OFA did a good job of making it clear that there are some long-term risks for the City. Why was repayment of the Water funds singled out?

Commissioner Francesconi said that is one of two areas of risk as he sees it. The other is on the operating side if the agreement with Tri-Met does not work or if inflation is higher.

Roll was called on Commissioner Francesconi's motion and it carried. (Y-3, N-2; Hales and Kafoury.

Commissioner Francesconi said a lot of talent was involved in this and he has seen no other good alternatives to relieve congestion. He said he is voting for this primarily because it will

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increase the connections to job growth and keep the Central City vital. He noted that it is also a development strategy and, if successful, the streetcar needs to be expanded to help benefit South/North light rail and connect down Macadam and to Oregon Health Sciences University.

Commissioner Hales said support takes a leap of faith but he does not believe there is that great a risk. He said streetcars work in other cities and this will not be just for tourists or commuters, but will take people to places they need to go, such as the library.

Commissioner Kafoury said she still gets nervous about how the City spends its resources, especially as the problem of affordable housing has not been solved in any way.


Commissioner Sten said this is a much better finance plan than the one presented last year and there will also be much better development on 10th and 11th because of the streetcar. He agreed that the financing plan will take away resources but said the money is being raised from appropriate sources.

Mayor Katz said the inability to deal with the car will destroy the City unless it is successful in getting people out of their cars. She said this is a small piece of the solution, one that will give people opportunities to make neighborhood connections and increase development opportunities. She said Council should also look at other transportation alternatives such as high speed rail, water buses and water taxis.

Disposition: Resolution No. 35708 as amended. (Y-5)

At 4:10 p.m., Council adjourned.

BARBARA CLARK
Auditor of the City of Portland


By Cay Kershner
Clerk of the Council