



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 4TH DAY OF NOVEMBER, 1998 AT 9:30 A.M.

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

OFFICERS IN ATTENDANCE: Britta Olson, Acting Clerk of the Council; Harry Auerbach, Deputy City Attorney; and Chuck Bolliger, Sergeant at Arms.

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

CONSENT AGENDA - NO DISCUSSION

- 1595** Cash investment balances September 17 through October 14, 1998 (Report; Previous Agenda 1570; Treasurer)

Disposition: Placed on File.

- 1596** Accept bid of the Natt McDougall Company for Fanno Basin pump station for \$4,893,000 (Purchasing Report - Bid 99038)

Disposition: Accepted; prepare contract.

- 1597** Accept bid of Pro Landscape, Inc. for Inverness Force main landscape restoration project for \$143,940 (Previous Agenda 1571; Purchasing Report - Bid 99040)

Disposition: Accepted; prepare contract.

- 1598** Accept bid of United States Pipe & Foundry Co., Inc. to furnish annual supply of ductile iron water pipe for \$437,375 for two years (Previous Agenda 1572; Purchasing Report - Bid 99045)

Disposition: Accepted; prepare contract.

- 1599** Accept bid of United States Pipe & Foundry Co., Inc. to furnish the annual supply of fire hydrants for \$154,838 (Purchasing Report - Bid 99046)

Disposition: Accepted; prepare contract.

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- 1600** Accept bid of Gresham Transfer, Inc. to furnish biosolids transportation for \$2,610,500 (Purchasing Report - Bid 99049)

Disposition: Accepted; prepare contract.

- 1601** Accept bid of Jim Turin & Sons, Inc. to furnish aggregates for \$55,720 (Previous Agenda 1573; Purchasing Report - Bid 991123)

Disposition: Accepted; prepare contract.

- *1602** Authorize City to prohibit award of professional, technical and expert (PTE) service contracts with groups or individuals who provide goods or services to military regime in Burma (Ordinance; Previous Agenda 1574 introduced by Mayor Katz and Commissioner Sten)

Disposition: Ordinance No. 172809. (Y-5)

Mayor Vera Katz

- 1603** Accept project for Fourth and Yamhill Parking Garage two-floor addition as substantially complete, release partial retainage and make payments (Report; Previous Agenda 1575; Contract No. 30626)

Disposition: Accepted.

- *1604** Amend Graffiti Nuisance Abatement Trust Fund (Ordinance; amend City Code 5.05.490)

Disposition: Ordinance No. 172810. (Y-5)

- *1605** Authorize appointment of Lonnie Turner to the position of Senior Risk Specialist at a rate of pay above mid-range (Ordinance)

Disposition: Ordinance No. 172811. (Y-5)

- *1606** Authorize contract with Willis Corroon, Inc. for payment of consulting services for FY 1998-99 (Ordinance)

Disposition: Ordinance No. 172812. (Y-5)

- *1607** Pay claim of Gary Frizzell (Ordinance)

Disposition: Ordinance No. 172813. (Y-5)

- *1608** Settle the claim of Paul J. Bieker (Ordinance)

Disposition: Ordinance No. 172814. (Y-5)

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- *1609** Authorize a contingent loan agreement with the Housing Authority of Portland for the Columbia Street Apartments project (Ordinance)

Disposition: Ordinance No. 172815. (Y-5)

- *1610** Authorize a contingent loan agreement with the Housing Authority of Portland for the Clay Street Apartments project (Ordinance)

Disposition: Ordinance No. 172816. (Y-5)

- *1611** Authorize amendment to the ICMA Retirement Corporation Deferred Compensation Plan (Ordinance; repeal Ordinance No. 171494)

Disposition: Ordinance No. 172817. (Y-5)

Commissioner Jim Francesconi

- *1612** Authorize the Purchasing Agent to sign a Purchase Order with Bryan Bickmore Dodge for purchase under State Price Agreement of 54 general purpose sedans at the estimated amount of \$734,605 and provide for payment (Ordinance)

Disposition: Ordinance No. 172818. (Y-5)

- *1613** Authorize acceptance of a 25 foot recreational trail easement on the Columbia South Shore slough (Ordinance)

Disposition: Ordinance No. 172819. (Y-5)

Commissioner Charlie Hales

- *1614** Increase contract amounts with BJY, Inc. by \$17,500 and The Phillips Group by \$17,500 to provide plan review and engineering services (Ordinance; Previous Agenda 1576; amend Contract Nos. 31515 and 31518)

Disposition: Ordinance No. 172820. (Y-5)

- *1615** Authorize the Purchasing Agent to sign a Purchase Order as a contract with Pacific Utility Equipment Company for purchase of six snow plows in the amount of \$57,906 without advertising for bids and provide for payment (Ordinance; Previous Agenda 1577)

Disposition: Ordinance No. 172821. (Y-5)

- *1616** Authorize a contract and provide for payment for material and labor to construct Burlingame Park improvements (Ordinance; Previous Agenda 1578)

Disposition: Ordinance No. 172822. (Y-5)

- *1617 Authorize a contract and provide for payment for material and labor to construct John Luby Park improvements (Ordinance; Previous Agenda 1579)

Disposition: Ordinance No. 172823. (Y-5)

- *1618 Authorize continuance of negotiations for the purchase of temporary construction easements required for the NE 138th Avenue, south of NE Airport Way, bridge improvement project, authorize the City Attorney to commence condemnation proceedings, if necessary, and obtain early possession (Ordinance; Previous Agenda 1580)

Disposition: Ordinance No. 172824. (Y-5)

- *1619 Authorize execution of a lease agreement with Standard Insurance Company (Ordinance; Previous Agenda 1581)

Disposition: Ordinance No. 172825. (Y-5)

Commissioner Gretchen Miller Kafoury

- *1620 Authorize a contract with Janus Youth Programs for operation of City's graffiti abatement program to operate from October 1, 1998 through June 30, 1999 for an amount not to exceed \$161,100 (Ordinance)

Disposition: Ordinance No. 172826. (Y-5)

- *1622 Authorize a contract with Sea Western for purchase of 300 integrated PASS devices for \$155,700 without advertising for bids and provide for payment (Ordinance; Previous Agenda 1582)

Disposition: Ordinance No. 172827. (Y-5)

- *1623 Agreement with AGI Technologies for completion of soil remediation for the Fire Bureau for \$74,228 (Ordinance; Previous Agenda 1583)

Disposition: Ordinance No. 172828. (Y-5)

- *1624 Contract with the Cascade AIDS Project and Southwest Washington Health District in the amount of \$83,949 to support the Transitional Housing Program for persons with HIV/AIDS and provide for payment (Ordinance; Previous Agenda 1584)

Disposition: Ordinance No. 172829. (Y-5)

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- *1625** Contract with the Neighborhood Partnership Fund for \$100,000 for our collaborative efforts in workforce development providing operating support for SE Works for two years and provide for payment (Ordinance)

Disposition: Ordinance No. 172830. (Y-5)

Commissioner Erik Sten

- *1627** Provide additional funds for completion of the Sullivan Gulch emergency sewer repair project, Project No. 6227 (Ordinance; amend Purchase Order Nos. 1021386 and 1021006)

Disposition: Ordinance No. 172831. (Y-5)

- 1628** Accept a grant and authorize an Intergovernmental Agreement with the State of Oregon, acting by and through the Department of Environmental Quality and the City of Portland, acting by and through the Bureau of Environmental Services for assistance with the Ecological Business Program for the automotive repair shops in the amount of \$23,022 (Ordinance)

Disposition: Passed to Second Reading November 12, 1998 at 2:00 p.m.

- 1629** Authorize a purchase order and provide for payment to furnish and deliver two new pumps and motors for the SE 112th Avenue pump station (Ordinance; Previous Agenda 1586)

Disposition: Passed to Second Reading November 12, 1998 at 2:00 p.m.

- *1630** Authorize a contract with Jeanne Lawson and Associates for Public Involvement Services to support the Columbia South Shore wellfield protection program (Ordinance)

Disposition: Ordinance No. 172832. (Y-5)

- *1631** Amend contract with GeoEngineers, Inc. to expand groundwater technical services support, including field characterization and risk analysis, through FY 1998-99 for the Columbia South Shore well field, at a cost not to exceed \$195,000 (Ordinance; Previous Agenda 1587; amend Contract No. 31478)

Disposition: Ordinance No. 172833. (Y-5)

- 1632** Authorize contract and provide for payment for construction of the Columbia Boulevard wet weather treatment facility outfall pipeline (Second Reading Agenda 1556; Previous Agenda 1588)

Disposition: Ordinance No. 172834. (Y-5)

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- 1633** Authorize a contract with the lowest responsible bidder for the Tryon Creek wastewater treatment plant primary effluent pump replacement (Second Reading Agenda 1557; Previous Agenda 1589)

Disposition: Ordinance No. 172835. (Y-5)

Auditor Barbara Clark

- *1634** Assess system development charge contracts and Private Plumbing Loan Program contracts (Ordinance; Z0694, Z0695, Z0696, T0015, P0038)

Disposition: Ordinance No. 172836. (Y-5)

REGULAR AGENDA

- *1621** Appoint Donald Adair to Human Resources Coordinator in the Fire Bureau at the hourly rate of \$28.12 (Ordinance)

Discussion: Chief Wall introduced Donald Adair and he and Commissioner Kafoury welcomed him to the Bureau.

Disposition: Ordinance No. 172837. (Y-5)

- 1626** Accept completion of the Taggart Basin CSO sump Unit 5, Phase I and II, Project No. 5494, and authorize final payment to BL & B Contractors, Inc. (Report; Previous Agenda 1585; Contract No. 31547)

Discussion: Commissioner Kafoury moved to amend the retainage amount and Commissioner Francesconi seconded.

Disposition: Accepted as amended. (Y-5)

- *1594** **TIME CERTAIN: 9:30 AM** - Adopt findings, approve an alternate contracting process and create an exception to the competitive bidding requirements of ORS Chapter 279 for Bull Run Headworks Intake and Control Building Project construction (Ordinance; Previous Agenda 1568 introduced by Commissioner Sten)

Discussion: Commissioner Sten said this was a unique project for which an exemption is required.

Mary Ellen Collentine, Water Bureau engineer, said the project entails replacing a screenhouse structure at Bull Run headworks while at the same time maintaining continuous water delivery, making it a technically complex project.

Jerry Baarspul, Water Bureau project manager, said this replaces a facility built 75 years ago. As that was built with foresight, so will the new one as it will accommodate expansion

opportunities. A new laboratory facility will also be built to update water quality testing capabilities. A contractor's input during the design of this project is very important.

Disposition: Ordinance No. 172838. (Y-5)

- 1635 Recommend the administrative functions for establishing Local Improvement Districts (LIDs) be consolidated into the Office of Transportation under the authority of the City Engineer and be administered by an LID Program Administrator (Resolution introduced by Commissioners Hales and Sten)

Discussion: Commissioner Hales said he brought this to Council based on the same principle applied here in March, 1993 when the question of "who is in charge of planning for earthquake preparedness" was asked. The answer then was no one/a whole bunch of people. The same answer applies to the LIDs. In a bureaucracy, the work and responsibility needs to be assigned to someone for clarity.

Commissioner Sten said his sense was that joint work between Transportation, the Bureau of Environmental Services (BES) and the Auditor's Office is needed to determine the best way to move LIDs forward. The commitment is to try to get Transportation and BES to put up time, money and effort to figure this out. This is a beginning.

Vic Rhodes, Director, Office of Transportation, said this is a recommendation to begin a process to reinvent how LIDs are done. In response to Council's request for a recommendation, it became clear there was no one person responsible to manage the process from the cradle to the grave. A steering committee consisting of the Bureaus of BES, Transportation Engineering, Planning, the Auditor's Office and the neighborhoods could help guide this.

Mayor Katz said the resolution calls for funding an LID program administrator, to be housed. She asked if that were not some sort of decision.

Mr. Rhodes responded that this could not be done as a parttime effort by any of the bureaus. It is important enough to dedicate resources to hire someone to fix the problem.

Mayor Katz noted that the recommendation is to house the position in Transportation Engineering.

Commissioner Sten said that is exactly the perception that developed -- that it is a control issue. Whichever bureau houses the position, the importance is to have one person responsible for these LIDs.

Mayor Katz said where a position is located is a critical perception issue.

Barbara Clark, City Auditor, said she did not like this confrontation but needed to speak up. There is agreement about the problems with the LID process, however the proposed approach in this resolution is hasty and shallow. She is unsure about the need for the resolution and the

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way it is being handled is an illustration of why more power should not be handed to Transportation. She suspects the real motivation is that engineering costs have been incurred that cannot be recovered from built projects and Transportation wants to force construction no matter what. This makes sense only if the Bureau's mission is defined as securing employment for engineers. Auditor Clark said people already in Transportation have the skills for this position, but they are not deployed in the LID area.

Commissioner Sten asked if Auditor Clark had a proposal on how to make this system better.

Auditor Clark said she shares Commissioner Hales' sense of urgency and would like a system that mirrors the Blueprint 2000 process, where the citizens define the criteria for the project's success which then go to the stakeholder bureaus as an implementation team, rather than a steering committee.

Commissioner Sten asked where it would be housed and who would be in charge.

Auditor Clark said if Transportation acted as a coordinator rather than a Czar, she would be happy to put it in Transportation.

Commissioner Hales said the resolution says to find an administrator and an office somewhere and pay the person. Transportation and BES have volunteered to house and pay the person. This is not a policy/power change. The problem of multiple agencies working at cross purposes needs to be addressed.

Auditor Clark said she submitted alternative wording to Commissioner Hales but has not had a response. Commissioner Hales said he did not receive it.

Commissioner Sten said he had no perception that Transportation was trying to be the Czar of this, only that they volunteered to house a function to get this moving. This has been going on for many years. A steering committee with no direct responsibility or a fully-funded person to work full time on this cannot have a chance for success. He thought this resolution would get a person funded and then the first step would be to design how to go about what Auditor Clark has proposed. Perhaps that was the cart before the horse. Commissioner Sten apologized for not working this out further with his bureau. However, wherever this is housed, the City needs a person immediately to be responsible and to whom citizens may be referred with LID concerns -- a steering committee cannot do that.

Auditor Clark said her fantasy person for this position would be Nancy Biasi or someone of her ilk. Alternatively, if it were put under Transportation, she would ask for more explicit marching orders.

Commissioner Francesconi said some progress has been made about funding this position, rather than burdening the homeowners, although it is moving too slowly. It seems that Transportation is the right place for this, with guidance. However, that should not be predetermined. He suggested taking that language out and adding a citizen involvement component.

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Commissioner Hales said where the person is housed is the least of their worries as people are waiting for Council to act on their LID petitions.

Michael Roach, 8920 SW 40th, Multnomah Neighborhood Association (MNA), said for the past two years residents of Southwest Portland have been grateful for the Auditor's Office's, in particular Frank Dufay's, integrity and the clarity he brought to the pressing problem of LIDs. Mr. Roach said MNA recently became aware of a Transportation internal memo which, in effect, said they needed to do something about Frank Dufay as he is talking too much about the LID process. Staff has also met privately with developers in the middle of LIDs without notice of the meetings to affected property owners. Therefore, they are suspicious that the Auditor's Office will be eliminated from the process and that it will be shielded from citizen review. Voters just rejected the elimination of performance audits and MNA requests a performance audit of the entire LID process before any change or further LIDs proceed. The City is moving toward aggressive infill development policies with millions of dollars in LIDs to be paid by taxpayers.

Curt Weindorf, Southwest resident, said this does sound like an issue over power. He noted that the person proposed for this position was the old blood replaced by new blood in the Auditor's Office.

Don Baack, Hillsdale resident, suggested that the task force have citizens on equal footing with the bureaus. A key to making this work is efficiency: an example might be to use outside contractors for both design and construction.

Mona Goode, Office of Finance and Administration (OFA), said OFA was only recently given a copy of this proposal.

Mayor Katz asked about the plan to pay for this position.

Mr. Rhodes said a full year would cost about \$50,000 each for Transportation and BES. Transportation planned to draw down their contingency for the balance of this year.

Commissioner Sten said he was not sure where it would be drawn for the six months' balance of this year, but they plan to build the position's cost into next year's sewer rate base. The SW 19th and Evans LID was turned down by Council, yet it is an important, unpaved road washing pollution into streams. That LID was in a critical Southwest area and had 75 percent approval. BES wants to facilitate anything it can do.

Commissioner Hales said if there is progress on administering the LIDs, Transportation and BES will save money as a lot is lost when an LID is not approved. LIDs are about the most democratic of public works projects. People request them, sign petitions and accept being taxed.

Mayor Katz said a new position's funding needs to be identified for Council and the public. An amendment to include citizens needs to be added.

Mr. Rhodes said it is critical to have one, full-time responsible person focussed on reinventing the process to deal with neighborhood communication, funding and subsidy levels, waiver issues, connectivity, and related issues.

Commissioner Sten apologized for not anticipating the turf wars. Nevertheless, he must find a way to get the LIDs through because it is crucial to the sewer system.

Commissioner Kafoury agreed that accountability was the issue and she would like to get on with it.

Commissioner Hales moved an amendment to include citizen appointees on the steering committee and Commissioner Kafoury seconded.

Commissioner Francesconi said he voted against the SW Evans LID on the basis of the funding formula but does want the LID to go through. There should be a responsible person to get back to Council with a solution to the funding formula. Whether or not there will be a public subsidy is the real, underlying question.

Commissioner Sten said that is just the problem, Council's questions are asked into thin air as no one has the central responsibility.

Mayor Katz said this is not the way the City should do its business. She asked that Transportation and BES absorb this cost and look to continuing to absorb it in the new budget period. How to finance the LIDs is still the question. The costs are running too high and the infrastructure needs to be completed.

Disposition: Resolution No. 35738 as amended. (Y-5)

Commissioner Kafoury asked for a point of personal privilege to present flowers to Commissioner Francesconi in recognition of his hard work on the recent Parks Bond measure.

- *1636** Authorize the Director of the Bureau of Environmental Services to enter into an agreement with the Department of Environmental Quality and a memorandum of agreement among the members of the Portland Harbor Group and authorize the expenditure of \$50,000 for the development of a sediment management plan (Ordinance; Previous Agenda 1590; introduced by Mayor Katz and Commissioner Sten)

Discussion: Mayor Katz said it is critical that the City work with the State and federal governments, as well as other community stakeholders, to make sure Portland Harbor is not named as a Superfund site.

Commissioner Sten said the lower stretch of the Willamette River has been listed as a possible superfund site. The Bureau of Environmental Services (BES) could be very much implicated as sewers are creating river problems, but the right approach is to partner with businesses and come up with a plan to augment any existing plans to get the sewage out of the river and avoid the superfund listing. His hope is to obtain the same result from proactive

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work rather than from having to overcome a regulatory hurdle. Mayor Katz has worked hard with Governor Kitzhaber and has people talking to the Environmental Protection Agency in Washington, D.C.

Disposition: Ordinance No. 172839. (Y-5)

Mayor Vera Katz

- *1637** Intergovernmental agreement with Housing Authority of Portland for law enforcement and drug prevention services at Columbia Villa/Tamarack (Ordinance)

Discussion: Commissioner Kafoury said this was a continuation of a contract and a very good partnership.

Commissioner Francesconi asked how to do this in East County as he can immediately think of two complexes which need these services.

Commissioner Kafoury said he should check and she noted that the Villa had serious problems in the 1980's which have improved. It is a matter of getting the players together.

Mayor Katz said there is also money from the federal government for housing projects in certain geographic areas.

Disposition: Ordinance No. 172840. (Y-5)

- *1638** Accept a \$50,000 grant award from the Oregon Association Chiefs of Police, Traffic Safety Section (Ordinance)

Disposition: Ordinance No. 172841. (Y-5)

Commissioner Jim Francesconi

- *1639** Contract with Sergeant's Towing, Inc. for towing, storage and disposal of abandoned vehicles (Ordinance; Previous Agenda 1591)

Disposition: Ordinance No. 172842. (Y-5)

Commissioner Charlie Hales

- 1640** Revise Street Vacation Fees (Ordinance; amend City Code Title 17)

Disposition: Passed to Second Reading November 12, 1998 at 2:00 p.m.

Commissioner Gretchen Miller Kafoury

- 1641** Accept the Housing and Community Development Commission Report entitled Implementation of Housing Assistance Programs including new Housing Investment and Federal Housing Fund income and activity allocation guidelines (Resolution)

Discussion: Commissioner Kafoury said the Housing and Community Development Commission (HCDC) has stated that the Housing Investment Fund has been a success. The report gives wonderful detail about the numbers of units that have been rehabbed, new construction and so forth. The most important aspect is the evolving relationship between the various City housing bureaus. She thanked Barruti Artharee for his leadership in the Portland Development Commission (PDC) housing department. At least in this market, there is no conflict between the affordability and production goals. Therefore, 2040 goals for numbers have been met as have, because of revisions in the Request for Proposal (RFP) process, the goals for larger family units for very low income people.

Janice Frater, 6036 NE 24th Avenue, HCDC and chair of the Housing Evaluation Group, said their job lately has been to work with PDC to review spending and activities of the Housing Investment Fund (HIF) as well as the federal funds. She said the working relationship between HCDC and PDC has been very good in the past year.

Steve Rudman, HCDC Director, said the housing delivery system has vastly improved as has the reporting systems. Regarding low and very low income housing, it has been shown that in today's market affordability and production are not mutually exclusive. Regarding the annual block grant home contract between the City and PDC, federal funds have been included in the HIF. There has been \$58 million in resources in the past two years and in the coming two years there will be about \$35 million, of which about \$8.5 million will be HIF revolving funds with the balance federal funds.

Barruti Artharee, Housing Director, PDC, said going to an RFP process has opened up the allocation of funds and created a more level playing field. Customer meetings and a monthly newsletter were started. There continues to be a high demand for affordable housing and housing costs continue to increase. PDC continues to need to fund expiring youth projects, Section 8 projects and help meet the high demand for home ownership throughout the City. In the next several years, they will need to look at resource development and focus on asset management. With the money the City has invested in affordable housing, the City needs to ensure the properties will be well maintained and the buyers actually live in them.

Commissioner Francesconi asked about adoption of a target calling for 50 percent of the total housing production to have two or more bedroom units to prioritize family housing.

Ms. Frater said HCDC observed they were falling further behind in the development of family housing. For many years the focus was on one bedroom/single-room occupancy studios, creating an imbalance. It is easier and cheaper to develop smaller units, so now they want to target the family development.

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Commissioner Kafoury said the 50 percent target is the same, but when PDC went to the RFP process for the larger units they were not getting applications.

Commissioner Francesconi asked about the priority for low income owner-occupied rehabilitation.

Mr. Artharee said the other side of the rental affordability goal is home ownership. There has been a lot of input from neighborhood home owners who need resources to rehab and stay in their homes. For instance, there is a deferred payment program for families at 60 percent of median family income where loans are not paid back until the property title is transferred. For those at 60 to 80 percent of that, there is a very low interest rate.

Commissioner Francesconi asked how PDC/HCDC would target first-time home buyers with incomes of up to 100 percent.

Mr. Artharee said that would be the Fannie Mae program which has approved loans for up to \$16 million. They estimate 200 more loans could be done annually with this program. It focusses on a range of 80 to 100 percent of median income. If this is successful it will free up more federal funds to support families of less than 80 percent.

Commissioner Francesconi noted the emphasis on encouraging new, affordable housing in areas of the City which have not traditionally seen their share of this type of development.

Mr. Rudman said it is important, on a biannual or quarterly basis, to ask for specific proposals by giving priority to certain criteria based upon the marketplace.

Commissioner Francesconi asked if they were able to assess how many fewer units will be produced because of higher land costs.

Mr. Rudman said they would need a decision from Council on how much to weigh the dispersion issue vs. production.

Mr. Artharee said at this time the median home price is over \$160,000 but the median family of four income is about \$50,000. Lately there has been more development of condominiums and the forecast is that it will increase from less than eight percent in the past decade to 19 percent in the next. Home ownership opportunities for those families at or below median income can be found as PDC/HCDC invest their resources to influence developers.

Commissioner Francesconi asked about asset management.

Mr. Artharee said there are two different phases to asset management. The first is maintenance of the complex and units, important for longer term affordability, where they need to make sure the proper replacement reserves are in place. Second, ensure that the people the units are being built for are actually the people living there. Lastly, many of the PDC deals are cash flow, split deals, meaning that after a certain amount of debt coverage (cash flow) has been made, PDC splits the profits with the owner and PDC's split is used to

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pay down the loan from PDC. PDC relies on the owners to report their cash flow annually and PDC needs to insure that it is receiving the proper amount on the splits so it can, in turn, reloan those monies.

Ms. Frater said HCDC spent a lot of time negotiating loan agreements and it is critical that they have a mechanism in place to ensure all the negotiated components are adhered to.

Commissioner Francesconi asked for a status report on the plan to get new resources into the HIF.

Mr. Artharee said there were many aspects to developing new resources. One plan is to have a staff matrix (PDC and bureaus) to tackle different parts of resource development. A challenge is how to layer the involvement of the private sector to work with the City bureaus.

Commissioner Kafoury noted they had a series of meetings in late summer and fall with the banks which were given specific requests about how they could contribute to this and make private resources more available.

Mr. Rudman said they were looking at, on a biannual basis, a community credit assessment, based on what resources the City has, community needs and how private lenders can participate. Once such an assessment is published, they can entertain specific proposals to partner with private lenders.

Mr. Artharee added there must be a strategy in place on how to deal with the banking community, use general fund dollars, work with State funds, leverage the current portfolio of PDC loans and create funds through new financing concepts.

Mayor Katz said for this resolution, PDC/HCDC was asked to look at the whole picture and then get back to Council with the pieces.

Commissioner Sten said the level of sophistication to leverage these dollars is remarkable. The challenge of trying to provide affordable housing in partnership with the market will continue to be hard.

Mayor Katz said affordable housing needs to occur in every neighborhood if the City's diversity goal is to be met. The 2040 goal also needs to be met and the two can, at times, be in conflict.

Disposition: Resolution No. 35739. (Y-5)

***1642**

Contract with the Portland Development Commission for \$15,478,408 to undertake housing and economic development projects that benefit low and moderate income residents and provide for payment (Ordinance)

Disposition: Ordinance No. 172843. (Y-5)

- *1643** Establish new City Code Title 30, Affordable Housing, and Chapter 30.01, Affordable Housing Preservation, and authorize implementing procedures (Ordinance; repeal Ordinance No. 172749; reintroduce Code Title 30)

Discussion: Commissioner Kafoury said the ordinance has been slightly simplified and several findings, City Goals 8 and 9, have been taken out to eliminate the technical argument about land use.

Disposition: Ordinance No. 172844. (Y-5)

Commissioner Erik Sten

- 1644** Grant a franchise to FTV Communications LC for a period of ten years (Ordinance)

Discussion: Commissioner Sten said they have been working hard with intergovernmental staff and the League of Oregon Cities to prepare for the discussion in Salem on how municipalities should regulate these franchises.

David Olson, Cable Communications and Franchise Management, said there is tremendous competition in the telecommunications field, evident in the franchises on today's agenda. The companies want to reduce operating costs and try to shift the balance of authority to the State level. He showed a video on the public right-of-way, emphasizing its pervasiveness, escalating demands and technological impacts. The importance of local management of right-of-way was pointed out.

Mr. Olson said they anticipate an interesting legislative session dealing with these issues. He noted there were one or two franchises in the 80's, then one or two a year in the early 90's and in the last few years there are a dozen in process or pending, each of which must be negotiated individually.

Commissioner Francesconi said about a year ago a telecommunication company said they would not pay the non-park fees to go under a park. The City sued and lost in arbitration. He consequently set a Parks policy where Parks would not charge but could deny the use, pending a very necessary Citywide approach on this issue.

Mr. Olson said his bureau is in the process of doing precisely this. They are building toward uniform City standards, including private use of non-right-of-way City property.

Commissioner Sten said he did not expect full support from all the utilities but he hopes for a conceptual agreement by the end of the year to submit to the legislature.

Mayor Katz said her office has been working with the Cable Bureau on the question of how the City "wires" itself for the 21st century. She said Portland is way behind other cities on this and asked if the franchise approach would get this work done.

Mr. Olson said yes and elements of that are in the franchises here today. They not only have

the compensation and street use elements, they have particular aspects that will serve City, institutional, governmental and community needs. The bureau has been able to leverage this franchise authority into a cooperative discussion that will also benefit the City and tie into its needs.

Commissioner Sten said the City's local control has been beneficial to the companies, too. As there is no cookbook on wiring a city up, local control is crucial.

Mayor Katz said we need to incorporate these ideas within the franchise agreements.

Commissioner Sten said the coming merger of AT&T and TCI will pose some intriguing, new questions about what extent the City wants to ask for things and make recommendations, which has not been aggressively done before.

Disposition: Passed to Second Reading November 12, 1998 at 2:00 p.m.

- 1645** Grant a franchise to Pacific Fiber Link LLC for a period of ten years (Ordinance; Previous Agenda 1592)

Discussion: Mayor Katz asked if any arrangements had been made with this company for wiring the City.

Mr. Olson said it would be constructing a link to the City's development building which will plug into the Geographic Information Systems and wide-area network planning. This company is constructing an interstate trunk which is going through Portland.

Disposition: Passed to Second Reading November 12, 1998 at 2:00 p.m.

Auditor Barbara Clark

- 1646** Assess property for sidewalk repair by the Bureau of Maintenance for billing processed through October 2, 1998 (Hearing; Ordinance; Y1030)

Discussion: Frank Dufay, Assessments and Liens Manager, said the remonstrance has to do with a tree in the sidewalk.

Kent Bowen, Bureau of Maintenance, said Gebhard Hasenkopf's property at 8756 N Wayland was reported to have a hazard. The inspector found a severe hazard, tree root damage, which was posted with a 20-day posting. Mr. Hasenkopf was given a fair amount of time for resolution and then the City Attorney's Office determined the repair needed to be made. The repair was made by both the City and Mr. Hasenkopf. The City's cost was over \$700 and Mr. Hasenkopf was assessed \$350 of that.

Gebhard Hasenkopf, 8756 N Wayland, said two trees were planted in his parking strip after he acquired the property in 1979. The trees had been authorized by the previous owner three years before. He has protested formally since that he is not allowed to cut them and yet must

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absorb the expense of their root damage.

Mayor Katz noted that the City Attorney's office sent Mr. Hasenkopf a letter explaining he would need a permit from Urban Forestry to remove the trees, as well as a plan for replacement with less damaging trees.

Brian McNerney, Urban Forestry, said the length of time, three years, from the previous owner's signed permission to plant trees was due to it being a CETA project and the fact that planting is seasonal.

Mr. McNerney said the City Code allows the City to plant trees in the right-of-way without the property owner's agreement, but it has been the policy to try to partner with the owners, especially in residential areas. Regarding tree damage, in many cases the roots can be cut, a root barrier installed and other remedies. If the owner is denied a permit to remove a tree, it can be appealed to the Urban Forestry Commission.

Commissioner Hales moved to overrule the remonstance and Commissioner Francesconi seconded. On a Y-4, N-1 (Commissioner Sten) vote the motion passed.

Disposition: Passed to Second Reading November 12, 1998 at 2:00 p.m.

At 12:35 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 4th DAY OF NOVEMBER, 1998 AT 2:00 P.M.

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

OFFICERS IN ATTENDANCE: Britta Olson, Acting Clerk of the Council; Kathryn Beaumont, Senior Deputy City Attorney; and Chuck Bolliger, Sergeant at Arms.

1647 **TIME CERTAIN: 2:00 PM** - Appeal of Jess Knowland against Hearings Officer's decision to approve with conditions the application of Mike and Deborah Smith for a four-lot subdivision with adjustments at 12441 SE Market Street (Hearing; Previous Agenda 1593; 98-00387 SU AD)

Discussion: Mayor Katz said the appellant requested a postponement as his mother was rushed to the hospital.

Bob Haley, Planning Bureau, said they could hear the presentation and then continue it to hear the appellant's testimony.

Kathryn Beaumont, Senior Deputy City Attorney, said there was a problem with the 120-day issue and they are about five days over the deadline. If this is to be postponed, the applicant needs to grant an extension of the 120-day limit.

Michael Smith, applicant, 6635 SE Ramona Street, said, although it has been postponed twice already, another postponement is all right with him..

Ms. Beaumont said she recommends that this be postponed until next week, or they would need a longer period of time. She understands that the applicant agrees to at least a two-week extension.

Disposition: Continued to November 12, 1998 at 2:00 p.m.

Commissioner Jim Francesconi

***1648** Designate twelve Heritage Trees in the City of Portland (Ordinance)

Discussion: Jane Glazer, 2378 SW Madison Street, Urban Forestry Commission member, said in seven years of collaborative work over 200 exceptional trees within the city limits have become Heritage Trees. She said air quality and related energy issues are critically important and trees are the lungs of a city. The large, canopy trees are the workhorses. She noted that the committee for selecting heritage trees is taking about a year's break.

Ms. Glazer presented slides and commentary on the designated twelve trees.

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Commissioner Francesconi said there was a larger issue on maintaining trees. The City will maintain Heritage Trees, but maintenance is steeper given such threats as Dutch Elm disease and the Asian beetle.

Brian McNerney, Urban Forestry, said he and the Committee decided to postpone bringing more trees into the program for awhile in order to try to get community support to care for these jewels, the trees already so designated.

Mayor Katz said the Council does not want a cap on the number of trees, but did want to address the issue of care.

Ms. Glazer said that is why the committee is taking a "sabbatical" to canvas for funding to care for them.

Mr. McNerney said a higher level of service is given to Heritage Trees on City property and consulting assistance is given to those on private property.

Disposition: Ordinance No. 172845. (Y-5)

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

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 5th DAY OF NOVEMBER, 1998 AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi, and Kafoury, 3.

OFFICERS IN ATTENDANCE: Britta Olson, Acting Clerk of the Council; Linda Meng, Chief Deputy City Attorney; and Chuck Bolliger, Sergeant at Arms.

Commissioner Kafoury moved to remove the emergency clause on both Budget ordinances, Commissioner Francesconi seconded and the Mayor so ordered.

1649 **TIME CERTAIN: 2:20 PM** - Adjust FY 1998-99 Adopted Budget for Fall Budget Adjustments (Period 3 FY 1997-98) (Ordinance introduced by Mayor Katz)

Discussion: Larry Nelson, Financial Planning, Office of Finance and Administration (OFA), said the Supplemental Budget totals \$31 million and affects 21 different funds. It contains four major actions: 1) balance increases in seven funds totaling \$17 million, the result of higher than anticipated interfund balances from last year attributed to lower than projected claims payments in the insurance and claims funds and also to capital projects, approved last year but not completed; 2) the carryover of about \$6.7 million in the Housing and Community Development Fund, \$5.7 of which is obligated carryover from projects approved last year but not completed and the remaining balances for new projects; 3) interfund cash transfers between various funds totaling \$4 million to provide appropriations for various projects; and 4) recognition of \$2 million in miscellaneous General Fund revenues and expenses to provide a refund to business licensees.

Mayor Katz noted that the ordinance makes technical adjustments.

Disposition: Ordinance No. 172846. (Y-3)

1650 Adopt a Supplemental Budget for FY 1998-99 in the amount of \$31,351,376 and make budget adjustments in various funds (Ordinance introduced by Mayor Katz)

Discussion: Mark Murray, Financial Planning, OFA, explained that this includes contingency funding to double-fill the License Bureau Director's position, add temporary support positions in the Bureau of Buildings for Blueprint 2000 and add positions in Facility Management, which took over management of Union Station from Portland Development Commission. In Housing and Community Development, there is a typical carryover of grants which technically go to zero balance at the end of the year and then are reappropriated for programs such as lead-based paint abatement and Youthbuilders. The Police Bureau has a carryover of \$577,000 in grants as well which has been taken out of contingency. They plan to come back in the fall to try to protect contingency a little more. The three police grant matches could and probably should be taken either out of encumbered contingency or

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recognition of year-end balance. That would drop the contingency request to about \$54,000. These are technical adjustments.

Commissioner Francesconi asked about the Blueprint 2000 positions and how they are funded.

Mr. Murray said they end as of July 1st. The positions are taken out of the Buildings Bureau contingency.

Disposition: Ordinance No. 172847. (Y-3)

At 2:20 p.m., Council adjourned.

BARBARA CLARK
Auditor of the City of Portland

A handwritten signature in cursive script that reads "Britta Olson".

By Britta Olson
Acting Clerk of the Council