



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 13TH DAY OF JANUARY, 1999 AT 9:30 A.M.

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

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

Agenda No. 43 was pulled from Consent. On a Y-5 roll call, the balance of the Consent Agenda was adopted as follows:

CONSENT AGENDA - NO DISCUSSION

- 42 Cash investment balance November 12 through December 9, 1998 (Report; Treasurer)

Disposition: Placed on File.

Mayor Vera Katz

- *44 Apply for \$10,000 grant from the Oregon Department of Transportation for Police Traffic speed enforcement (Ordinance)

Disposition: Ordinance No. 173002. (Y-5)

- *45 Authorize the settlement of claims by Rachel K. Andrew (Ordinance)

Disposition: Ordinance No. 173003. (Y-5)

- *46 Extension of legal services agreement with Reeve Kearns PC (Ordinance; amend Contract No. 31950)

Disposition: Ordinance No. 173004. (Y-5)

- *47 Authorize contract with the Government Finance Officers Association for an assessment of the Integrated Business Information System, the City's enterprise financial system (Ordinance)

Disposition: Ordinance No. 173005. (Y-5)

- *48 Pay claim of Vernon Beard (Ordinance)

Disposition: Ordinance No. 173006. (Y-5)

- *49 Pay claim of Norman D. Wicks, Sr. (Ordinance)

Disposition: Ordinance No. 173007. (Y-5)

Commissioner Jim Francesconi

- 50 Accept contract with Shaw West Company as complete and make final payment (Report; ontract No. 31784)

Disposition: Accepted.

- 51 Confirm re-appointment of Bill Graham, Pauline Nelson, Bernie Foster, Marc Pettibone, Patricia Montgomery and George Van Hoomissen to the Taxicab Board of Review effective January 13, 1999 (Report)

Disposition: Confirmed.

- *52 Agreement with the Tri-County Metropolitan Transportation District of Oregon for video production (Ordinance)

Disposition: Ordinance No. 173008. (Y-5)

- *53 Authorize a contract and provide for payment for Washington Park improvements (Ordinance)

Disposition: Ordinance No. 173009. (Y-5)

Commissioner Charlie Hales

- 54 Accept completion of contract with Tice Electric for FY 1997 traffic signal remodel project and make final payment (Report; Contract No. 30658)

Disposition: Accepted.

- 55 Accept contract with All Concrete Specialties, Inc. for street improvements in the vicinity of SW Barbur Boulevard and SW Sheridan Street as complete, make final payment and release retainage (Report; Contract No. 31811)

Disposition: Accepted.

- *56 Authorize the continuance of negotiations for the purchase of public street area and temporary construction easements required for construction of the NE 158th Avenue bridge improvement project, authorize the City Attorney to commence condemnation proceedings and to obtain early possession (Ordinance)

Disposition: Ordinance No. 173010. (Y-5)

Commissioner Dan Saltzman

- 57 Accept completion of the Columbia Boulevard Wastewater Treatment Plant outfall line rehabilitation, Project No. 6405, and authorize final payment to Western Waterproofing Co., Inc. (Report; Contract No. 31913)

Disposition: Accepted.

- *58 Contract with Black and Veatch Corporation to perform a capital cost allocation study for the Bureau of Environmental Services at a cost not to exceed \$23,090 (Ordinance)

Disposition: Ordinance No. 173011. (Y-5)

- 59 Amend contract with Black & Veatch for professional engineering services for Columbia Boulevard Wastewater Treatment Plant digester modification project and provide for payment (Second Reading Agenda 27)

Disposition: Ordinance No. 173012. (Y-5)

REGULAR AGENDA

- 43 Accept bid of Specialized Armament Warehouse to furnish Colt AR15 rifles to the Police Bureau for 103,772 (Report - Bid No. 99073)

Discussion: Darin Matthews, Bureau of Purchases, said this is a rebid of a bid cancelled in mid-1997 because no bidders met the specifications. In November, 1998, bids were again solicited and this time three bids were received. Two were found to be non-responsive, one for not providing a bid bond and the other for failing to meet the technical specifications.

Sergeant Larry Baird, Police Bureau Training Division, said his research led him to conclude that Bushmaster Company, which has questioned the award of this bid, could not provide documentation that it had the ability to meet the City's specifications.

Disposition: Accepted; prepare contract. (Y-5)

- 40 **TIME CERTAIN: 9:30 AM** - Accept the recommendation from Portland Streetcar, Inc. that the City of Portland negotiate a contract with Inekon for the construction of the Astra Streetcar Vehicle manufactured by Skoda in Pilzen, Czech Republic, for the Central City Streetcar Project (Resolution introduced by Commissioner Hales)

Discussion: Commissioner Hales said he is very enthusiastic about finally realizing the dream of having this streetcar. Staff is also very happy that they are able to extend the project five blocks further, connecting it to the bus mall and providing better service to Portland State University (PSU). Today Council is reviewing the recommended option for the streetcars presented by the Central City Streetcar board and the consulting team. The team visited a number of manufacturers and today recommends that the vehicles be purchased from Pilzen in the Czech Republic. There are also non-engineering reasons why the team is enthusiastic about this recommendation.

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Roger Shiels, Shiels Obltez Johnson, explained how the team came to select Skoda, after visiting their plant in the Republic of Czech. He said the streetcars are sound and well within the City's budget.

John Carroll, Central City Streetcar board member, said he is confident this is the right car for this system. He said members of the visiting team felt it was important to see these cars operating in a similar environment. The team always felt that this had to be a viable transportation alternative, not a "cute" system. Of equal importance, the cars had to look like they belonged in the neighborhood, which meant they had to be of a certain scale and size.

Marie Meeche, Czech Consul in Portland, said Skoda is one of the finest companies in the Republic of Czech and has been producing tram cars for over 100 years. She described some of the fine products and noted people who have come from Czech.

Steve Fosler, Citizens Advisory Committee member, said one of their highest priorities was to make sure the streetcars fit in every neighborhood they served. The Skoda cars meet their requirements perfectly and there is broad-based approval and enthusiasm for this decision.

Tom Furmanac, Vice President, LTK Engineering, said in the last six months his company has had a chance to talk with Skoda staff and have come to appreciate the way they do business. This is the best value for the City's money and while the design is more conservative than some of the cutting-edge designs they saw elsewhere, they believe that a conservative approach is best. The cars are reliable and handle well in rush hour traffic. Comments from other users are very favorable.

Commissioner Francesconi noted that while he asked a lot of questions in the past about this project, he has come to appreciate both the vision and the dogged work that has been done to implement the vision in a cost-effective way that retains the character of the City and does not overwhelm the neighborhood.

Commissioner Hales said once Portland had 200 miles of streetcars and now it is proposing to add two miles. This project is being done in the belief that the City will not have livable neighborhoods unless people are given transit choices that reduce congestion and allow people to make connections around the City. This is a public/private partnership that has benefited from many hours of volunteer service. It also reflects great work by the consulting firm and staff.

Commissioner Sten said this is also a great economic development opportunity to make an underutilized part of town vibrant again.

Mayor Katz said this will also provide a sense of neighborhood for the River District and link residents who have made a decision to live closer to downtown. She believes 10th and 11th Avenues will see a renaissance very shortly and the next dream is to link the streetcar to North Macadam and then across the Willamette.

Disposition: Resolution No. 35757. (Y-5)

- 41 **TIME CERTAIN: 10:30 AM** - Accept the Civic Stadium's Request for Proposal Selection Committee's recommendation (Resolution introduced by Mayor Katz)

Discussion: Mayor Katz said if this resolution passes, Council and the Bureau of Finance and Administration (OFA), will have to get together to give the Selection Committee some additional instructions. In April, 1997 the Civic Stadium Advisory Committee concluded that the present stadium needed major improvements, including making seismic, ADA and sound system improvements. The estimated cost ranged between \$15 and \$45 million. The Advisory Committee recommended to MERC (Metropolitan Exposition and Recreation Commission) and Council that they consider building another public/private partnership to get the job done. Another key recommendation was to integrate the facility with neighborhood plans as it is part of a district that also needs some attention. Portland Family Entertainment (PFE) was selected to begin the negotiation process but this raised a question as to whether proceeding with a private/public partnership would be more beneficial to the taxpayers than having the City do it with MERC. She reviewed elements of the agreement with PFE, including creation of a community agreement to guide the public outreach process; a commitment by PFE to pay for implementation of a community outreach plan; its agreement to be responsible for all operating losses; acquisition of additional professional sports franchises; an increase in the amount of equity invested by the principles in the Stadium capital construction to a figure that is closer to the \$15 million investment envisioned by the Selection Committee and; a provision that PFE will step aside should major league baseball become a reality. Other elements of the agreement call for maximizing the amount of Stadium-oriented revenue that returns to the City and having PFE pay for construction cost overruns and schedule delays. Renovating the stadium in a manner that benefits existing neighborhoods and leverages private investment is absolutely essential. She noted her request for inclusion of a "bump" clause if a major league baseball team finds it feasible to locate at the Stadium. She recommended that Council accept the Committee's criteria, with the addition of this "bump" clause.

Tim Grewe, OFA Director and a member of the Selection Committee, said this resolution adopts the Committee's report and recommendations, gives the Mayor the authority to create a negotiating team and appropriates dollars to pay for any consulting services required as this moves forward. He said it is OFA's hope that the money authorized today will be recovered through debt proceeds but that is not a certainty, in which case the money would be a General Fund appropriation. He said the Committee is very optimistic about the future of the Stadium, despite the challenges, as the assembled team has expertise in the operations, financing and construction aspects. Committee members are also optimistic because the economy is strong and, if this cannot be done now, it is unlikely ever to be done. They hope to return with a Memorandum of Understanding that works both for the City and the private sector partners. If Council approves this, a negotiating team will be convened with representatives from the neighborhood, the City and MERC. The team will keep in touch with Council members as discussions with PFE proceed. While there is no specific time line, everyone would like to move forward as quickly as possible.

Commissioner Saltzman asked what the \$200,000 taken from contingency will be used for.

Mr. Grewe said that money will be used to pay for financial and sports consulting services, including advice on how best to cover the \$18 million in debt the City would have to incur to meet its end of the bargain. This is a very specialized project that requires input from people who have done similar projects in the past. Outside legal services will also be sought.

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Commissioner Sten asked what specific plans there are to bring neighbors into this discussion, sooner rather than later.

Mr. Grewe said they want to have the neighborhood assist the City in determining what the Stadium should be and how it fits into the Goose Hollow District Plan. They will continue to have neighborhood representatives on the negotiating team.

Lynn Lashbrook, 1796 NW 17th Court, Gresham, said he is pleased to hear that sports consultants will be part of the process and that a bump clause will be added. That will help ensure that if major league baseball wants to come to Portland, it will have an opportunity to do so.

Scott Andrews, Oregon Sports Authority, said they are very comfortable with the outline directing the negotiations and hope the City's equity contribution is reasonable. He said it will take quite a bit of capital to bring in the franchises.

Drew Mahalic, Oregon Sports Authority, said they believe it best to select a private operator because there are major advantages to working with someone with experience in this area. Two fine proposals were received but Oregon Sports Authority supports the selection of PTE because of its willingness to provide private funding. Time is of the essence because there are teams and events out there that are interested in booking events right now. The Sports Authority is very interested in pursuing a major league baseball franchise and feels the best chance to secure a team is through a private operator.

Patricia Gardner, President, Goose Hollow Foothills League, cited a monumental traffic jam recently around the Rose Garden and questioned how the Goose Hollow neighborhood could handle large crowds on a regular basis around a stadium where infrastructure is lacking. She said the neighborhood needs to see the results of a transportation study before it can commit to anything. Goose Hollow recommends a qualified "yes, but."

Commissioner Francesconi asked about jobs in the Central City.

Ms. Gardner said they would like to see the Stadium succeed and see new business opportunities created but the question is how big it needs to be. She recommended that money for a traffic study be part of the \$200,000 budgeted for the process.

Mr. Grewe said part of the City's plan will be to look at transportation. The events being discussed will put additional demands on the system and, if major league baseball is considered, a whole other magnitude of transportation impacts is added.

Commissioner Francesconi said the idea of leveraging public and private entities is good as the City does not have assets to do this alone. Three critical elements are required: 1) clarity about the objectives, many of which will be difficult to achieve simultaneously; 2) a high-powered team that is given the resources needed to achieve the objectives; and 3) the ability to walk away from a deal. His major question is whether there is enough private support for this. If not, the City needs the right to walk away although, hopefully, this will not happen.

Commissioner Hales said he would rather not widen the options for not succeeding. All over the country citizens have sited new stadiums downtown as part of revitalization efforts because the

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heart of their cities were dead. But Portland already has a live downtown, one where people come for sports, and light rail is already in place at the Stadium there so the City can deal from strength and with a strong partner. He understands the concerns about neighborhood impacts but would rather manage the side effects of a healthy downtown where things are happening rather than manage a downtown where nothing is going on.

Commissioner Saltzman said Council should approach this with the intention that it is going to work.

Commissioner Sten said the Stadium is in terrible shape but he considers it a vital asset for the City. He is more excited about this than he thought he would be and believes the negotiations should continue as there is a sound basis for agreement. He said he has no idea whether major league baseball will happen here but does know the facility is very important for many community uses.

Mayor Katz said Portland is lucky to have a Stadium next to a light rail station in the heart of downtown and have Council support for improving it. She said after talking to presidents of major teams and potential buyers she decided a public process was needed to see who is really serious and who can put some resources on table so taxpayers do not have to bear full cost. The Rose Garden was a wonderful public/private partnership and she hopes something similar will occur again with the Stadium. She said the door has been left open for expansion or major league teams but that will only come at a substantial cost.

Disposition: Resolution No. 35758. (Y-5)

Commissioner Charlie Hales

- *60 Authorize a contact with Copenhagen Utilities and Construction, Inc. for emergency slide repairs on SW Tichner at W. Burnside and SW Capitol Highway near SW Ralston Drive (Ordinance)

Disposition: Ordinance No. 173013. (Y-5)

Commissioner Erik Sten

- *61 Accept a Youthbuild implementation grant under the Office of Economic Development of the U. S. Department of Housing and Urban Development in the amount of \$700,000 (Ordinance)

Discussion: Mayor Katz said the inability of young people to fill out resumes, their lack of basic skills and their fear of applying for jobs with major institutions are issues that need to be dealt with. This program provides people with the skills they need to obtain a job.

Commissioner Sten said because one of Council's major emphases is on youth, he felt Council should hear about the success of the Youthbuild program.

Karen Belsey, Bureau of Housing and Community Development, said for the fourth year in a row the City has received the maximum grant amount possible from Housing and Urban Development (HUD). Although there has been a diminishing number of programs funded continuously by HUD, Portland keeps getting funding because it is doing good work.

Jill Walters, Executive Director, Youthbuild, thanked the City for its support as she believes one of main reasons Youthbuild has received continuous funding is because the City is the lead applicant. Leadership development is a key part of the program and part of that means that students contribute over 1,000 hours each month to community revitalization efforts. Students build affordable housing and volunteer each week at over 15 community non-profit organizations. In April they will complete their second house for the Housing Authority of Portland. Last year, of 21 graduates, 18 are employed full-time and six are also attending college.

John, Stephanie and Andrea, students in the program, described the changes in their lives that have occurred because of their participation in Youthbuild and what they have learned, particularly in the construction trade. They noted that Youthbuild is one of seven alternative schools that is receiving money to prepare young people to enter the community college system.

Commissioner Francesconi said research has shown that building job skills is one of the best ways to reduce youth violence. The success of programs like Youthbuild can help shape public education to the point where people accept real school reform and, in the end, there will be less need for Youthbuild programs.

Commissioner Hales said he believes more Youthbuild programs will be needed, rather than less, to meet the diverse needs that kids have. Many people do not learn in a conventional school environment and need hands-on learning.

Commissioner Sten said these students should be proud of themselves for providing role models for others. He noted that the staff works tirelessly to provide them this opportunity. He said Youthbuild really is a public school, funded by HUD, and part of current efforts to make sure there are options for young people. He is glad to see HUD sticking with the City on this program and hopes to see more resources across the board to do the things they know they need to do.

Mayor Katz said there is no reason this program cannot be expanded to provide similar opportunities in other industries besides construction where skilled workers are needed. She is committed to the notion that skill development is critical and that it should be tied into academics. She said the real challenge will be when students eventually have to meet a Certificate of Initial Mastery as then the GED will not be sufficient.

Disposition: Ordinance No. 173014. (Y-5)

City Auditor Gary Blackmer

- 62 Assess property for sidewalk repair by the Bureau of Maintenance for billing processed through December 11, 1998 (Hearing; Ordinance; Y1031)

Disposition: Passed to Second Reading January 20, 1999 at 9:30 a.m.

At 11:40 Council a.m. recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 13TH DAY OF JANUARY, 1999 AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi, Hales, Saltzman 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.

Commissioner Charlie Hales

- 65** Adopt the Report and Recommendations of the Planning Commission on the Amendments to Chapter 33.430, Environmental Zones for Utilities and Outfalls (Second Reading Agenda 39; amend Title 33)

Disposition: Ordinance No. 173015. (Y-5)

- 63** **TIME CERTAIN: 2:00 PM** - Accept the Phase II Stakeholder Report on the status of Blueprint 2000 and commend the commitment of time and energy contributed by the Stakeholders and Interbureau Task Force toward this effort (Report introduced by Commissioner Hales)

Disposition: Accepted. (Y-5)

- 64** Accept the Phase II Stakeholder Report of the Blueprint 2000 Stakeholders Team (Resolution introduced by Commissioner Hales)

Disposition: Commissioner Hales said administrative reform is slow and difficult to accomplish and this particular change has been the most difficult and complex one he has dealt with. The development system in place today lacks accountability as it involves pieces of seven bureaus that report to four different commissioners. It impacts about 27,000 customers a year, eighty percent of whom the City sees once a year, if ever. He noted that in April Council adopted recommendations for changes in four different development areas -- technology, core business processes, people interactions and physical space. Those recommendations most directly benefit customers, making sure they have one place to go rather than being shuttled from building to building. Other ideas included having a computer system that allows staff and the public to track the process of a development proposal. Today's proposed recommendations are in some ways less important as now Council is considering the proper organization to support development review and the outcomes it would like to achieve. When looking at the current organization, one must ask why there are 11 different ways to track permits and why the customer is responsible for quality control. The answer is because there is no central management of the development review function. The organizational structure does not support or sustain a coordinated approach, although the efforts of dedicated staff have made things work. This report reflects thousands of hours of work by citizens and staff. He introduced and thanked the 11 citizens who have served on the Stakeholders Committee. He said discussions about how to improve the permit process has opened the door to a new area for reform, pointing up the need to look at the City's long-range and neighborhood planning functions. The charge to the Blueprint 2000 Stakeholders Committee was to create a system that presents a predictable, seamless delivery of

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City development review functions and provides a clear point of accountability for the performance of review responsibilities.

Dick Cooley, Chair, Blueprint 2000, said the stakeholders committee defined, in its initial report, Phase I, to Council in 1998, six key elements in the development review system around which to organize the work. Since then staff has drafted an operational design, created a test pilot program and designed a new permit tracking system, working with Corporate GIS to integrate mapping technology with land use and permit data bases. Staff also integrated Blueprint Design concepts into the physical space design for the new Development Services Building. He said Phase I did not complete recommendations on two key elements of the review system -- regulatory framework and organizational structure. He described the diagram the Stakeholders used to illustrate the development continuum and the connections between long-range planning, where policy is developed, through development and building permit review, inspections and completion. While the vision side of the diagram has generally been outside the charge given the stakeholders, they have returned time and again to the importance of policy making to implementation.

Don Hansen, Stakeholder Team member, explained the Team's recommendations for organizational structure. He described the eight principles used to guide their work, including ensuring accountability, supporting linkages between policy making and implementation, promoting a customer service culture, minimizing impacts on other bureaus and choosing a cost-effective solution. Using those principles, the Team recommends creation of an Office of Planning and Development Review, which consolidates the development review functions under the core bureaus, Planning and the Bureau of Buildings, and with five other bureaus -- the Bureau of Environmental Services, the Fire Bureau, Urban Forestry, Office of Transportation and the Water Bureau -- through interagency agreements.

Mark Sieber, Stakeholder Team member, said the current system is dysfunctional and all stakeholders are frustrated by it even though it has its own internal set of checks and balances. As a neighborhood representative, he realizes this has resulted in a history of neighbors being dismissed as interruptions to the march of progress, forcing them to act as speed bumps and slowing down the process. He has heard complaints that the new developmental organization will drive development at the expense of neighborhood character, environmental resources and the provision of necessary infrastructure. This proposal provides an opportunity to create an improved organizational system as well as a healthier set of relationships but it is essential that there are checks and balances and protections for the community. He stressed the need for a linkage between long-range and current planning to assure that there is consistent application of policy. The proposal also includes a mission statement which respects the advocacy role of the other bureaus. The creation of process managers will give neighborhoods and other customers a consistent point of contact. New relationships are embodied in the new definition of customers which states that customers include all stakeholders participating in the development review process. As customers, neighborhoods are intrinsically part of the process and process managers should be directed to facilitate a three-way relationship among City employees, citizens and members of the development community. He said the addition of an on-going advisory committee including neighborhood representatives, is essential.

Thomasina Gabriele, Stakeholder Team member, said their second recommendation involves policy. The purview of the Stakeholders was to focus on plan review, the piece which occurs after the policy is made. However, they know that review is part of a continuum that begins with policy and felt some discussion of policy was needed if the plan review process was to function

properly. Therefore, they established a list of desired outcomes they felt were important for the system to work. These include clearly defining City goals; interpreting Code in a manner consistent with regulatory intent; analysis of proposed rules prior to adoption; and exercising discipline in the adoption of policies and regulations. Among the problems identified was the fact that currently there is no place to talk about inherent conflicts among various bureau policies, except when discussing a specific project. That is not the best place to try to balance those policies and that is why they recommend creation of a Stakeholders forum to review the rules developed by the various bureaus.

David Knowles, Director, Bureau of Planning, said the Stakeholders' recommendations result from a very careful analysis of the system. He described the chart displayed before Council, where one column lists the current regulations that affect development. There is a hierarchy of regulations, beginning with City policies which are implemented through City Codes, especially the Zoning and Building Codes. At the next level are the guidelines and standards that impact development but are adopted less formally, such as bureau manager directives or agency manuals, and have never gone before Council or the Planning Commission for formal review. The final layer consists of City standards and administrative procedures that are even less formal and may consist simply of a sheet of paper issued by a section team leader to try to help customers understand the rules. Obviously there can be conflicts between these and to overcome that problem the Stakeholders believe there should be a uniform rule-making process that allows for public input. They believe there should be public notice 30 days before the adoption of any rule affecting development to allow for comment and to identify problems and policy conflicts.

Ms. Gabriele described two Stakeholder recommendations: 1) creation of a new position, Rules Coordinator, within the Office of Planning and Development Review; and; 2) adoption of a common procedure for notice, review and analysis of any new City rules attending development. The Rules Coordinator would analyze every new proposed rule against the existing rules to see if there are conflicts. The Coordinator would also be the contact person for citizens and would be responsible for convening a meeting when conflicts are identified to see if they can be resolved and if clear directions can be given for implementation.

Margaret Mahoney, Director, Bureau of Buildings, said the focus now is on implementing the majority of approaches by August when they move into the new Development Building. She outlined some of the key actions which need to be taken before then. These include expanding the current pilot tests, appointing staff teams to complete the detailed design and translating that into new staff training and procedures; bringing the technology on line and training people to use it, developing the policy-making framework described by Ms. Gabriele; and, most importantly, bringing the staff together to function as a team.

Mr. Cooley summarized the Stakeholders four recommendations. The first would create an Office of Planning and Development Review which combines the Bureaus of Planning and Buildings and consolidates development review functions from the five other bureaus through interagency agreements. Second, they recommend creation of the position of Rules Coordinator and adoption of a common procedure for notice of proposed new rules affecting development review. Third, the Stakeholders ask that Council support formation of an ongoing Stakeholders Advisory Committee. Their final recommendation is to take a comprehensive look at long-range planning, leveraging the work the Stakeholders have already done.

Commissioner Saltzman asked if they had reached any conclusions about long range planning.

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Mr. Hanson said they looked for a balance between current and long-range planning. One option was to separate long range from current planning which would isolate current planners in the Development Bureau. On the other hand, if both long-range and current planners were located inside the Development Building that could diminish the ability to take an overall look at planning for the whole City. The Stakeholders decided keeping them together was the best of two uncomfortable choices. He said this deserves a longer look as there are a number of other issues that need to be considered as a whole.

Commissioner Francesconi noted that no performance indicators are included. He asked how people will know how much time and money will be saved or how this process will be better at the end.

Ms. Mahoney said the performance measures are embodied in the outcomes presented by the Stakeholders in April. Those are qualitative statements about how the system works. A performance measures committee has worked to define specific measurements and has agreed on a benchmark survey to set the base for those factors. The next step will be to bring the process improvements on line and then determine the appropriate efficiency and time measurements, probably by the first of March. No one knows now exactly what results the system will produce but one priority is to capture all the policy requirements on the applications when they first come through and ensure that the system is as efficient as possible.

Mr. Knowles said staff often hears complaints that the City has lots of regulations but they are not being properly applied or enforced. One outcome must be qualitative, probably anecdotal, to ensure that the policies intended to protect livability are being implemented and enforced and that citizens know who to hold accountable.

Commissioner Francesconi asked what kind of measurements on quality might be established, i.e. the amount of enforcement.

Ms. Mahoney said they want to periodically poll residents about developments occurring in their areas in addition to including some satisfaction measurements in the Auditor's Office Service Efforts and Accomplishments report. In the future they will have performance measures to determine satisfaction levels for both direct customers and community residents.

Mayor Katz asked if both the Planning and Building Bureaus had time lines prior to Blueprint 2000.

Ms. Mahoney said previously they had guidelines for building permit applications but they have not covered all the work very well. One guideline was to issue as many applications as possible within two hours or less. Another, which applied to residential new construction, was to try to process the first check within five days. On larger applications, the goal was to process the first check within 15 working days. Neither the residential or commercial standards have been met across the board so the goal now is to determine what a reasonable guideline is. The goal now is to make the process changes and then determine a reasonable time frame for them, depending on the amount of resources dedicated to them.

Mayor Katz asked why those performance measures were never reached.

Ms. Mahoney said because the rules consistently changed and the volume of work increased dramatically while at the same time the necessary staffing was not in place.

Ms. Gabrielle said the Stakeholders believe the system needs some predictability. If there is a specific target, then they expect staff to do what it says or communicate that it needs to be changed. There are probably some qualitative and quantitative measures that can be put in place to make sure that occurs. One example of a performance measure is the meeting between the process manager and all the review bureaus involved in reviewing a particular project. As part of that review, the process manager should be able to give applicants a schedule and let them know who is in charge of each step. That gets the City out of a "one size fits all" time line as some projects are much more complex than others and will take more time.

Ms. Mahoney said that is what they are trying to do with the pilot testing right now. For instance, they have been looking at single-family construction in terms of how long it takes the City and the applicant to get to a standard benchmark. On larger projects they want to be able to look at the whole project, not just one part of it.

Mr. Cooley said one important measurement is whether the City meets its policy goals and achieves a livable City. That is a moving target but it is not just a matter of how fast a developer gets through the process.

Commissioner Sten asked Ms. Mahoney how staff will be involved in the process so that morale stays high as people are moved around.

Ms. Mahoney said teams have been set up to work on various aspects, such as core business processes, so that the procedural changes will occur. There is an ongoing Personnel and Finance Committee which includes union representatives, managers and stakeholders and that will be involved in position changes and how they affect individual employees. Their approach has been to provide as much direct involvement as possible.

Mayor Katz asked about the change in the Bureau of Planning's mission statement.

Ms. Mahoney said the Stakeholders looked at both the Bureaus' mission statements and recommended that new ones need to be made.

Mayor Katz noted that the Planning Bureau's 1987 mission statement is much more descriptive about the quality of life and livability than is the one listed in Appendix B.1.

Mr. Knowles said Planning's mission statements have not been blessed by Council but were internally developed through strategic planning processes. He said he would not attach a lot of importance to the difference in the two mission statements.

Mayor Katz said mission statements are very important to her because they drive where an organization goes.

Commissioner Saltzman said accountability and having a point of contact is a big concern from any perspective. Will all customers have someone assigned to them that they can rely on?

Ms. Mahoney said that is the intent and, with the pilot testing, they are trying to find out exactly how that can be done, especially on more complex projects where the contact point is the staff person who brings the other bureaus together and is available for resolving conflicts.

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Commissioner Hales said one reason administrative reform takes so long is because there are so many complex issues to be resolved. He said the building blocks recommended by the Stakeholders really do work together. Right now there are 11 different permit tracking systems, from three-by-five cards to computer software. Until there is an information system in place that allows staff to know exactly what is going on, proper tracking cannot happen. All the elements must intersect and work at once if this is to actually work in practice.

Ms. Gabrielle said the accountability issue came up in the current recommendation about organizational structure. The question they all struggled with is where long-range planning fits in the organizational structure. Stakeholders felt that those responsible for processing permits understand the policies behind them. That is why they recommended that a joint bureau be formed that incorporated all the functions of Planning and Buildings in one structure.

Commissioner Francesconi said he has prepared an amendment regarding long-range planning. The problem everyone is trying to solve here is to eliminate the costly maze the City puts developers through and at the same time allow some citizen input. Time is money and what the City needs is a system that creates accountability and provides the proper technology to make that happen. He said the City has standards for the quality of life it wants to have and expects developers to meet them. But if it takes forever, with no accountability, Portland will never be able to compete with its suburban neighbors. That is the problem that was handed to the Stakeholders and Commissioner Hales and he believes they need to be involved over the next 18 months to work through the performance measures to make sure this happens. Another problem that has arisen is how to treat long-range planning. He appreciates the Stakeholders' candor in saying that issue was out of their purview. He has grown increasingly concerned about how the City does strategic planning and how to align land-use goals with employment, housing and environmental goals. An even bigger question is how to get the necessary infrastructure to implement long-range planning. He believes a separate process is needed to look at long range planning and has concluded that it should not be placed under the development review function. He said a policy-setting group should be created to make long-range policy and then link it through intergovernmental agreements with the development review function. His amendment delegates the long-range planning function to the Mayor and calls for her to figure out how to coordinate it with strategic planning and infrastructure development. He firmly believes the tradition of Portland's excellent long-range planning efforts will not continue if the Planning Director is placed on the same level as customer service director and technical review director, commercial inspections, etc. One cannot attract and hold the kind of talent needed or keep the motivated and professional long-range planners the City currently has.

Commissioner Sten seconded.

Mayor Katz read the amendment proposed by Commissioner Francesconi and herself. It calls for the City to accept the report of the Blueprint 2000 Stakeholders team with the exception of the recommendation regarding placement of the Planning Bureau's long-range planning functions within the proposed office of Planning and Development Review. It directs Commissioner Hales to return to the Council with ordinances to implement the recommendations accepted by Council and provide for ongoing involvement of Stakeholders in the implementation of those recommendations and further directs the Mayor to return to Council by May 12 with recommendations for the placement and organization of long-range planning functions.

Mayor Katz said in reviewing this report it became clear that the conversation about long-range planning has not yet taken place. That discussion needs to go beyond restricting planning to

land-use issues. The City is now having a great debate about how and where to grow and there are issues of employment, affordable housing, transportation and endangered species. Council needs to stand back and think about what it will take to deal with these issues. In the interim they have decided it is not wise to bring all the planners in every bureau under one planning umbrella as currently the City lacks the ability to integrate them. May 12th is a short timeline and she wants Council and citizens to discuss the direction they think the City should take. That is the reason for the amendment.

The Clerk called roll on the amendment. (Y-5)

Commissioner Sten said he thinks the real focus today should be on the good work Commissioner Hales and the Stakeholders have done. If the question is whether the long-range planning function currently in the Planning Bureau should stay in the organization, he believes the Stakeholders have the right recommendation. But the Mayor is trying to create a somewhat bigger function to integrate some other things that are currently missing at the City right now. With that vision in mind, this amendment is appropriate. He believes two slightly different conversations about where long-range planning should go are involved here. If one is talking about land-use planning, it is best tied into development review. If it is an expanded function then there is the problem of linking it to current planning but it makes sense to pull it out of development review. That is why he will vote aye.

Mayor Katz said she knows there is tremendous concern from Planning staff about separating the implementors from policy direction. She is convinced, however, that link has been institutionalized so well that it can be maintained by moving staff back and forth and involving both implementors and policy makers. She believes this is a management issue that can work successfully.

Ruth Scott, Association for Portland Progress (APP), said this is an historic moment for APP as it had supported a change in the development review process since the early 1990s. She said it is very important for the Stakeholders to continue to be involved in implementation. She applauded the Mayor's initiative in tackling another significant change involving long-range planning. Ms. Scott said the Central City Summit APP helped sponsor in November drew attention to the need to decide where the City wants to go in the next 25 years. Looking that far ahead forces one to look beyond some of the immediate concerns and make choices and set priorities about where one really wants to be.

Deborah Gruenfeld, Chair, Portland Historic Landmarks Committee, said while change can make people uncomfortable this is a wonderful opportunity to make citizens feel happier with the process and outcomes. She also is glad to see that Council is taking a look at long-range planning as historic resources fits into that category and there has been concern about the erosion of such efforts. She said historic preservation is more than just a compartment in one bureau but involves all of them and she looks forward to doing some more interbureau education.

Dawn Hottenroth, representing the City of Portland Professional Employees Association (COPPEA), said 120 members of the union's 400 members are affected by the first proposal and 250 are affected by the amended proposal. COPPEA is very supportive of process improvements as the process is also very difficult for employees to navigate. However, they do have some concerns even with the amended proposal. Staff is concerned about the lack of detail, timing or the impact of an organizational change of this magnitude. She said the new technology, team structure and process improvements will go a long way to improve things so

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one question is why not wait on organizational change until the process improvements have been given an opportunity to work. She said COPPEA is in the process now of getting more intensive employee input to identify specific needs and fears. She asked Council to allow three to six months for that process to occur. They are extremely interested in long range planning and want to be involved as stakeholders in that process.

John Alland, 10463 SW 53rd Ave., 97219, stressed the need to ensure that enforcement is carried out effectively.

Kay Durtschi, 2230 SW Caldew, 97219, said City planning has come a long way in the last six years, noting the addition of an urban forester, environmental zones and GIS mapping. She too stressed the continued need for enforcement. More long-range planning is needed too but the policy goals must be visionary and include jobs, housing and so forth.

Paul Leistner, City Club of Portland, said long-range planning is the Club's most significant concern and how it is implemented is very important. Another concern is the way policy gets made in the City. The Planning Commission, for instance, was not involved in the development of Blueprint 2000 and there has to be more involvement by the Commission and the community when the City considers long-range planning. It is also important that the Planning Director be someone of standing. He said staff who do qualitative reviews need to exercise more judgment in interpreting City goals than those who do quantitative reviews and they should not be cut off from links with the broader policy. For that reason, he is very supportive of the amendment.

John Perry, 3430 SW 1st, 97201, supported the amendment as he believes the long-range planning function should be under the Mayor, the one position that can provide the kind of coordination this needs.

Nunzia Donner, 6254 SW Garden Home Road, 97219, Ash Creek Neighborhood Association, said she wants to be certain all long-range goals and common sense planning are fulfilled within the new bureau and that it nourishes full citizen involvement. If long-range planning is separated from the bureau it will isolate and weaken common sense planning.

Kurt Krause, 1704 SW Spring, 97201, supported the amendment as a major flaw in Blueprint 2000 was the separation of long range planning from the approval process. He said the Planning Director's position is very important and he hopes a national search will be undertaken to find someone who can work effectively with the City. Moving that position under the Mayor seems very prudent.

Claude Moss, representing the Institutional Facilities Coalition, said they support these changes, as getting through the City's development processes currently takes both time and money and directly affects the kind of health care and education that Coalition members provide. The Coalition does support long-range planning and would have voiced support for the amendment if it had known about it beforehand.

Amanda Fritz, 4106 SW Vacuna, 97219, said this proposal can work but stressed the importance of having integrated long-range planning -- the key missing piece. She said the Bureau of Planning is nationally recognized for its outstanding work and staff and the community should be involved in the new proposal to make sure it can work. She said citizen involvement is still a problem, however, as the proposed structure puts land-use reviews under the technical review director. Land-use reviews decide if development will be allowed, not how it will be

implemented. The proposal needs to be clearer in specifying that it is at this level that citizens should be involved. The Planning Commission believes the process manager needs to be responsible for getting information to citizens and citizens need to have a clear idea about when they are supposed to be participating and when they are not. The current proposed processes do not do that. The process for rules coordination could also better involve citizens as a 30-day process which gives them no authority to make changes is the worst kind of involvement. A full citizen commission is needed to which both the bureau advisory committee and the Rules Coordinator would report. That commission would review the requested changes to see if they should indeed be adopted, rather than leaving it to a staff person to determine. Enforcement also needs to be funded and implemented. Ms. Fritz noted that neighborhood land-use chairs were not included in the customer satisfaction survey done as a base line and said they too need to be satisfied with the way they receive service. She agreed that the mission really matters and must include a commitment to fair and open citizen processes and for caring for both the natural and built environment.

Kathleen Stokes, Planning Bureau staff, said she recognizes the need to streamline the process to undo the occasional logjams that happen when there are conflicts in policy. She expressed concern, however, about separating policy makers from implementors, as she believes this will further fragment the planning process. She described the current Planning Bureau structure and how it works to promote a holistic planning process. The proposed organizational structure does not recognize the existence of land-use review as a planning function at all but instead classifies it as a technical review. She asked Council to expand the scope of the Mayor's charge to review all Planning Bureau functions to see whether there is a way to keep land-use review together with long-range planning. The tie to the permit process should also be looked at.

Nan Stark, Planning Bureau staff, encouraged Council to postpone the decision to separate long-range planning functions from development review. She said it is important to preserve the Bureau's mission to preserve quality of life, which has historically been achieved by the development of long-range, comprehensive policy making by planners who have also then implemented the Code. Separating those functions will sever the historic connections between current and long-range planning and weaken Planning's ability to do the highly esteemed, cutting-edge planning for which it is known. If these functions are separated, the day-to-day interaction of planners working on long-range and current planning processes will be lost.

Betty Walker, 3124 NE 17th, 97212, said maintaining the connection with long-range planning is one concern, as is accountability, which seems blurred. She said the City should not get too obsessed with efficiency and quick turnovers in order to get nice benchmarks. Time is needed to allow people to voice honest differences of opinion. Customer satisfaction should not always be weighted in favor of the developer.

Martie Sucec, Chair, Multnomah Neighborhood Association, supported the amendment and agreed that the land-use review function should be lodged with long-range planning as well. Performance measurements remain a big issue, partly because the fact that everyone was unhappy is not a good performance measure. She noted that 3,600 units were permitted last year, indicating that a lot more building is occurring in the City. While the City needs to be more efficient, there should not be a shift unless there are performance and outcome measures in place first. She also asked that Code enforcement be made a reality as the neighborhoods are still waiting for this. Finally, the City must be as responsive to citizens as it is to developers.

Irwin Mandel, 1515 SW Park Ave. 97205, said citizens should not be kept from participating in the planning process for the sake of efficiency. He is glad to see long range planning separated from the "how to" booklet as the function of long range planning is to figure out "what" to do.

Bob Durgan, member of the Stakeholders team, 6712 N. Cutter Circle, 97217, said the construction community participated in this process because a lot of its people could not get building permits in a reasonable time. The performance standards they are looking for are reasonable turn-around times and identified standards. He supports the amendment because he believes long-range planning has a separate function. He said this is a good product that will help get the job done that has to be done.

Charlotte Uris, 2526 NE 10th, 97212, supported the amendment and the recommendation of Ms. Stokes and Ms. Stark to see if long-range and current planning should actually be divided. She does not believe they should be as all the elements are so integrally tied together. Ideally, there should be rotation between the Development Review Bureau and the original bureaus but it is very important that the jobs be done by people with real expertise. She said she attended many of the inter-bureau and Stakeholders meetings and was stuck by the fact that there was no real understanding of the difference between discretionary decisions and decisions about standards, such as a checklist. She said a real balancing act must be done for each proposal to determine how best to implement all City policies, whether they are environmental or design. They cannot be oversimplified into quantitative elements.

Rick Holt, Portland Planning Commission member and developer, commended this effort and said today Council needs to recognize that while execution will be 90 percent of the effort, one has to know where one is going first. Council has already done that by recognizing the importance of long-range planning. He said what one wants to get from long-range planning is the integration of the concepts which come from the top, from Council. Next, resources need to be provided and then Council needs to make sure there is enough cross pollination going on so the planning process is not isolated from the neighborhoods.

Mayor Katz asked how the Planning Commission role might change if long range planning is integrated with a larger vision.

Mr. Holt said the Planning Commission is in awe of the quality of work from the neighborhoods. The Planning Commissioners are not policy wonks but instead they look at what is on the table and ask if it makes sense. They need to get out of implementation. He thinks the Commission should be able to challenge Council on policy so that decisions can be made by the elected officials. Too many times the Commission tries to second guess Council. What is missing right now is the ability to get out of the trenches and take a broader look at policy instead of spending so much time on permit issues.

Jeff Joslin, Planning Bureau staff, said he and many planners support the Blueprint 2000 process as the rate and complexity of development review has increased while the review process has not evolved accordingly. However, he is concerned about the organizational relationship between long-range planning and development review. One reason for Portland's successful planning efforts has been the relatively seamless relationship between those who develop vision plans and regulations and those who implement them. He said cross-training and staff migration has resulted in a long range planning staff that fully understands on-the-ground results and a development review staff that can apply regulations that make sense and are relatively glitch-free. Creation of a satellite long-range planning function outside the new Planning and

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Development Review appears to ensure that it does not get lost but raises concerns about the unintended consequences of severing two intrinsically linked planning functions. These should be more fully assessed before a final decision is made.

Dave Nadal, 4509 SW Vermont, #207A, agreed on the importance of having performance measures and proper enforcement. He said after 10 years of rapid growth the City has lost a lot of livability so talk of streamlining and expedited development review scares him to death. He called for a moratorium on development, especially high-density development.

Commissioner Francesconi said the Stakeholders group needs to continue. He would like to see their recommendations on enforcement, discretionary versus mandatory review, performance measures and citizen involvement. He said the issue of severing long-range planning and implementation is a very serious one but when one looks at the development review process chart, the land-use review people do not even report to the Planning Director under Blueprint 2000. Instead they report to the technical review director. So those functions have already been severed in this proposal. The question then is how to deal with that. He said there needs to be a strategic planning process that involves citizens giving direction to the Council about what they want the planning director and long-range planners to do. The strategic planning process should be tied to this proposal to give some direction to long-range planning staff. One example is the Willamette River, where strategic review is needed. Other issues that need more attention include design review standards and industrial sanctuaries. He said it will take more money on the planning side to do this right, even though public surveys indicate that they do not want any more money allocated to long range-planning. In addition to a strategic planning process and more resources, the City also needs good information about what is actually happening in the City. Right now the City is losing children and experiencing gentrification in northeast Portland. Planning is just part of a larger overall comprehensive strategy. Another question is whether Council is creating a livable city that middle and working class people cannot afford to live in. Those are the kind of issues that need to be addressed.

Commissioner Hales said achieving administrative reform in a big complicated organization can be done but doing it in a multiple-bureau situation is very difficult and complex. He has found that reform leads to further reforms and the long-range planning issue is a case in point. Also, he has learned that Council can work effectively on inter-bureau issues and he is pleased to have been part of a process that has resulted in a proposal that integrates development review into a single department that manages all the now disparate functions.

Commissioner Saltzman said this is a significant administrative reform effort and he is very impressed with the time and effort Stakeholders put into this. He is excited about taking a look at long-range planning across all bureaus and hopes that there is continued good input from the employees, the ones who will actually be doing the work.

Commissioner Sten said what is most important is not where long-range planning is placed but how it interacts with the entire system. He believes there is more to do on strategic planning for issues with a Citywide focus, such as the Endangered Species Act (ESA). He said he heard some very good and specific testimony from staff about the distinction between long-range planning and permitting issues that he had not considered before and believes that something can be patched together that will be better than any one of the ideas alone.

Mayor Katz said this took too long (six years) but was difficult work and she appreciates the hard work of Commissioner Hales, David Knowles, Margaret Mahoney and all the others who

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put this together. She hopes she will have enough Council votes the next time she requests resources to do strategic planning. She cited Portland Future Focus I, a document that dealt with the demographic trends that are absolutely critical to know if one is to understand where the City is going. That data should be updated annually. Most of the items in Portland Future Focus I that Commissioner Kafoury oversaw have actually occurred and now it is time to revisit that and begin to think about where the community should go next. Another thing that has taken too long is design standards and she is very pleased those will soon be coming to Council. Design review is another issue that should be looked at to see if it should be expanded to other sensitive areas in the community. Regarding enforcement, the City must provide the resources to make sure that it has people who can enforce the Codes. Finally, both qualitative and quantitative performance measurements are essential. She said when she reports back with a recommendation about long-range planning she hopes it will reflect Council's thinking about how to include ESA planning within long-range planning. Her intention is to work on this piece with the community, the Council and the Stakeholders in thinking this through.

Commissioner Hales noted that there is still a lot of work to do to implement this.

Mayor Katz said if this does not work the first time, staff should not be afraid to return and say so.

Disposition: Resolution No. 35759 as amended. (Y-5)

At 5:04 p.m. Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 14TH DAY OF JANUARY, 1999 AT 2:00 P.M.

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

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

- 66 **TIME CERTAIN: 2:00 PM** - Appeal of University of Portland, applicant, against Hearings Officer's recommendation to deny a Conditional Use Master Plan Amendment with Adjustments and consider acceptance of Hearings Officer's recommendation for approval of a Comprehensive Plan Map Amendment and Zoning Map Amendment at 5000 N Willamette Blvd. (Hearing; LUR 98-00812 CU MS CP ZC AD)

Discussion: Ruth Spetter, Senior Deputy City Attorney, outlined the procedures to be followed in today's hearing and asked for declarations of ex parte contacts and conflicts of interest.

Commissioner Francesconi described two ex parte contacts, one involving a staff member's conversation with Laurel Buttman and the second involving a brief reference made in conversation with Father Tyson of the University of Portland. A written memo summarizing the conversation with Ms. Buttman is part of the record.

Mayor Katz asked that testimony be restricted to the issues identified in the Hearings Officer's report.

Douglas Hardy, Planning Bureau staff, said the University of Portland has requested an amendment of its 1994 Master Plan and noted that 16 of the 21 projects approved under that earlier plan have now been completed. The amendments specifically request a 12-acre expansion of the west campus, extension of the Master Plan deadline from 2004 to 2008 and an increase in building area from approximately one million square feet to 1.7 million square feet. New development on the expanded west campus includes three new dormitories, each with 160 beds and parking beneath, plus five town house buildings accommodating up to 92 units. Non-residential uses proposed include a maximum of eight offices on the ground floor of the townhouses, a 180-space surface parking lot, conversion of the Bishop's House to a conference center, and a 16,000 square-foot storage building on the former Riedel site. New development on the main campus would equal approximately 265,000 square feet and would mainly replace existing academic, social and athletic uses. Other proposals are for exterior lighting at the Merlo soccer field, a Pilot baseball stadium and a new scoreboard at Merlo field. The University is also requesting Comprehensive Plan and Zoning Map amendments for the former Riedel site to change the map from Industrial Sanctuary to low density multi-dwelling residential (R2). The Zoning Map Amendment would change that property from medium density, residential (R5) to R2 and remove a portion of the Greenway overlay designation from the flat portion of the site. He also described the modifications that have been requested to the development standard of the zoning code as it applies to the west campus.

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Mr. Hardy showed slides of the campus, indicating the proposed expanded west campus boundary, the area where the zone change has been requested, the location of the main parking lots, special event facilities and the sites where development is proposed. He cited the approval criteria for the three reviews -- the Conditional Use Master Plan, the Comprehensive Plan Map Amendment and Zone Change, and the adjustments

Mr. Hardy said the Planning Bureau recommended approval with conditions of the Master Plan amendments and recommended denial of the requests for exterior lighting of the soccer and baseball fields and the new scoreboard. Staff also recommended approval of the Comprehensive Plan Map Amendment and Zone Change as development for industrial purposes on the Reidel site is not feasible. Finally, staff did recommend approval of increased building heights from 50 to 60 feet and a decrease in the requested building setbacks from 20 to 15 feet. The Hearings Officer recommended denial of all the Master Plan amendments as she believes expansion of the west campus boundaries would significantly increase the intensity of development in that area. The 1994 Council approval of the original Master Plan decision specifically called for no parking where the 180-space parking lot is now proposed and stated that all event parking should be retained on campus. Placing housing on the site of the proposed parking lot was alluded to as a better alternative and concentrating housing and new development closer to the existing campus boundary would prevent leap frog development that could adversely impact the surrounding neighborhood. The Hearings Officer noted the devastating impacts on residents of existing homes within the boundary if these taller dorms and town houses are built right next door. She also questioned the likelihood that the proposed elements would be built within the 10-year lifetime of the Master Plan and concluded that none of the proposed development could be approved until a parking plan that adequately addressed event parking was completed. The Hearings Officer did approve the Comprehensive Plan and Zoning Map amendments but said that reviewing the request to reduce building setbacks and increase heights would be moot if the development was denied.

Commissioner Hales said it appears from the map that portions of Warren and Strong streets are proposed to be vacated. Was that a part of the 1994 approval and what is behind the notion of truncating the street system by vacating some of those streets.

Mr. Hardy said the University proposes to vacate three of the streets, and that was not a part of the 1994 Master Plan. He said the University believes those vacations would better integrate parking and provide a pedestrian corridor connecting the west and main campuses. He noted that any proposed street vacations are not approved or denied as part of the Master Plan amendments.

Commissioner Hales asked if Figure 12 for proposed campus development is moot if the Hearings Officer's decision stands.

Mr. Hardy said yes, it would be moot as under the 1994 Master Plan no new buildings were proposed within the west campus and there were no street vacations. However, vacation of some of the alleyways was discussed.

Father David Tyson, President, University of Portland, said the University has helped shape the character of north Portland and both the University and the neighborhood have grown together for almost one hundred years. In 1994 the City approved a Master Plan which allowed for further development of the west campus while at the same time maintaining the residential character of that area. Many of the goals set in 1994 have been met in a more timely fashion than originally expected and today they request an amendment to the plan. It was the proposed

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development of the west campus, specifically for housing and parking, that became problematic as the Master Plan was reviewed and City officials suggested that amending the Plan would be the best way to proceed. That is why he is somewhat astonished to be here today.

Gary Katzien, traffic engineer, Kittelson and Associates, 610 SW Alder, Suite 700, 97205, said the Transportation System Plan the University developed over the years consists of two components, a transportation demand management plan and a special events management plan, both of which were developed before any government action mandated them. Those plans have resulted in one of the lowest vehicle trip generations of any institutional use in the area and has a 50 percent peak hour mode split for trips to and from the school. Over the years there has also been a drastic reduction in the number of special events. The two primary transportation issues before Council today are parking to the west of Portsmouth and the use of Block 33 as a 180-space surface parking lot. They agree with the City staff transportation-related findings, recommendations and conditions and believe the Hearings Officer erred in her decision for a number of reasons. First, substantial changes have occurred that will require parking west of Portsmouth to accommodate the residential uses as well as special events. The use of parking spaces west of Portsmouth will also promote the use of Portsmouth and Lombard as main accessways, rather than adding more traffic to Willamette Boulevard. The University has done a tremendous job of using parking spaces not just for normal activities but for special events. The Hearings Officer incorrectly identified a parking shortfall on campus today and City staff has verified that error. Mr. Katzien said the Master Plan proposes a coordinated and cost-effective parking plan that provides additional surface and structured spaces as the need arises throughout the 10-year life of the Master Plan. There was discussion that the parking lot would reduce open space but the campus open space ratio for the area west of Portsmouth, including the block containing the surface lot, will remain essentially the same as on the existing campus. Parking on the west campus is effectively and efficiently located near to the destinations that create the need for those spaces, i.e. the residential uses for the dormitories and row houses as well as being less than one block away from the Chiles Center. The parking facilities will be integrated into the campus area. He said the proposal to put an 800 to 1,000 parking garage on the main campus would go against all the goals of Metro 2040, making it a dominant piece of that part of the campus rather than an integral part.

Wendie Kellington, attorney representing the University, said the provision of parking on the west campus is responsive to being a part of the community and the changing needs and circumstances of that community. She said the 1994 Master Plan no longer serves the community within which it exists. When adequate campus housing is provided, students are less dependent on the automobile and affordable housing will be freed up in north and northeast Portland. The Hearings Officer erred in her application of the legal standards, simply because she has not been involved in the new 2040 paradigm for planning. For instance, the Hearings Officer finds that row housing and multi-family housing are necessarily incompatible with single-family residential neighborhoods. She said the University has tried everything to manage traffic and parking demand and has one of the highest multi-modal splits in the City. It has also provided financial incentives to have employees live in the neighborhood. However, with respect to special events in the Chiles Center, the University simply cannot accommodate all parking demand in the west campus area. The only place to accommodate that demand is by placing additional parking in the west campus area. It believes it can provide both density and a visual appearance appropriate to the scale of the neighborhood by having a graduated visual experience of 40-foot high row houses. She showed drawings to illustrate what they would look like. Regarding the vacated street space, that would provide an extra-wide pedestrian amenity with street trees that would encourage people to get out of their cars. Regarding lighting, the

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University proposes to light Merlo field eight Friday nights a year, with an impact to the neighborhood of no more than 0.09 foot candles, three times less than an extra street light would be up until 11 p.m.

Commissioner Hales said there is some danger of talking about this on a superficial level -- whether the University is a good or a bad neighbor is of no interest to him. He is interested in the issues before the Hearings Officer and whether Council has grounds to change that decision. He asked for a list of the issues where the Hearings Officer decided against the University and why it thinks it is important that Council change those decisions.

Ms. Kellington said three major things are wrong with her decision. First, the Hearings Officer says that it should be denied because she does not think the actual components of the Master Plan will occur. That misreads the Code which provides that the Plan discuss and propose both existing, present, proposed and potential future uses. There is evidence in the record that it is feasible to implement this Master Plan proposal which mitigates the livability impacts that have raised some concerns. Second, the Hearings Officer said that a compelling public need had to be shown in order to approve an amended Master Plan. However, there is no approval criteria that says one must show compelling need. Master Plans are fluid documents and the specificity of the original plan determines how often amendments may be required. She said even Council amends things to respond to changing conditions. In that spirit the University shaped a plan with the kind of density required to bring students on campus and get them out of their cars and to ameliorate the problems in the west campus area by providing a parking lot with a five-foot buffer. Finally, the Hearings Officer says that single-family residential uses are necessarily incompatible with multi-family uses and row houses. She also states that even with design, that conflict could not be mitigated. Ms. Kellington noted projects such as the Belmont Dairy, which could not have happened if that were the case and said the question is whether the impacts of Chiles Center can be minimized and mitigated consistent with City approval standards. The University believes they can, as does staff, which determined that all approval criteria can be met, with one exception regarding the Merlo field lighting. The University believes that can be met with a condition limiting the lighting to eight Friday nights a year.

Mr. Katzein reviewed the traffic issues raised by the Hearings Officer. First, he said there had been no substantial changes in the Master Plan that necessitated any additional parking in the area near Portsmouth. However, the location of residential units, particularly the rowhouses, does require parking to serve those residences. The parking will be incorporated parking underneath the buildings, so there will be no need for surface parking lots. He also stated there was a need for a parking garage right now and concluded that there was a 400-space shortfall today. Both the University and Transportation staff disagreed with that and believe there is adequate parking for day-to-day use on campus and some additional parking for special events that attract over 2,000 attendees. There have been changes in the number of events with the University now limiting itself to 24 events a year that are greater than 2,000. He said parking needs to be close to where people need it, probably within a two-block area. If all the parking is limited to the existing campus, at some time a very large parking structure would be required, which the University believes is inappropriate.

Commissioner Hales asked why the street vacation would be necessary rather than maintaining a public street along the building frontage.

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Ms. Kellington said the idea is to create housing on a pedestrian scale to maintain livability and ensure compatibility between more intense residential use. The vacation of the streets will provide a wide pedestrian corridor.

Commissioner Hales asked if construction of the proposed building would still be permitted by the Code if the street vacation was not granted.

Mr. Katzien said from a traffic standpoint there is one primary reason why vacation of those streets may be appropriate. One of the issues with the 180-space parking lot was a concern about intrusion into the neighborhood. Through this design, access to that lot has been limited so that traffic will stay on Portsmouth. If the streets are not vacated there would be more traffic on the side streets, depending on where the curb cuts are placed.

Commissioner Hales said he hopes no one on City staff encouraged the University to base the Master Plan amendments on the street vacations. He believes Council approval of the Master Plan would give implicit approval to future street vacations that he is not prepared to support. He questioned where the applicant got the idea that wholesale street vacations would ever be permitted.

Mr. Katzien said the Master Plan can be developed without any street vacations.

Commissioner Francesconi asked why the campus needs more housing now when the record states that enrollment is not growing.

Father Tyson said there has been increased student demand for on-campus housing. The University believes living on campus is an important part of the educational process for undergraduate students but has been unable to provide enough housing to fulfill that goal because it did not have the resources. They anticipate building the housing, if the Master Plan is approved, in approximately two to three years, based on their ability to arrange financing.

Commissioner Francesconi asked if the lights are the third priority, after parking and housing. He questioned whether, if this is approved, the University will return again and ask for more lights.

Father Tyson said lights are the third priority. Ms. Kellington said the requested lights can be mitigated under City approval standards. Any more might not be and the City would control that.

Commissioner Francesconi asked if the University can do anything to increase people's access to the greenway.

Ms. Kellington said they would be happy to discuss that.

Commissioner Saltzman said there have been assertions that if this is granted, 500 to 800 units of affordable housing will be freed up in North and Northeast Portland. Is that documented? Do half the University's students live off-campus in the vicinity or do half live at home in Beaverton or Tigard, etc.

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Father Tyson said slightly over half the students live on campus but few live at home. Primarily upperclassmen live off campus and they are asking for the opportunity to live in the residence halls.

Mayor Katz said the Hearings Officer in her report cited Council's reason for rejecting expansion of the boundaries in the 1994 Master Plan. The Council stated then that if additional paving of land for parking is necessary it should be provided on the main campus rather than in the surrounding neighborhood. The existing approvals of the Chiles Center assumed that any necessary additional parking should be on the existing campus and the University never contradicted that assumption. Council also found, in that decision, that the need for special event parking should not be allowed to outweigh the loss of existing residences and the intrusion of parking into the existing residential area north of Portsmouth. Mayor Katz asked what had changed.

Ms. Kellington said in the 1994 Master Plan approval there was no coherent vision of what the west campus would look like. While they requested a limit of 3,000 students, they had not figured out the methodology to accommodate them. They now recognize the need to get those kids on campus and their goal is to have 75 percent of students live on campus. They have also implemented a Special Events Management Plan that was imposed to draw people into the campus and avoid adverse impacts on the neighborhood. Despite their best efforts, however, they have been unable to get on-street parking off the west campus area when there are special events. Kittelson and Associates was hired to deal with that problem and determined that the only way to solve it was to provide a parking lot on the west campus.

Mayor Katz said that is where the Hearings Officer disagrees. She states that the housing ought to be built on Block 33 and the parking problem should be solved within a Master Plan, which the University has not done.

Ms. Kellington said that would not solve the parking problem as there is still a 180-space deficit resulting from the use of Chiles Center during special events. The only way to deal with that is to solve the problem in the area where the problem occurs. There is not even a place to do it on the interior campus, short of a 10-story parking structure which would be highly incompatible.

Individuals speaking in support of the University's proposal included:

Clayton Herring, former University of Portland Regent
Roy Heynedrickx, Financial Vice President, University of Portland
John Goldrick, Vice President for Student Services, University of Portland
Debra Miller Carter, Public Relations Director, University of Portland
Matt Chapman, University of Portland Regent
Paul Gouldborough, student representing the University of Portland soccer team
Angela Harrison, University of Portland soccer player
Al Corrado, Board Chairman, University of Portland

Supporters stressed the benefits of providing on-campus housing and freeing up more affordable housing nearby. They reviewed the University's plans for growth and the efforts underway to get the financing to carry through with them. They asked Council to consider the positive role the University has played in the neighborhood and the high level of support this proposal has had

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from residents. Ms. Gouldborough and Ms. Harrison expressed support for the soccer field lighting.

Mayor Katz asked that testimony from supporters be halted at this point to hear from the opponents.

Judy Chambers, representing the Master Plan Steering Committee (MPSC), 4805 N. Willamette Blvd., 97203, said the Committee has been active since 1991 and last year was appointed by the University Park Neighborhood Association to negotiate with the University. In the past, their relations with the University have been very good but in the current application it seems less concerned with neighborhood concerns. She said the Committee believes that not enough has changed since approval of the 1994 Master Plan to warrant the magnitude of these revisions or diversion from the intent of the earlier Plan. Factors they wish to be considered in monitoring the University's development include neighborhood livability, adequate parking places located for optimal use, preservation of view corridors, access to the North Willamette River bluff and the expectation that the University will act as a good neighbor. In this case these are the criteria against which this application should be measured.

Ms. Chambers said the Committee has long believed the event facilities should be considered major event entertainment uses. She noted that the Chiles Center's capacity is twice that of the Civic Auditorium, causing an enormous impact on the neighborhood, including severe increases in neighborhood traffic. Regarding the expanded boundary, the 1994 Master Plan stated that all future housing and parking spaces for the highest projected enrollment of 3,000 could be provided on the main campus. Since there has been no change in the enrollment cap, there should be no need to provide parking or housing across N. Portsmouth. In the 1994 Plan, the boundary expansion was allowed simply for conversion of homes to University office and administrative uses, not demolition. However, the University has started demolitions along N. Portsmouth and is now seeking approval for tall, dormitory style student housing and a parking lot right next to the neighbors still living there. The University also removed from the Master Plan the playing field which made this expansion at all acceptable to the neighbors. In the face of Council's very clear statements in 1994 that neighborhood livability and privacy would be compromised by parking lots and development inconsistent with neighborhood character across N. Portsmouth, the Committee is surprised that Council is being asked to reverse those statements today. These are understandings upon which the neighbors have relied. Now the University is asking that what once were playing fields and parks be used for multi-story housing and parking. The University has disregarded all prior requirements to add replacement parking on the main campus, provide underground parking below new buildings and to work towards providing a parking structure on the main parking lot. Apparently the University finds it more convenient to sprawl into the neighborhood rather than opting for compact development. She asked Council not to reward the University for the reckless disregard of the 1994 agreements or approve vague plans which do not specify phasing, financing or certainty. She urged that the Hearings Officer's decision be upheld.

Regarding parking, Ms. Chambers said utilization and neighborhood impacts are the major factors for meeting University parking requirements. Event goers will park as close to their destinations as possible and on-street spaces within the neighborhood, on N. Willamette, are closer to the event facilities on the main campus than is the area across N. Portsmouth. The University also admits there is currently parking within the neighborhood at every event they have and, therefore, adding parking along W. Portsmouth will not mitigate parking in the surrounding neighborhood because those spaces are the least likely to be used. That is why

Council required in the 1994 Plan that parking be concentrated on the main campus and that a parking structure be considered there. She cited the Hearings Officer's report stating that it is no longer possible to say that the University can continue to expand without a plan to resolve the parking problem.

Heber Heine, 5801 N. Warren St., 97203, said the Code specifically limits Master Plans to a duration of 10 years. The Master Plan approved in 1994 states that it will not take effect on any non-institutionally-owned lands until those lands are controlled by the applicant. Now the University proposes rows of cluster houses on land it does not own and has no power to acquire within the 10-year period. For that reason the Master Plan amendments should not be approved. He recapped Council's action in 1994 and the Hearings Officer's conclusion that at least 400 parking spaces need to be added on the original campus to solve the parking problems created by the Chiles Center. The Hearings Officer concludes that can be accomplished only by construction of a parking structure and also finds that additional housing can be provided without any further expansion if Block 33 is not used for a parking lot. Finally, the Hearings Officer calls on the City to develop a phasing plan to ensure that west campus development will occur judiciously so that the neighborhood is not devastated.

Mr. Heine then read from his letter of September 12, 1997, requesting the University to discontinue construction of the playing field on Block 28, parking lot construction on Block 33, the razing of additional residences without good reason and provision of conduits for lighting ball fields (Condition K). That letter asked that the University submit the plan for providing off-street parking spaces on the main campus for the life of the Master Plan (Condition H). He disagreed with earlier testimony that the 400 foot parking lot cannot be built on campus. He said the University has proposed an amendment calling for 100 parking spaces in conjunction with the Pilot House and, if necessary, another 100 could be added to that. The University also mentioned it could do about same thing in the area where they propose 180 spaces. Thus the 400 spaces are only 200 more than the University has admitted it could construct. There is ample room for it to build a parking structure without looking elsewhere for space. He contended that those 400 spaces are for special events, not for everyday use, and should be close to where they are needed. He opposed the street vacations, stating that they would keep him from using the Portsmouth traffic light, forcing him to take a route three or four blocks longer.

Stacy and Doug Mercer, 5815 N. Warren St., 97203, owner of a house within the proposed expansion area, said they fear the expansion will bring increased parking and traffic, 60-foot high dorms and 50-foot high row houses, destroying the value of their home and neighborhood. They contended that they and other neighbors invested thousands of dollars in their homes in the expectation that their homes would be protected by the Master Plan approved in 1994. They said the dorms and parking could be built elsewhere and the University has failed to show a current need to expand onto the west campus area.

Others testifying in opposition to the University's appeal included:

Raymond Piltz, 7209 N. Buchanan, 97203,
Catherine Salvo, 15895 NW Logie Trail, Hillsboro
Leonard Chambers, 4805 N. Willamette Boulevard, 97203
Sol Lubliner, member of the Master Plan Steering Committee, 4788 N.
Amherst, 97203

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Opponents called for support of the Hearings Officer's decision to deny the amendments and boundary expansion. They criticized the University for buying houses and allowing them to deteriorate in order to demolish them. They also faulted the University for failing to deal with the traffic and parking problems it creates. A number testified that the University had not been forthright in its dealings with the neighborhood and had taken over the neighborhood association. Mr. Lubliner called for a good neighborhood agreement with the University to develop a more functional arrangement.

Supporters of the University then continued their testimony:

Dennis and Diana Keenan, 5111 SE Harold, 97206
Bernard Verbout, 4788 N. Harvard, 97203
Sister Ruth Frank, 7465 N. Portsmouth, 97203,
Pat Kessi, University of Portland Student Body President
Jeanette Heli, University of Portland resident assistant
Bill Stevenson, 4792 N. Amherst, 97203

Supporters reiterated the importance of providing residential housing, the efforts the University has made to be a good neighbor, and the increased property values resulting from proximity to the University. Mr. Stevenson said only a small but vocal minority of neighbors oppose these amendments as most appreciate the benefits the University provides.

Additional opponents then were heard, including:

Trudy Luther and Christina Luther, 7311 N. Fiske, 97203
Carol Doborvolny, 7066 N. Newman, 97203

Those testifying stressed the negative impacts on the neighborhood from the Chiles Center and other University facilities. They disputed claims that the University has acted in good faith with the neighborhood and asked Council not to allow inappropriate expansions that will destroy the quality of life for nearby property owners and negatively affect neighborhood character due to added on-street parking on adjacent streets, increases in traffic and congestion and invasive exterior lighting.

In rebuttal, Beverly Bookin, the Bookin Group, 621 SW Morrison, Suite 200, 97205, land-use consultant for the University of Portland, said the key issue seems to be the location of the Block 33 parking lot. She said the University's parking study indicates there is adequate parking on campus to meet day to day needs but there is a 180-space shortfall for special events. The parking for special events should be nearest those venues so that visitors to campus will use those lots rather than parking on the streets. Most of the current parking overflow right now is in the west campus area and immediately north on Willamette. Therefore, a parking lot in this location would likely attract those who would otherwise park on the street. The lot is also immediately adjacent to the Chiles Center and is on Portsmouth, the street preferred by the Office of Transportation because it has a lighted signal, allowing easier access to Lombard. Ms. Bookin said this block is completely owned by the University and the parking lot could be built within nine months, taking care of the immediate problem very quickly. She said no other site on the main campus can serve this special venue demand and noted that the University had considered and rejected several other sites. She noted that people had asked why not place a parking structure on the main lot. While that may be appropriate in the future, the current shortfall does not indicate the need for a parking structure and it would take at least two years to

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build it. Block 33 has been chosen as the only alternative and PDOT agrees this is the optimal location.

Ms. Kellington said some have mentioned that land is included in the boundaries that is not current owned by the University. Code Section 33.820.020 (c) specifically states that a Conditional Use Master Plan may encompass land not presently controlled by the use. The plan simply does not take effect until those lands are under the control of the applicant. The Plan is also required to cover both proposed and possible future uses. That means the University has the choice of developing a Master Plan that meets all the requirements or of being penalized for having done that and acting as some kind of eminent domain authority in the neighborhood, which it is not doing. What it is trying to do is propose a plan that is consistent with the clear approval criteria regarding mitigation of livability and other impacts. It has done so and there is no evidence to establish that it has not adequately mitigated against potential adverse impacts. For instance, some opponents believe the view sheds will be adversely affected but on the lots in question, the University could place dwellings there up to 30 feet in height under current R5 zoning regulations. She said the University owns most of the land in the Master Plan area and is clearly willing to acquire properties in that area to achieve the Plan over a ten-year period. The proposal envisions no increase in traffic.

Commissioner Saltzman asked about statements from the Steering Committee that the University refused to negotiate on a good neighbor agreement.

Ms. Bookin said the University was unsure about what a good neighbor agreement would provide. They met with the Steering Committee many times and it seems to the University that the Master Plan, with its many conditions, in a sense is the body of the agreement between it and its neighbors and that a good neighbor agreement on top of that would be of little value. The University did not refuse to participate in a good neighbor agreement. The neighbors only raised that issue later when they testified before the Hearings Officer that it would be nice to have one. She said she does not know what a good neighbor agreement would do that the conditions would not do better and in a more binding way.

Mayor Katz noted that on page 25, the Hearings Officer goes through a whole litany of why the 92 housing units are not clustered housing. She then says that cluster housing is allowed in R5 zones only if the units are unattached and if the units do not exceed the number allowed in the base zone. The Hearings Officer then states that the number of units proposed substantially exceeds that number. Then she identifies the exceptions where this kind of housing would be applicable and finishes the discussion by stating that the proposed housing does not fit within any of the special circumstances and that the University is incorrect in stating that the proposed housing would be allowed by right in R5 if it were not connected with the University. The Mayor asked staff for clarification.

Mr. Hardy said the Hearings Officer is correct. There is a provision in the Zoning Code for cluster housing in single-dwelling zones but it is limited to single-family detached units and the density requirements still must be met for R5. The type of housing proposed by the University would not be allowed by right. It would only be allowed under the conditional use process.

Commissioner Francesconi asked for an explanation of the assertion that the City would require a parking structure if three events happen.

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Mr. Hardy said staff had recommended a set of triggers to require a parking structure in that circumstance. The University would have to submit an annual parking report identifying parking demand, including the demand for special events. A parking structure would be triggered if it is determined that more than 10 vehicles would be parking per block front within a defined radius of the event facilities. If the University felt a structure was not required, it would have to provide alternative means in a subsequent land-use review.

Commissioner Francesconi asked if there had ever been a parking demand management plan with this kind of teeth before.

Mr. Hardy said parking has been a concern over the last 10 years but it was left to the University to address that. In 1994, as part of the Council decision, the University was required to return within a year with a plan to address the parking concerns. That plan was not submitted until now.

Commissioner Francesconi said the 1983 decision talks about a parking lot across Portsmouth in the long term. Is that correct?

Mr. Hardy said there has been some confusion about exactly what was meant in the 1983 Plan which approved the Chiles Center. That approval stated there could not be significant parking impacts on the surrounding streets and that parking must be addressed by a parking facility. It did not require that all parking be on the main campus and satellite parking lots were discussed along with the use of property on the west side of Portsmouth in the long term.

Commissioner Francesconi asked how the main entrance to the University from Willamette Boulevard is operating and whether the location of the proposed parking lot is the best choice to relieve neighborhood off-street parking during special events.

Wendy Colley, Bureau of Traffic Management, said it now operates at Level E, which means there is a lot of congestion when there are main events. However, the applicant's analysis shows that while people trying to leave the campus do experience some delay, the delay on Willamette Boulevard is fairly minimal. She said adding a parking lot of that size next to the Chiles Center would have a significant effect as the 180 spaces could accommodate 18 block faces of parking. She believes it would not necessarily be better to put it in the proposed location west rather than east, of Portsmouth (the main campus).

Jamie Charbonneau, Bureau of Traffic Management, said the proximity would be similar whether it is on the east or west side. Drivers, however, may believe parking on Block 33 gives them easier access as it provides a third way of getting in and out. A parking lot on Block 33 could pull some who park across Willamette onto this side of the campus, reducing some impact to the neighborhood.

Commissioner Sten said he believes much of the current plan is not controversial and he is comfortable approving those portions. However, he is not sold on the decision not to build structured parking and to encroach into the neighborhood. It looks to him like the approval criteria can be met, hence the Planning staff recommendation of approval, but it also looks like doing all that is not really fair to the neighbors, based on the 1994 agreement.

Commissioner Hales said he has not heard a case today for why another round on the same decisions made in 1994 should go another way. There are conditions such as implementing a

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transportation demand management plan where the Hearings Officer states that all that has been done in this area is a traffic impact analysis. He said it sounds like there is a lot the University should do in this area before adding parking, especially north of Portsmouth.

Mayor Katz said in 1994 she also heard from the applicant that it wanted to maintain a campus environment and therefore did not want to build a parking structure. Instead it would like to build it where the impact to the neighborhood is more negative. That is a choice the University has made. She noted her earlier reading from the Hearings Officer's report and said she had not heard a good answer to her question about what really changed since 1994. She questioned what the University would do if Council denies this and where it would go from here.

Commissioner Francesconi said a Master Plan really is a fluid process and several things have changed since 1994. He believes the University now has a clearer vision of the demonstrated need. He said they are limiting the housing to residential purposes, as opposed to office and administrative. He believes the Hearings Officer probably felt bound by the prior Council decision but Council has the ability to look at this again. Regarding the two substantive issues -- parking and housing -- he believes the proposed parking lot will relieve parking in the neighborhoods and that it would be better to use Portsmouth to enter and exit. He also believes there are now substantial parking conditions that will trigger a parking structure at the appropriate time and questioned whether the City would require the University to build a \$5 million parking structure now for 50 to 120 parking spaces. He said the trigger for a parking structure is very specific although he believes such a structure would be ugly. He said the University's goal of having 75 percent of its students live on campus is legitimate, and while he has concerns about the housing, he believes the design can fit. His biggest concern is the continuing potential for creep into the neighborhood so, as far as he is concerned, the University should never go north on Willamette. He also believes student housing on campus will relieve some of the pressure for housing in the neighborhood but agreed that the expansion Plan will create a hardship on some of the individuals who testified today. He suggested that the University, in negotiating to purchase their properties, will take into account the values of their homes now as opposed to the value after the expansion. He will vote to approve the amendments, except for the lighting adjustments. He said if the University wants lighting it should work out a good neighbor agreement that includes more public access so others can use the field and reduce prices for neighbors. He disagreed strongly that there were no incentives for a good neighbor agreement as that might improve the relationship between the two.

Commissioner Hales asked how much potential there is for additional housing under the existing, unamended 1994 Conditional Use Master Plan.

Mr. Hardy said there is none. The one hall approved under the 1994 Plan has already been built. To build housing on Block 33, the University would have to obtain an amendment to the Master Plan.

Commissioner Sten said he thinks the vision for having housing and getting students on campus is very important. He thought the Hearings Officer denied this because she thought the housing could be built where the parking lot is but Mr. Hardy is saying that is not true. That is a flaw in the Hearings Officer's opinion.

Commissioner Hales said the problem with this is that the University did not apply for what he thinks it should have applied for. If Council were to allow housing on one of the blocks immediately north of Portsmouth, would conditions be applied regulating the design, height, etc?

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Mr. Hardy said he would like to confer with other staff but he believes Council can approve elements of the Plan, i.e. housing on Block 29, and deny every other element, if it wishes.

Mayor Katz said the Hearings Officer was hinting that the parking should be built inside and that Block 33 should be used for housing.

Commissioner Sten said he is so concerned about getting more housing on campus that if that cannot be done under the existing Master Plan, it swings him back the other way, towards approval. This is a choice he does not want to make.

Commissioner Francesconi said the question is where are these folks going to park. The University is not going to build structured parking now.

Commissioner Sten noted that he had voted against Lewis and Clark on the same issue so he is having a hard time saying that in lieu of putting in structured parking, the College should go another block into the neighborhood.

Susan McKinney, Planning Bureau, said Council could modify the Hearings Officer's decision, agreeing to not allow parking on Block 33 but changing the decision to allow housing. She is concerned, however, about the notice requirements and what might be required if Council approves a proposal that differs from what was before the Hearings Officer and Council. Otherwise, the Hearings Officer has the authority to approve a Conditional Use Master Plan amendment or modify it and Council has the same authority.

Commissioner Hales said one option is to remand this to the Hearings Officer and issue some instructions about options. Another is to deny this outright, which he is likely to vote for. A third option is to pick this application apart but he believes that would be overreaching to do in an appeal hearing after three hours of testimony.

Mayor Katz noted that Council had redesigned things before.

Commissioner Francesconi said he does not think a remand to the Hearings Officer will be particularly beneficial. He likes the idea of setting this over a week to sort through the options and get input from staff.

Commissioner Hales agreed that there are things in the Hearings Officer's report he disagrees with too and believes the appellant was right to be upset with the assertion that three-story rowhouse buildings cannot be designed in a way that is compatible with single-family residences. However, the applicant has proposed a design scheme, with no public street or street trees, that makes the Hearings Officer's assertion correct. Because of wrong assumptions by both parties, this is a real muddle.

Ms. Spetter said the question is whether Council can change the request to eliminate parking and substitute housing on a particular block. Council certainly has the authority to attach conditions but this is really a change and she uncomfortable with that in terms of notification and factual information.

Commissioner Sten noted that the University already owns most of the property proposed for expansion on the west side and something will have to be worked out there eventually. The

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Riedel site zone change seems like no-brainer although he would like to talk to the University about the greenway. He said he is troubled about the block where several residents live who testified today that the University did not live up to the conditions agreed to in 1994 and that they will not sell their homes to it. He also is not fond of approving this with the street vacation. He offers these suggestions as perhaps a compromise.

Mr. Hardy noted that street vacations are not reviewed as part of this process.

Commissioner Francesconi moved to overturn the Hearings Officer's decision and adopt the Planning staff recommendations.

There was no second and the motion failed.

Commissioner Francesconi moved to hold this over one week to allow staff to determine some options.

Mayor Katz said if Council cannot make these changes it does not make much sense to give staff the opportunity to make these changes. She said remanding it to the Hearings Officer would be cleaner.

Commissioner Hales said the more he thinks about that the less he likes it. It would be better to hold it up a week or turn this down with some instructions as the University can always reapply and go through the process again. That is cleaner.

Commissioner Sten asked if it is it legal to take a week or so to modify the application.

Mayor Katz said that was done in the Western States Chiropractic College case.

Ms. McKenny said because this involves a Comprehensive Plan and Zoning Map amendment with a concurrent review, the 120-day rule does not apply. Thus it seems as if the applicant could offer a modified proposal but she is not sure whether it can come straight back to Council after the legally-required notice time.

Mr. Hardy said the City Attorney says it can come directly back to Council.

Commissioner Hales moved to continue the hearing and instruct staff to bring back a proposal that would allow construction of housing west of Portsmouth (on Block 33) and then reopen the hearing for testimony on that issue alone and make a decision.

Ms. Spetter said she would like to get back to Council tomorrow on whether that is doable.

Commissioner Saltzman seconded.

Commissioner Francesconi asked if that means Council can talk about parking.

Commissioner Hales said he is proposing that Council return solely on the housing issue with everything else standing as is. He moved to make a tentative decision to uphold the Hearings Officer's decision, denying the appeal on the Master Plan issues, granting the zone change on the Riedel property but modifying that decision to allow the construction of housing on Block 33, under conditions to be proposed.

Mayor Katz asked the applicant to respond.

Ms. Charbonneau said there would still be the issue of addressing a shortage of 57 parking spaces to meet the adequate services criteria. Council might want to ask the applicant to address where they would put those parking spaces.

Commissioner Francesconi asked her if the effect of this decision would be that the University would need to build a parking structure for 57 places.

Ms. Charbonneau said yes, unless they came up with another alternative. She added that there does not seem to be any apparent alternatives.

Commissioner Sten said he is having trouble with the either/or choice. He wants to see housing but has a problem with allowing the zone change on the Reidel property but not dealing with the Master Plan boundaries. Lots of housing projects have more parking around them. This is not a matter of a surface lot parking block or housing.

Commissioner Francesconi said the problem is the University has to provide 57 parking spaces for special events to take care of cars that are now parking in the neighborhoods, which the City is trying to protect. That is why Council has to do what staff recommended.

Mr. Katzien said the boundary could be moved to include Block 29, allowing rowhouses there and on half of Block 28 in the future, dormitories on Block 32 and parking on Block 32.

Mayor Katz said that is a completely new plan.

Ms. Bookin said adjusting the boundary by half a block would be a very minor adjustment.

Ms. McKenney said the existing Master Plan does not permit new housing west of Portsmouth. Under the proposal to allow housing on Block 33 and yet uphold the Hearings Officer's decision of denial, the University would be left with the option to build housing on Block 33 but not develop the remaining area west of Portsmouth with new housing -- the dormitories and cluster houses.

Commissioner Hales withdrew his earlier motion and moved to uphold the Hearings Officer's decision and deny the appeal.

Mayor Katz seconded and roll was called.

Commissioner Francesconi voted no.

Commissioner Hales said he has not heard a compelling argument today as to why Council should overturn the Hearings Officer's decision. He said he believes the University is in the right place and should grow, enhancing its own services and its role in the community. He will from time to time support requests from universities that cause friction with the neighborhood associations as they do not always have the last word in such cases. However, this is the third time in recent Conditional Use Master Plans when universities have asked for more surface parking as a short term expedient rather than carrying out the spirit of the Master Plan for the long run. A good case has been made for why more housing is needed and he looks forward to

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seeing another application for housing that is appropriately designed to fit in with the fabric of both the university and the neighborhood. However, what is in front of Council now does not allow that.

Commissioner Saltzman said he would like to see a revised proposal as he has been troubled hearing about products that were supposed to be produced back in 1994 suddenly being produced just prior to these meetings. He voted aye.

Commissioner Sten voted no. If this fails he will make a motion encompassing the compromise he has talked about. He said the need for housing is overwhelming and even though he is not a fan of surface parking lots, he believes Planning staff has crafted requirements that will force the University to build a parking structure sooner or later. It is in the broader interests of North Portland to allow some parking in the short term and get that housing built. Getting students on campus and getting some cars off the street is in the greater interest of the area. He said he cannot, however, include the block where private residents still live in the Master Plan amendment even though it might be logical.

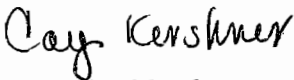
Mayor Katz voted aye. She too would like to keep the housing and noted that placing parking within the campus was a choice the University had but did not select.

Ms. McKenny noted that the Council's decision does include approval of the Comprehensive Map amendment.

Disposition: Appeal denied. (Y-3; N-2, Francesconi and Sten)

At 5:45 p.m. Council adjourned.

GARY BLACKMER
Auditor of the City of Portland


By Cay Kershner
Clerk of the Council