



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 3RD DAY OF FEBRUARY, 1999 AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi, Hales and Saltzman, 4.

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

Agenda No. 161 was pulled from Consent. On a Y-4 roll call, the balance of the Consent Agenda was adopted as follows:

CONSENT AGENDA - NO DISCUSSION

- 141** Accept bid of Silco Construction, Inc. for Washington Park improvements for \$1,600,000 (Purchasing Report - Bid 99054)

Disposition: Accepted; prepare contract.

- 142** Accept bid of TEC Equipment, Inc. to furnish one 55,000 GVW truck cab and chassis with 7.5 CY concrete mixer for \$99,836 (Purchasing Report - Bid 99085)

Disposition: Accepted; prepare contract.

Mayor Vera Katz

- 143** Accept report on the distribution of the Enterprise Zone Community Contribution funds (Resolution)

Disposition: Resolution No. 35764. (Y-4)

- *144** Execute First Amendment to option to lease real property between Northwest Natural Gas Company and the City of Portland for Classical Chinese Garden (Ordinance; amend Lease Option No. 50452)

Disposition: Ordinance No. 173044. (Y-4)

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- *145** Approve a Memorandum of Agreement between the City of Portland and AFSCME, Council 75, Local 189, authorizing a part-time (or Job Share) pilot program at the Bureau of Emergency Communications (Ordinance)
- Disposition:** Ordinance No. 173045. (Y-4)
- *146** Authorize the Mayor and Auditor to execute a labor agreement between the City of Portland and AFSCME Council 75, Local 189, relating to terms and conditions of employment of certain employees in the Bureau of Emergency Communications (Ordinance)
- Disposition:** Ordinance No. 173046. (Y-4)
- *147** Pay claim of Latoya Edwards (Ordinance)
- Disposition:** Ordinance No. 173047. (Y-4)
- *148** Pay claim of Melanie Rixford (Ordinance)
- Disposition:** Ordinance No. 173048. (Y-4)
- *149** Pay claim of Frenesi Carter v City of Portland (Ordinance)
- Disposition:** Ordinance No. 173049. (Y-4)
- *150** Pay claim of Troy Kindy (Previous Agenda 116)
- Disposition:** Ordinance No. 173050. (Y-4)
- 151** Exempt the Civic Stadium redevelopment project from competitive bidding requirements and utilize a Developer General Contractor through an alternative contracting process (Second Reading Agenda 115)
- Disposition:** Ordinance No. 173051. (Y-4)
- *152** Authorize Revenue Bonds to finance the Central City streetcar project (Previous Agenda 117)
- Disposition:** Ordinance No. 173052. (Y-4)
- *153** Authorize contract with Network One, Inc. to provide document imaging hardware, software and services to the City (Previous Agenda 118)
- Disposition:** Ordinance No. 173053. (Y-4)

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Commissioner Jim Francesconi

154 Amend report to Council, filed December 7, 1998, and accept contract with Platinum Construction Services, Inc. for Chapman Square restroom renovation as complete, make final payment and release retainage (Report; Contract No. 31802)

Disposition: Accepted.

***155** Authorize the Director of Parks and Recreation to enter into an intergovernmental agreement with the Portland Development Commission for the design and construction of South Park Square, River District (Ordinance)

Disposition: Ordinance No. 173054. (Y-4)

***156** Authorize an agreement with Interstate Firehouse Cultural Center, located in north Portland, to provide a multi-cultural program through June 30, 2003 (Ordinance)

Disposition: Ordinance No. 173055. (Y-4)

***157** Increase contract with Western Waterproofing Co., Inc. for change orders to the Portland Building south window repair project (Ordinance; amend Contract No. 31836)

Disposition: Ordinance No. 173056. (Y-4)

***158** Authorize a contract and provide for payment to furnish certain FY 1998-99 City vehicle requirements (Ordinance)

Disposition: Ordinance No. 173057. (Y-4)

***159** Authorize the purchase of furniture for the Bureau of General Services through an Oregon State Price Agreement for approximately \$153,000 and provide for payment (Previous Agenda 119)

Disposition: Ordinance No. 173058. (Y-4)

***160** Contract with four professional, technical and expert service firms for special inspection services as required in support of Parks and Recreation projects (Previous Agenda 120)

Disposition: Ordinance No. 173059. (Y-4)

Commissioner Charlie Hales

***162** Contract with Clarks Energy Services Corporation for \$30,000 and Gardner Energy Management Group for \$30,000 to provide energy code plan review (Ordinance)

Disposition: Ordinance No. 173060. (Y-4)

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- *163** Intergovernmental agreement with Multnomah County for technical and administrative review for the Lovejoy ramp removal and reconstruction project (Ordinance)
- Disposition:** Ordinance No. 173061. (Y-4)
- *164** Amend agreement with the Oregon Department of Transportation to accept additional congestion mitigation air quality funds for the Steel Bridge Pedestrian and Bicycle Crossing project (Ordinance; amend Contract No. 50171)
- Disposition:** Ordinance No. 173062. (Y-4)
- *165** Call for bids to complete contract slurry seal project 1998, authorize a contract and provide for payment (Previous Agenda 121)
- Disposition:** Ordinance No. 173063. (Y-4)
- *166** Contract with Dirtworx, Inc. to provide all necessary labor and equipment for construction of SE Division Street at SE 30th and 31st Avenues pedestrian project (Previous Agenda 122)
- Disposition:** Ordinance No. 173064. (Y-4)
- *167** Authorize construction contract with the lowest responsible bidder to construct the relocated Eastbank Convention Center dock project (Previous Agenda 123)
- Disposition:** Ordinance No. 173065. (Y-4)
- *168** Authorize agreement with the Tri-County Metropolitan Transportation District of Oregon and Portland State University for a bus transit center at PSU (Previous Agenda 124)
- Disposition:** Ordinance No. 173066. (Y-4)
- *169** Authorize amendments to extend Intergovernmental Agreement with Multnomah County for the 2040 Urban Growth Management Functional Plan Compliance Work Program (Previous Agenda 125; amend Contract No. 51023)
- Disposition:** Ordinance No. 173067. (Y-4)

Commissioner Dan Saltzman

- *170** Amend contract with PRC, Public Sector, Inc. to increase total contract by \$50,000 for purchase of a mapping system and related equipment (Previous Agenda 126; amend Contract No. 28320)
- Disposition:** Ordinance No. 173068. (Y-4)

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- *171** Authorize agreements for the conveyance of a property from Michael D. Bogart and Stephanie Clark Bogart to the Bureau of Environmental Services, subject to certain conditions being fulfilled, and authorize acceptance of deeds and payments of expenses (Previous Agenda 127)

Disposition: Ordinance No. 173069. (Y-4)

- *172** Authorize a contract and provide for payment for the NW Couch and Everett Streets relief sewer construction project, Project No. 6126 (Previous Agenda 128)

Disposition: Ordinance No. 173070. (Y-4)

- *173** Amend contract with HDR Engineering, Inc. for Inverness Force main engineering services, Project No. 5152 (Previous Agenda 129; amend Contract No. 29725)

Disposition: Ordinance No. 173071. (Y-4)

- 174** Consent to transfer of Moreland Sanitary Service, Inc. solid waste and recycling franchise to Moreland Sanitary Service, Inc. as a wholly owned subsidiary of Waste Connections, Inc. (Second Reading Agenda 130)

Disposition: Ordinance No. 173072. (Y-4)

Commissioner Erik Sten

- 175** Authorize a contract and provide payment for the construction of a 17,000 square-foot uncovered, asphalt paved storage area with associated site improvements at the Water Bureau's Interstate Maintenance facility (Ordinance)

Disposition: Passed to Second Reading February 10, 1999 at 9:30 a.m.

- *176** Designate and assign a strip of Bureau of Water Works land as public street area and allow use of a parcel of land for temporary construction purposes (Ordinance)

Disposition: Ordinance No. 173073. (Y-4)

- *177** Contract with Portsmouth Community Redevelopment Corporation for \$34,900 for the Portsmouth Target Area project and provide for payment (Previous Agenda 131)

Disposition: Ordinance No. 173074. (Y-4)

- *178** Authorize contracts with Copenhagen Utilities & Construction, Inc. for emergency repairs at the estimated amount of \$65,000 and Northwest Pipe Company for material at the estimated amount of \$1,000, for a total estimated amount of \$66,000 without advertising for bids and provide for payment (Previous Agenda 132)

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Disposition: Ordinance No. 173075. (Y-4)

- *179** Designate and assign a strip of Bureau of Water Works land for public street area for the SE Water Avenue Local Improvement District project (Previous Agenda 133)

Disposition: Ordinance No. 173076. (Y-4)

- 180** Authorize a contract and provide payment for the construction of a 17,000 square-foot uncovered, asphalt paved storage area with associated site improvements at the Water Bureau's Interstate Maintenance facility (Second Reading Agenda 134)

Disposition: Ordinance No. 173077. (Y-4)

REGULAR AGENDA

- *161** Implement the provisions of Resolution 35759, as amended, and assign functions of the Bureau of Planning and the Bureau of Buildings to the Office of Planning and Development Review (Ordinance; amend City Code Title 3.30)

Discussion: Commissioner Hales said he would like to set this over one week.

Disposition: Continued to February 10, 1999 at 9:30 a.m.

- 140** **TIME CERTAIN: 9:30 AM** - Create a Local Improvement District to construct street and sewer improvements in the SW Texas Street/26th/29th Avenues project area (Hearing; Ordinance introduced by Auditor Blackmer; C-9876)

Discussion: Brant Williams, City Engineer, Portland Office of Transportation (PDOT) said this Local Improvement District (LID) project has been in process for about five years. The petition to create it was submitted in 1994 and is still valid. He said the project exemplifies some of the concerns raised recently about the LID program in general and noted that in November Council asked for a redesign of the entire program, given all the controversial issues that have been raised. Issues with this particular project include its cost, the design standards for transportation and stormwater facilities, and the assessment methodologies. He noted that additional regulations placed on the project over the years have increased the cost, both for the transportation and stormwater improvements. Also, the time frame has been drawn out far too long. He said the two most critical issues regarding this project arise from the fact that it was initiated because of new development and because support for the project rests mainly on waivers, with 20 of the 37 properties waived. A year ago PDOT conducted a popular vote and found only minimal support from property owners, with only ten of the 37 properties voting in support. After putting this project on hold while working on the assessment methodology of another LID, PDOT returned to the property owners in December for more discussion and another vote. Because of the change in assessments and turnover in property owners, support dropped to only seven of the 37 properties. However, since the petition is still valid, Council needs to hear testimony and determine whether it wishes to move forward or not.

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Mr. Williams said with the redesign of the LID program, PDOT believes a LID is the best way to deal with the major infrastructure needs here. The street is in horrible shape and the City needs to deal with stormwater run-off, water quality and other issues stemming from the Endangered Species and Clean Water Acts. PDOT believes responding to those issues piecemeal is not the best way to proceed and recommends a more holistic approach to fixing neighborhood infrastructure problems. For these reasons and because of the lack of support, he recommends that Council not approve this project at this time but that it be dealt with as part of the entire LID redesign program.

Commissioner Francesconi asked if the City made any commitments to residents to honor the results of the popular vote.

Mr. Williams said yes, PDOT committed to honoring the results of both popular votes.

Commissioner Francesconi asked if other alternatives were considered, such as designing cheap and skinny streets or using gravel.

Mr. Williams said the whole idea of the redesign of the LID program is to take a fresh look at how streets are designed and see what options are available to meet transportation and stormwater needs. He said PDOT will be talking about gravel streets and different street design standards as well as different ways to finance these improvements. He said trying to do it piecemeal, project by project, is very difficult.

Mr. Saltzman asked whether taking a more holistic look means looking at all the unpaved streets in southwest and outer southeast.

Mr. Williams said that is the intent. The biggest issue has been the cost associated with these projects so staff will look at ways to reduce those, either by redesigning the design standards or by finding another funding mechanism.

Mayor Katz asked what he recommends today.

Mr. Williams said he recommends voting this down. He said one option is using this street as a case study as the City moves through the LID redesign process.

Jerry Wilkins, 2830 SW Texas, 97219, said his main objection is to the exorbitant cost, \$1,000,000 for a five-block street. His assessment is \$28,000 and according to property assessors the improvements will add only \$1,000 to the property value. He questioned the use of waivers which have turned into a City subsidy for developers who place the onus for improvements on purchasers of the new homes. He also questioned the assessment method and how participation is determined. He asked Council to consider using the Equivalent Dwelling Unit (EDU) or square footage methods to assess property owners as part of the redesign. He questioned whether it is equitable for LID participants to pick up the costs of providing its own stormwater system, i.e. a holding pond, while at the same time they pay sewer fees to help the whole City. He said they believe the whole LID process needs review and that they have been treated as second-class citizens.

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Jean Passell, 2624 SW California, 97219, said the LID process was abused to the point of corruption on this project. She said more than a year ago the first popular vote occurred and then one of the four developers raised holy hell with the City. Then another meeting was held and the popular vote against the LID was overturned and that developer's assessment was reduced. She said her assessment is \$25,000 even though she cannot use the street and her property will not be worth a penny more with a paved street than it is now.

Elana Emlen, 7104 SW 26th, 97219, said she had supported this LID because of the need for a safe road and to protect water quality. She said when she and her husband bought their house in 1995, they were assured that paving was imminent but as time went on they realized the project was doomed to failure. First, the streets were too wide and people did not want to pay for more pavement than made sense. Second, the costs kept rising and it became obvious the popular vote would not support it. However, the City has an opportunity to salvage something from its multi-year and six-figure investment in SW Texas. She urged that the current proposal be dismissed and that SW Texas be made the case study for the new review of the LID process.

Matt Emlen, 7204 SW 26th, 97219, said he is happy to see Mr. Williams' recommendation for review of the entire LID process. He said the neighbors have many questions, particularly regarding who pays for the stormwater improvements. Looking at this as a case study would be a big help as the City cannot walk away from solutions to improving the street.

Ms. Emlen said staff should be freed up to consider all the options, not just the standards in place now.

Mr. Emlen said staff had a specific mission to design the road and stormwater systems to Code.

Edward Lily, 7628 SW 32nd, said he is the developer of land which he knew was waived and that would have to pay whatever the assessment was. He completely understands the neighbors' concerns as the assessments are far too high, especially because of the holding pond and the street width. He would like to work with the City to find a solution that works to everyone's benefit. He urged the City to look at different standards because anything is better than what is there now.

Cindy Sechinger, 7117 SW 29th Avenue, 97219, opposed the LID project. She said a \$28,000 assessment for a 900 square-foot house will be hard for her to pay for and she would like the City to consider some alternatives.

Mayor Katz asked if Council can go ahead and vote this down now rather than waiting until next week when it passes to Second Reading.

Ben Walters, Deputy City Attorney, said yes.

Commissioner Saltzman said he hopes the City can turn this LID into a showcase for demonstrating how it can come to terms with these issues and be more flexible in its approach.

Mr. Williams said both PDOT and Bureau of Environmental Services staff are committed to that and have hired Matt Brown as LID administrator to manage this effort.

Commissioner Francesconi voted no. He said a divided Council turned down another LID because of the cost, despite concerns about stormwater and the ability to meet housing goals without an adequate transportation system. He said it is critical to find more flexible approaches and the City should focus on this LID and any others that have been in the pipeline for a long time.

Commissioner Hales agreed that this project should be the case study for trying out new tools. He said it is important to remember that the City is in this crazy situation because of annexations that brought rural areas with dirt roads and septic tanks into the City, not because it set out to use LIDs to build infrastructure. As a result, the City has millions of dollars of unbuilt infrastructure in what are now City neighborhoods. The City has had a very limited tool kit to use to retrofit those areas, including use of the waiver system and, while the LID process is a terrible tool, it has been the only one the City has had up to now. The City may have to put its own money into correcting these deficiencies, in addition to the property owners' money. One suggestion has been to create a subsidy for LIDs and set a flat rate for everyone. However, the existing LID mechanism has worked very well in some cases, i.e. on SW Marigold and in the Lloyd District. That tool probably should remain in the kit but it is not the right one for situations like this. He said this is going to be a difficult financial problem for the community to solve. He voted no.

Mayor Katz stressed the need for flexibility. She said another issue is who pays for stormwater improvements and how much of the cost neighbors should bear.

Disposition: Failed to Pass. (N-4)

Mayor Vera Katz

***181** Adjust FY 1998-99 Adopted Budget for Winter Budget Adjustments (Period 1 FY 1998-99) (Previous Agenda 105)

Discussion: Mark Murray, Bureau of Financial Planning, said major changes to the budget are made three times per year in this Budget Monitoring Process (BMP).

Mayor Katz said most of these are adjustments to balance the budget at the end of the year.

Jim Ruth, Bureau of Financial Planning, said the major adjustments this time are contingency increases in general fund overhead activity, repayment of a loan to the Bureau of Licenses and an overhead adjustment from the previous fiscal year of an LID. The total increase in contingency is \$574,311, bringing the balance to \$942,328. The minor

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supplemental budget recognizes excess revenues from the Police Bureau and the Parks Bureau. Property taxes are being increased for business license refunds and \$2.2 million is needed to meet those refund requests.

Mr. Murray said the bottom line is that these adjustments will not affect any budget forecast thus far.

Mr. Ruth then listed the new requests for expenditures that are included in the BMP.

Mayor Katz said none of these should be a surprise to the Council but she wanted to flag the money listed for the Bright Ideas and Innovation Loan programs. At some point she wants to return to Council with proposed changes to those two programs. She said the Parks Bureau is the only one that has used the loan program to date and it is still available to others.

Commissioner Francesconi asked about the \$200,000 shortfall in fire inspection fees.

Mr. Murray said the Fire Bureau will not hire as many people as initially planned as this program is all fee-generated.

Commissioner Francesconi said he is not sure the Fire Bureau understands that.

Mayor Katz said discussions on the budget adjustments for the second year of the biennium will begin this week. She said there are a lot more requests for money than is available.

Disposition: Ordinance No. 173078. (Y-4)

***182** Establish new District Council of Trade Unions classification structure (Previous Agenda 137)

Discussion: John Wooster, Employment and Compensation Manager, Bureau of Human Resources, said staff has been engaged in a major review of all 193 District Council of Trade Unions (DCTU) classifications, which cover 1,800 positions, the biggest group in the City. For the first time the City used a labor/management advisory committee of 35 members to guide the process throughout.

James McEcheron, Business Manager, Local 483, said ultimately about 200 DCTU members were engaged in reviewing the classifications, with 25 design teams cooperating to identify changes that have taken place in the work classifications. For instance, typists do not use typewriters anymore. He described the review process that was used to arrive at this document.

Mr. Wooster said approval now by Council will allow the Bureau to assign all positions to this new structure and employees will be able to go through a formal appeal process if they believe their classifications are inappropriate. Compensation is being discussed separately

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through negotiations and will be brought to Council for approval later, with new compensation levels expected to become effective July 1. At this point, however, they are only asking for approval of the classification structure.

Mayor Katz asked if potential increases in the job classifications have been build into the second-year budget.

Mr. Wooster said yes. They believe the increase will be small.

Nelda Skidmore, Classification and Compensation Analyst, Bureau of Human Resources, said this was a very unique process as it marked the first time there has had such intense involvement in a classification study on the part of all employees, supervisors and managers.

Mr. McEcheron said the cooperation on this study has been phenomenal. However, the expectation of the DCTU is that wages will be set on the basis of the negotiations now underway.

Mayor Katz said the City needs to check with comparable jurisdictions on pay rates as, in some cases, it is behind. She will double check to make sure money is set aside for that.

Commissioner Saltzman asked if there are more classifications or less.

Mr. Wooster said there will be fewer classifications and more logical groupings.

Cay Kershner, Clerk of the Council, noted that an amended Exhibit A had been filed, changing one classification. Commissioner Hales moved the amendment. Commissioner Saltzman seconded and, hearing no objections, the Mayor so ordered.

Mayor Katz said this is an outcome of longstanding efforts to build trust between employees, supervisors and the City as a whole.

Disposition: Ordinance No. 173079 as amended. (Y-4)

Commissioner Jim Francesconi

***183** Authorize agreement for acquisition of an in-holding property located at 8544 N. Chicago Avenue within St. Johns Park (Ordinance)

Discussion: Commissioner Francesconi stressed that in this case the City is buying, not giving up, park property in St. Johns.

Judith Rees, Parks and Recreation Bureau, said this is a very small property that is surrounded on three sides by the Park and on the fourth side by public right-of-way. She

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said it is a logical acquisition from a willing seller and the price was less than the assessed value.

Disposition: Ordinance No. 173080. (Y-4)

Commissioner Charlie Hales

184 Amend the Comprehensive Plan Map and change the zone of property south of N. McCosh Street from IH, Industrial, to R2, Residential; and south of N. VanHouten Place from R5c to R2c, Residential; and remove the River Natural Greenway Zone overlay from the flat portion of the former Reidel site (Previous Agenda 139; LUR 98-00812 CP ZC CU MS AD)

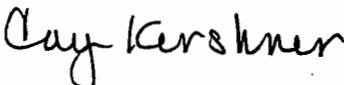
Discussion: Ms. Kershner said this is part of the decision Council made two weeks ago on the University of Portland.

After the initial vote was taken with three Commissioners voting yes and one (Commissioner Francesconi) voting no, the Clerk noted that it could not pass as an emergency ordinance. Commissioner Hales moved to remove the emergency clause and pass the ordinance to second reading. Hearing no objections, the Mayor so ordered.

Disposition: Passed to Second Reading as amended February 10, 1999 at 9:30 a.m.

At 10:40 a.m., Council adjourned.

GARY BLACKMER
Auditor of the City of Portland


By Cay Kershner
Clerk of the Council