



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 24TH DAY OF NOVEMBER, 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; Ruth Spetter, Senior Deputy City Attorney; and Officer Chuck Bolliger, Sergeant at Arms.

Agenda Nos. 1636 and 1641 were pulled from Consent. On a Y-5 roll call, the balance of the Consent Agenda was adopted as follows:

CONSENT AGENDA - NO DISCUSSION

- 1630** Accept bid of Pioneer Waterproofing Company, Inc. to furnish recoat of the 2nd floor deck at 3rd and Alder garage for \$60,350 (Purchasing Report - Bid 99538)

Disposition: Accepted; prepare contract.

Mayor Vera Katz

- 1631** Confirm appointment of Richard A. Alexander II to the Police Internal Investigation Auditing Committee (Report)

Disposition: Confirmed.

- 1632** Confirm appointment of Jose E. Martinez to the Police Internal Investigation Auditing Committee (Report)

Disposition: Confirmed.

- 1633** Grant a ten-year property tax exemption to PCD/ROSE Bungalow Court LLC for new multiple unit housing at SE Cooper Street between 78th and 82nd Avenues (Ordinance)

Disposition: Passed to Second Reading December 1, 1999 at 9:30 a.m.

- *1634** Authorize contractual agreement with ODS Healthplans to provide medical claims administrative services to the City of Portland's self-insured benefit plan participants for plan year 1999-2004 (Previous Agenda 1593)

Disposition: Ordinance No. 173931. (Y-5)

NOVEMBER 24, 1999

Commissioner Jim Francesconi

- 1635 Accept contract with Fire Systems West to provide a fire sprinkler system and upgrade the existing smoke detection system at the Archives and Records building as complete, authorize final payment and release retainage (Report; Contract No. 32335)
- Disposition:** Accepted.
- *1637 Amend intergovernmental agreement with Oregon Health Sciences University for an additional \$11,202 (Ordinance; amend Contract No. 30982)
- Disposition:** Ordinance No. 173932. (Y-5)
- *1638 Authorize the purchase of vehicle emissions test equipment for the Bureau of General Services and provide for payment (Ordinance)
- Disposition:** Ordinance No. 173933. (Y-5)
- *1639 Authorize a contract with Pioneer Waterproofing Company, Inc. to recoat the second floor deck at the Smart Park 3rd and Alder parking garage and provide for payment of \$60,350 (Ordinance)
- Disposition:** Ordinance No. 173934. (Y-5)
- *1640 Authorize payment to the Portland Development Commission in the amount of \$35,000 for purchase of office furniture systems at the 1900 Building (Ordinance)
- Disposition:** Ordinance No. 173935. (Y-5)
- *1642 Adopt findings, approve an alternate contracting process, create an exemption to the competitive bidding requirements of ORS Chapter 279, contract with the highest scoring evaluated proposer and provide for payment for University Park Community Center renovation construction manager/general contractor (Ordinance)
- Disposition:** Ordinance No. 173936. (Y-5)

Commissioner Charlie Hales

- 1643 Accept contract with W.G. Moe & Sons, Inc. for street improvements to SE Stark Street and SE Washington Street, SE 106th to 108th Avenues, as complete, release retainage and make final payment (Report; Contract No. 31799)
- Disposition:** Accepted.
- 1644 Transmit Certificate of Completion for the contract slurry seal project 1999 and make final payment to California Pavement Maintenance Co. (Report; Contract No. 32247)
- Disposition:** Accepted.

NOVEMBER 24, 1999

- *1645 Agreement and amendment to existing agreement with the Oregon Department of Transportation to provide for the repair of landslides from the storm events of 1996 (Ordinance; amend Contract No. 51041)

Disposition: Ordinance No. 173937. (Y-5)

- *1646 Authorize the Purchasing Agent to sign a purchase order as a contract with Valley Iron & Steel Co. through their sales representatives, Malcar Associates, for street light poles at the estimated amount of \$152,980, without advertising for bids and provide for payment (Ordinance)

Disposition: Ordinance No. 173938. (Y-5)

Commissioner Dan Saltzman

- 1647 Accept completion of the N. Sumner Street and N. Albina Avenue sewer rehabilitation project, Project No. 6350, and authorize final payment to Moore Excavation, Inc. (Report; Emergency Purchase Order No. 99-248)

Disposition: Accepted.

- 1648 Accept completion of the Falling and Tryon Creeks streambank enhancement project, Project No. 6576, and authorize final payment to Total Work of Art, Inc. (Report; Contract No. 32415)

Disposition: Accepted.

- 1649 Accept completion of the Columbia Boulevard Wastewater Treatment Plant outfall line rehabilitation project, Project No. 6405, and authorize final payment to Gelco Services, Inc. (Report; Contract No. 32474)

Disposition: Accepted.

- 1650 Appropriate funding for contract with CMTS, Inc. for calendar year 2000 (Ordinance; amend Contract No. 31947)

Disposition: Passed to Second Reading December 1, 1999 at 9:30 a.m.

- 1651 Appropriate funding for contract with TT/CMI, Inc. for calendar year 2000 (Ordinance; amend Contract No. 31948)

Disposition: Passed to Second Reading December 1, 1999 at 9:30 a.m.

- *1652 Authorize a contract and provide for payment for the Crystal Springs Creek FEMA flood insurance restudy (Ordinance)

Disposition: Ordinance No. 173939. (Y-5)

NOVEMBER 24, 1999

- *1653 Amend contract with Montgomery Watson Americas, Inc. for the Tanner Creek stream diversion, Phase 2, project No. 5500 (Ordinance; amend Contract No. 31650)

Disposition: Ordinance No. 173940. (Y-5)

- *1654 Authorize a contract and provide for payment for the construction of the SE 37th, SE Cora and SE Holgate sewer repair and detention facility, Project No. 6332 (Ordinance)

Disposition: Ordinance No. 173941. (Y-5)

Commissioner Erik Sten

- 1655 Accept completion of contract with Three Dimensional Contracting, Inc. for installation of water mains in the SW Marquam Hill Road mains package, make final payment and release retainage (Report; Contract No. 31924)

Disposition: Accepted.

- *1656 Contract with Salvation Army - District Office for \$134,452 to provide emergency winter shelter to homeless adults and families and provide for payment (Ordinance)

Disposition: Ordinance No. 173942. (Y-5)

- *1657 Contract with Housing Authority of Portland for \$151,113 for staffing costs to develop housing facilities for homeless and special needs populations and provide for payment (Ordinance)

Disposition: Ordinance No. 173943. (Y-5)

- *1658 Amend contract with Ant Hill Marketing expanding the scope of work, compensation and extend contract (Ordinance; amend Contract No. 32282)

Disposition: Ordinance No. 173944. (Y-5)

- *1659 Amend contract with Pacific Northern Environmental, Inc. to provide additional funds for disposal of contaminated materials from the Water Bureau's Interstate facility (Ordinance; amend Contract No. 32538)

Disposition: Ordinance No. 173945. (Y-5)

- 1660 Authorize an agreement with ACE Consultants, Inc. for an amount not to exceed \$75,000 to provide engineering services for miscellaneous professional services in the area of design engineering and provide for payment (Second Reading Agenda 1602)

Disposition: Ordinance No. 173946. (Y-5)

- 1661 Authorize an agreement with Economic and Engineering Services, Inc. for an amount not to exceed \$75,000 to provide engineering services for miscellaneous professional services in

the area of water quality, treatment and regulatory compliance and provide for payment (Second Reading Agenda 1603)

Disposition: Ordinance No. 173947. (Y-5)

REGULAR AGENDA

- 1636** Authorize City Attorney to commence legal action against Edward Davis for damages to City-owned tree (Resolution)

Discussion: Commissioner Francesconi asked that this be continued another week to see if a voluntary agreement can be reached with Mr. Davis.

Disposition: Continued to December 1, 1999 at 9:30 a.m.

- *1641** Authorize settlement agreement with Copeland's Investment Partnerships and Pioneer Place limited partnership (Ordinance)

Discussion: Jim Van Dyke, Deputy City Attorney, explained that the settlement agreement stems from potential liability arising from an agreement with the Portland Development Commission (PDC) which allowed the City to add additional floors to the 4th and Yamhill parking garage but called for reimbursement to any tenants for loss of business. Later PDC transferred its interest in the building to the City and the City assumed responsibility for the terms of the agreement with tenants.

Disposition: Ordinance No. 173948. (Y-5)

- 1623** **TIME CERTAIN: 9:30 AM** – Award Eco-Logical Business Certificates to eight Bureau of General Services City-owned garages (Presentation by Commissioners Francesconi and Saltzman)

Discussion: Commissioner Saltzman said it is a pleasure to recognize the Bureau of General Services (BGS) for its incorporation of environmentally sensitive measures into the operation of City-owned garages.

David Kish, Director, BGS, said he is very proud of Fleet Management as this recognizes the commitment it made long ago to be environmentally proactive.

Roger Johnson, Fleet Manager, said they decided to have all eight garages certified, not just one, as all were substantially compliant to begin with and only had to do a few more things to meet the standard.

Commissioners Saltzman and Francesconi awarded the certificates to the garage managers.

Disposition: Placed on File.

- 1624** **TIME CERTAIN: 9:45 AM** – Amend City Code to increase building permit and Master Permit/Facilities Permit program fees and establish site development fees for plan review and/or inspection of on-site stormwater installations and tree preservation and planting,

NOVEMBER 24, 1999

effective January 1, 2000 (Ordinance introduced by Commissioner Hales; amend City Code Chapters 24.10 and 24.15)

Discussion: Commissioner Hales said while fee increases are seldom popular, this reflects the City's commitment to a more efficient comprehensive permitting process. He noted that all the changes called for under Blueprint 2000 have not yet been made and more time is needed to implement them.

Margaret Mahoney, Director, Office of Planning and Development Review, said there have not been fee increases in a number of these areas for some years and these increases will also pay for additional oversight. She noted that the Bureau has had trouble maintaining cost recovery in several programs, such as the electric and plumbing inspections, and those fees were increased. She explained that new site development fees are an attempt to catch up with new assignments for stormwater management and tree preservation. The City achieves about 65 percent recovery for land use review fees and the consultant who reviewed these fees made specific recommendations concerning the trade off between public versus private benefits. Ms. Mahoney said extensive outreach efforts were made by the Bureau which heard concerns that the City was not moving fast enough on Blueprint 2000, that fees are too high, particularly historic landmark review, and about the difference in fee subsidies for residential and commercial development.

Cindy Catto, Associated General Contractors (AGC), said AGC was promised that Blueprint 2000 would streamline the permitted process and give contractors certainty and accountability. They were also told that conflicts in the City would be eliminated. AGC cannot support these fee increases without getting what was promised in return. She said it still takes 16 to 20 weeks to get a permit through the system and contractors are getting impatient. She requested that the increases be postponed until OPDR has fully implemented all the Blueprint 2000 improvements or that the increases be implemented only for the year 2000 with a requirement that OPDR demonstrate that the promised improvements have occurred or else roll the fees back to the their current level. They support the fee increases but only if they can evaluate the programs to see if they are getting their money's worth.

Individuals speaking specifically in opposition to the plumbing fee increases included:

Gary Wright, Local 290, Plumbers and Fitters
Martha Stiven, PHC, 25200 SW Parkway, Wilsonville, 97070
Stan Mino, D and F. Plumbing Co., 4636 N. Albina, 97217
Paul Phillip, representing several plumbing and electrical employee organizations
Sam Miller, no address stated

Opponents said the proposed plumbing permit fee increases are excessive and not justified as in many cases service has gotten worse as rates have increased. They asked the City to show a nexus between these increases and service improvements. They also suggested that raising the fees this high may drive some of the permits underground again.

Rick Michaelson, 906 NW 23rd, 97210, said the methodology has fallen down in determining the fees for historic landmarks, resulting in a disincentive for historical preservation. Now there is no benefit in seeking that designation as the fee is substantially higher than the private benefit, which is zero. He asked Council to review this as it may decide it is important to subsidize this program.

NOVEMBER 24, 1999

Tom Cropper, PO Box 18025, 97218, supported the site development fees for plan review that allow review of on-site stormwater installations and promote tree preservation. He said the City should be careful not to put too much responsibility for on individuals for maintaining its water and sewer lines, many of which are old and in need of repair.

Beverly Bookin, The Bookin Group, 621 SW Morrison, #200, 97205, said these fee increases are not tied to objective criteria for achieving desired outcomes. She expressed concern about predictability and turnaround time. A second concern are the regulatory and zoning conflicts which still exist. She said while they do not oppose 100 percent cost recovery, they do not believe it equitable that commercial fees subsidize residential to the extent proposed. She asked that implementation be delayed until these issues are addressed or to adopt them just for one year and put the burden on staff to show that the goals of Blueprint 2000 have been achieved.

Amanda Fritz, 4106 SW Vacuna, 97219, supported the fee increases that cover new services, including tree preservation and other programs that are in the public interest. She said OPDR should also include an education component as part of the workload for new inspectors.

Mark Murray, Office of Financial Planning, said during the BMP process, it was noted that the number of permits are increasing and more personnel are needed to handle the work load. He also noted that the City is drawing down its reserves and both OPDR and the Office of Finance and Administration are monitoring revenues closely.

Commissioner Hales asked for a status report on the Planning Commission's review of Code conflicts.

Mr. Michaelson, a Planning Commission member, said the Commission intends to send along the first package of proposed Code changes this winter and plans to forward a similar package every six months.

Ms. Mahoney addressed the issues that had been raised and noted that the ordinances before Council are based on cost recovery goals for a five-year period. She noted that Code review is a project for the Planning Bureau, not OPDR. Regarding the landmark fee, the underlying assumptions behind that raise will come up for review again next year but that particular fee is the only one where the Bureau is proposing only a 1.1 percent cost of living increase. Regarding the plumbing and electrical permit fees, Ms. Mahoney said that, despite the Bureau's best efforts, it has not achieved full cost recovery and has been subsidizing those fees. She said they reviewed the fees across the board and realize they are higher for plumbing but one of the underlying problems is that they are based on fixture counts, not value, so there is no built in inflation. She said OPDR is looking at another method for basing the permit fees. She noted that while the City's cost recovery rate on residential permits is 65 percent of cost recovery, inspection efficiency must be considered. That is tracked every day and it has been found that residential inspectors can do more per day than commercial ones. Regarding public expectations, Ms. Mahoney said OPDR can demonstrate service improvements in several areas but not across the board yet. She said service to institutional facilities is very efficient and turnaround on residential permits is running six to eight weeks, which homebuilders appreciate. She said they are still having to work out kinks on commercial projects which have also been more impacted by recent Code changes. To address this issue, they are requesting new positions for site development and

NOVEMBER 24, 1999

stormwater facility inspections and expect additional revenues to help cover the cost of those positions as well as overall cost recovery.

Commissioner Sten asked how much of the plumbing fee increases will go into effect January 1, 2000 and how much as of July 1.

Denise Kleim, OPDR, said they project another 15 percent increase in July but those projected amounts will be reviewed.

Commissioner Sten suggested using that time to discuss some of the issues raised by the plumbers.

Commissioner Francesconi asked if there was a time line for judging whether the improvements have occurred and whether targets had been set.

Ms. Mahoney said they have not set those yet because their new computer system was not in place. Put together from what we had but it is not complete. She said a stakeholder and staff group have been working on performance measures and needs to complete that work

Commissioner Francesconi said he cannot support the fee increases beyond the first year until he sees the performance measurements. He asked if the number of inspectors would be cut if the economy slows down and number of permits decreases.

Ms. Mahoney said OPDR's commitment was that was that when work load went down, staff would be cut.

Commissioner Francesconi asked if the City subsidizes residential permits and gets and gets less cost recovery there.

Ms. Mahoney said larger projects, both commercial and residential, tend to bring in more than they cost. The policy dilemma is that if the fees for smaller projects are increased to reach full cost recovery, people just go underground and do not get permits for the work, raising a safety issue.

Commissioner Francesconi said he would like to know all the underlying policy issues and how fees in other jurisdictions compare to Portland's.

Commissioner Hales said the 65 percent cost recovery for residential permits was a number Council just picked as being about right but reasonable people could certainly pick another number.

Mayor Katz said it would be interesting to have an analysis of the cost of development and quality of service in Portland, compared to other jurisdictions. All bureaus supported by fees need to justify their increases by performance measurements as well as increased service demand. She said she believes Council members would like OPDR to review its base line standards prior to the next budget discussions.

Commissioner Francesconi said the plumbing and electrical fee increases are quite dramatic and asked if an assessment had been made about the impact on small contractors.

NOVEMBER 24, 1999

Ms. Mahoney said they know these fees will impact them but part of the problem has been that previous increases intended to get to full cost recovery did not succeed. She said they are now rebuilding their reserves and trying to get there. Plumbing and electrical fees have been subsidized for three years now.

Commissioner Francesconi asked staff to consider whether the plumbing and electrical fees could be somewhat smaller until the performance measurements are in place.

Mayor Katz said she assumes the customers are the ones who will experience the fee increases.

Disposition: Passed to Second Reading December 1, 1999 at 9:30 a.m.

- 1625** Amend City Code to increase plumbing permit and Plumbing Master Plan Permit/Facilities Permit program fees effective January 1, 2000 (Ordinance; amend City Code Chapter 25.05)

Disposition: Passed to Second Reading December 1, 1999 at 9:30 a.m.

- 1626** Amend City Code to increase electrical permit and Master Permit/Facilities Permit program fees effective January 1, 2000 (Ordinance; amend City Code Chapter 26.05)

Disposition: Passed to Second Reading December 1, 1999 at 9:30 a.m.

- 1627** Amend City Code to increase mechanical permit and Master Permit/Facilities Permit program fees effective January 1, 2000 (Ordinance; amend City Code Chapter 27.03)

Disposition: Passed to Second Reading December 1, 1999 at 9:30 a.m.

- 1628** Amend City Code to amend definitions and establish sign and awning permit fees effective January 1, 2000 (Ordinance; amend City Code Chapter 32.02 and 32.03)

Disposition: Passed to Second Reading December 1, 1999 at 9:30 a.m.

- 1629** Amend City Code to provide for recovering the cost of reviewing land use applications by the Portland Office of Transportation (Ordinance; add City Code Section 17.24.025)

Disposition: Passed to Second Reading December 1, 1999 at 9:30 a.m.

REGULAR AGENDA

Commissioner Dan Saltzman

- s-1662** Consolidate existing erosion control regulations into one regulation, enact erosion control regulations and revise flood management regulations (Second Reading Agenda 1609; amend City Code by adding Title 10 and amending Chapters 17.38, 24.50 and 24.70)

Discussion: Cay Kershner, Clerk of the Council noted that a Substitute had been approved last week and now some housekeeping changes are being proposed.

NOVEMBER 24, 1999

Commissioner Saltzman said the housekeeping amendments are contained in the new version.

Kermit Robinson, Office of Planning and Development Review (OPDR), said his amendment is also a housekeeping one. OPDR referenced the Metro map incorrectly and this was one of the Port of Portland's issues.

Ruth Spetter, Senior Deputy City Attorney, said people in her office have reviewed the amendments and believe they are basically housekeeping items that make things a little clearer and remove some redundancies. If Council wanted to vote today, it could without violating the Code. However, to be absolutely certain, Council could also set this over another week.

Mayor Katz suggested holding it over.

Commissioner Hales moved the Section C amendments.

Commissioner Saltzman asked if he needed to move his amendment.

Mayor Katz said his were already done. Hearing no objections, the Mayor so ordered approval of the amendments.

Disposition: Passed to Second Reading as amended December 1, 1999 at 9:30 a.m.

Commissioner Erik Sten

- *1663 Contract with Global Action Plan for the Earth for \$50,000 to provide a sustainable lifestyle campaign for Portland residents (Previous Agenda 1615)

Disposition: Ordinance No. 173949. (Y-5)

City Auditor Gary Blackmer

- *1664 Create a local improvement district to construct ornamental street lighting local improvement district (Previous Agenda 1616; C-9973)

Discussion: Matt Brown, Office of Transportation, said this involves only one petitioner and will be implemented through a change order process.

Disposition: Ordinance No. 173950. (Y-5)

Communications

- 1665 Request of Thomas I. Buchholz to address Council regarding the Intergovernmental Agreement between the Police and Sheriff's office on Multnomah County animal control (Previous Agenda 1617)

Discussion: Tom Buckholz, 109 10th Street, Oregon City, 97045, protested the failure of the police to seek a search warrant for in incident regarding an animal rescue from private

NOVEMBER 24, 1999

property. He reviewed his prior correspondence to Multnomah County and the City of Gresham on this issue and his failure to get his questions about search warrants resolved.

Disposition: Placed on File.

- 1666** Request of Virginia Symonds to address Council on an issue involving the Water Bureau (Communication)

Discussion: The Council Clerk noted that Ms. Symonds was not present.

Disposition: Placed on File.

- 1667** Request of Roger Vrilakas to address Council about litter in the City (Communication)

Discussion: Roger Vrilakas, 2458 NW Johnson, 97210, submitted a photographic essay about litter to each council member showing overflowing refuse cans in Northwest, especially along NW 23rd Avenue. He said litter is repellant and the solution is obvious – provide more refuse cans.

Council members responded that they were unsure who had the responsibility for emptying the cans but will find out as it is obvious that the system's capacity is overloaded.

Disposition: Placed on File.

At 11:20 a.m., Council recessed.

NOVEMBER 24, 1999

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 24TH DAY OF NOVEMBER, 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; Kathryn Beaumont, Senior, Deputy City Attorney; and Officer Chuck Bolliger, Sergeant at Arms.

Mayor Vera Katz

- 1668** Consider issues identified in remand from the Land Use Board of Appeals on the East Portland Community Center (Findings; Previous Agenda 1470; LUR 96-00430 CU)
Rescheduled to December 8, 1999 at 2:00 p.m.

Disposition: Continued to December 8, 1999 at 2:00 p.m.

Commissioner Jim Francesconi

- *1669** Designate thirty-two Heritage Trees in the City of Portland (Ordinance)

Discussion: Jane Glazer, Urban Forestry Commission, said today she is requesting that Council designate 32 more heritage trees, bring the total designated over 20 years to 235. She showed slides of 24 of the trees.

Elaine Cogan, 6436 SE Morrison, 97215, described the two-inch tree give to her by First Lady Pat Nixon at the White House when she served as Chair of the Portland Development Commission in the 1970s.

Disposition: Ordinance No. 173951. (Y-5)

- 1670** Eliminate amusement distributor fees and amusement device permits and fees (Ordinance; amend Code Chapter 14.69)

Discussion: Commissioner Francesconi said this is one of the few times he can remember that money is being returned to an industry, in this case about \$60,000.

Jim Wadsworth, Director, License Bureau, said this effectively merges one program into three and eliminates two types of existing amusement permits. They believe this is good for citizens, the industry and the City.

Mike Sanderson, License Bureau, said staff is recommending that the current amusement code be replaced with one that effectively eliminates amusement distributors who do not operate from their own locations. The old Code required three permits – one for the device, one for the location and one for distributors. This ordinance will eliminate permits for both the device and the distributor but would still require location permits. With the introduction of State-operated video poker machines in the City, licensing privately-owned video poker (gray games) and similar devices or their distributors is no longer needed. He said the Bureau still has the ability to regulate local owners and operators and the proposed ordinance will double location permit fees. He said staff made special efforts to reach those

NOVEMBER 24, 1999

who might be negatively impacted and do not believe anyone will see a big increase. He said the new fee structure better reflects current conditions, cuts costs and still provides a reasonable level of regulatory oversight. The drop in revenues is estimated at \$60,000. The ordinance has the support of the Police Drug and Vice Division, which helped rework this Code.

In response to a comment by the Mayor, Mr. Sanderson noted that the arrival of video poker machines put a lot of the other amusement games out of business.

Disposition: Passed to Second Reading December 1, 1999 at 9:30 a.m.

At 2:30 p.m. Council adjourned.

GARY BLACKMER
Auditor of the City of Portland

A handwritten signature in cursive script that reads "Cay Kershner" followed by a vertical line and the number "60".

By Cay Kershner
Clerk of the Council