



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 1ST DAY OF DECEMBER, 1999 AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi, Hales (late), 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.

Rod Monroe and Ed Washington, Metro Councilors, updated Council on current issues including the Urban Growth Boundary (UGB) and the Regional Transportation Plan.

Commissioner Francesconi asked if there is a problem with the lack of industrial land.

Mr. Monroe said there is no mandate for Metro from the State regarding industrial land but surveys show the largest parcels are in Clark County where they have a dearth of jobs and a glut of commuters who cross the river. A bi-state committee is looking at the jobs/housing balance. Suggestions have been made that some industrial land in Hillsboro be rezoned residential to maintain the current UGB but others think that would not be a good idea.

Agenda No. 1687 was pulled from Consent. On a Y-4 roll call, the balance of the Consent Agenda was adopted as follows:

CONSENT AGENDA - NO DISCUSSION

- 1673** Cash investment balances October 14 through November 10, 1999 (Report; Treasurer)

Disposition: Placed on File.

- 1674** Accept bid of Rehrig Pacific Company to furnish 60-65 gallon commercial recycling roll carts for \$58,725, with a prompt payment discount of 3% 15 days for \$56,963, annually for three years (Purchasing Report - Bid 99450)

Disposition: Accepted; prepare contract.

- 1675** Accept bid of Eagle Elsner, Inc. to furnish signal and street improvements to Naito Parkway for \$857,996 (Purchasing Report - Bid 99504)

Disposition: Accepted; prepare contract.

- 1676** Accept bid of Clyde West, Inc. to furnish tractor with flail type brush cutter for \$144,450 (Purchasing Report - Bid 99510)

Disposition: Accepted; prepare contract.

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- 1677** Accept bid of Industrial Fabrics Corporation to furnish annual supply of belt press media for \$29,774 annually for three years (Purchasing Report - Bid 99537)

Disposition: Accepted; prepare contract.

Mayor Vera Katz

- *1678** Pay claim of AJP Northwest, Inc. (Ordinance)

Disposition: Ordinance No. 173952. (Y-4)

- *1679** Pay claim of Kathy Gersava (Ordinance)

Disposition: Ordinance No. 173953. (Y-4)

- 1680** 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 (Second Reading Agenda 1633)

Disposition: Ordinance No. 173954. (Y-4)

Commissioner Jim Francesconi

- *1681** Authorize an agreement with the Friends of the Children's Museum to pay off their debt to the City totaling \$196,200 (Ordinance)

Disposition: Ordinance No. 173955. (Y-4)

- *1682** Renew contract with Multnomah County providing City funds for Aging and Disability Services Department district senior centers (Ordinance; amend Contract No. 32024)

Disposition: Ordinance No. 173956. (Y-4)

- *1683** Authorize agreement for acquisition of the Schnabel property adjacent to Errol Heights Park at 5108 SE Tenino Court in the Locally Significant Local Share Target Area (Ordinance)

Disposition: Ordinance No. 173957. (Y-4)

- *1684** Contribute \$64,375 towards the purchase price of a property owned by the Johnstone Trust, UDT in Southwest Portland near Woods Creek Park in the Fanno Creek Regional Target Area (Ordinance)

Disposition: Ordinance No. 173958. (Y-4)

- *1685** Increase contract with Murase Associates in order to complete design services for Holladay Park fountain by \$45,000 and extend completion date (Ordinance; amend Contract No. 30106)

Disposition: Ordinance No. 173959. (Y-4)

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- *1686** Increase agreements with Group Mackenzie to provide services for alternate site feasibility and design of the mounted patrol unit and provide for payment (Ordinance; amend Purchase Order Nos. 1022677 and 1022792)

Disposition: Ordinance No. 173960. (Y-4)

Commissioner Charlie Hales

- *1688** Authorize the continuance of negotiations for the purchase of street dedications, permanent slope and utility easements and temporary construction easements required for SE Tacoma Street improvement project, authorize the City Attorney to commence condemnation proceedings, if necessary, and obtain early possession (Ordinance)

Disposition: Ordinance No. 173961. (Y-4)

- *1689** Agreement with the Oregon Department of Transportation regarding construction of the Steel Bridge Pedestrian and Bicycle Crossing project (Ordinance)

Disposition: Ordinance No. 173962. (Y-4)

- *1690** Amend agreement with the Portland Development Commission regarding the Eastbank and Steel Bridge River Access Pedestrian and Bicycle projects (Ordinance)

Disposition: Ordinance No. 173963. (Y-4)

Commissioner Dan Saltzman

- 1691** Appropriate funding for contract with CMTS, Inc. for calendar year 2000 (Second Reading Agenda 1650; amend Contract No. 31947)

Disposition: Ordinance No. 173964. (Y-4)

- 1692** Appropriate funding for contract with TT/CMI, Inc. for calendar year 2000 (Second Reading Agenda 1651; amend Contract No. 31948)

Disposition: Ordinance No. 173965. (Y-4)

Commissioner Erik Sten

- *1693** Contract with Lutheran Family Services for \$49,337 for the Family Works/Parkrose TAD 00 and provide for payment (Ordinance)

Disposition: Ordinance No. 173966. (Y-4)

- *1694** Contract with Housing Authority of Portland for \$726,068 for the HAP-HOME Investment Partnership program and provide for payment (Ordinance)

Disposition: Ordinance No. 173967. (Y-4)

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- *1695** Contract with Oregon Bureau of Labor and Industries for \$19,555 for Civil Rights enforcement services and provide for payment (Ordinance)

Disposition: Ordinance No. 173968. (Y-4)

- *1696** Amend agreement with Rose CDC for the SE Cooper Street improvement by increasing the amount to \$25,000 and provide for payment (Ordinance; amend Contract No. 32344)

Disposition: Ordinance No. 173969. (Y-4)

REGULAR AGENDA

- 1687** Authorize City Attorney to commence legal action against Edward Davis for damages to City-owned tree (Previous Agenda 1636)

Discussion: Commissioner Francesconi said he was unable to reach an agreement with Mr. Davis to pay damages and, therefore, recommends passage of this resolution.

Disposition: Resolution No. 35845. (Y-4)

- 1671** **TIME CERTAIN: 9:30 AM** – Recommend approval of the Old Town/Chinatown development plan (Resolution introduced by Mayor Katz)

Discussion: Phil Kalberer, Chair, Vision Committee, Old Town/Chinatown, said two years ago Council adopted the vision plan and this development plan is the next step. He said the plan represents agreement among some very diverse interests with diverse issues. Among the major development barriers addressed are West Burnside, a very important transportation and economic development piece, and the tie into the River and Pearl Districts.

John Tess, President, Historical Old Town, said the area has become a very vibrant place over the past few years and development is brisk. This plan will continue to rejuvenate the area and meet City goals, including housing. He too noted the concern for Burnside and for linking the river back to the City.

Commissioner Hales asked about the timetable on Blocks U and R, adjacent to Union Station.

Mr. Tess said this is a good time to take a new look at those two blocks and consider some lower-density and mixed-use development rather than the high rises initially envisioned there. He said this would be an opportune time to put out an RFP for those two blocks.

Others speaking in support of the plan included:

Doreen Binder, Executive Director, Transition Projects
Dan Lenzen, chair, Old Town Arts and Entertainment District
Ed Chen, Chinese Consolidated Benevolent Association
Karen Moore, past president, Old Town/China Town Neighborhood Association
Richard Harris, Central City Concern
Brian McCarl, 3015 SW 1st, 97201

Supporters said this Plan preserves the unique diversity of this neighborhood and shows that social services, businesses and housing need not be in conflict as has sometimes been the experience in the past. They noted a need to preserve low-income housing and to develop additional capacity but they do not want it to be the only area in the vicinity with low-income housing. All agreed that the barrier Burnside presents to neighborhood livability and economic development needs to be addressed and supported completion of the Burnside traffic study. They also said they would like to see more notice given to the area's history and to have a community center sited here.

Areas that need more study are the Third and Fourth Avenue corridors, the Union Station parcel and the edges of the district.

Regarding the Union Station property, Rick Gusstafson, Shiels/Obletz Johnsoen, plan consultant, said the community held an intensive workshop and then declared its desire to redevelop those blocks, connecting Tri-Met from under the Broadway Bridge to the River District. He said a housing development project is feasible on these blocks and described what has been envisioned there.

Commissioner Hales said he would like to see some sort of shared parking arrangement, as soon as possible, to help relieve congestion at Union Station. He asked if there were plans to move forward with a community center.

Mayor Katz said they are not ready to talk about that yet but it is being discussed. In addition to making Burnside more pedestrian friendly, she would like to see different, more inviting building fronts.

Commissioner Francesconi said it is very impressive to see this emphasis on diversity in this plan. He pledged to help make the connections to the river and park blocks and provide neighborhood recreational space and a community center. He said Portland needs to have more ethnic neighborhoods to liven things up.

Mayor Katz said the Chinese community needs to be very visible in this part of town and she hopes housing can be built there that is specifically dedicated to the elderly Chinese population.

Disposition: Resolution No. 35846. (Y-5)

1672 TIME CERTAIN: 10:30 AM – Adopt the 8th Amendment to the Oregon Convention Center Urban Renewal Plan to establish authority to acquire property at 834 NE Martin Luther King Jr. Boulevard (Ordinance introduced by Mayor Katz)

Discussion: Michael McElwee, Portland Development Commission (PDC), summarized the process and explained the public policy basis behind PDC's decision to propose this amendment which would allow acquisition of property across from the Convention Center. He noted that the property is currently vacant and represents a significant opportunity for redevelopment. The PDC Board asked staff to pursue negotiations to work out a mutually satisfactory agreement and while the owner and tenant do not agree with this action, they are willing to negotiate. If an agreement cannot be worked out, this ordinance will allow the PDC Board to initiate condemnation proceedings. PDC has no specific build-out plan for the property at this time but believes that it, and other blocks between Lloyd and Holladay, have significant potential for buildout at allowable height and FAR limits. The next steps

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would be to discuss with Convention Center staff and adjacent businesses what uses are appropriate and then issue an RFP.

Commissioner Francesconi asked why this process needs to be done before any proposals are made.

Mr. McElwee said they believe it is inappropriate to have a specific plan for property at this time.

Commissioner Francesconi said when condemnation occurs it must be for public use but that use is not known. He needs assurances that something beneficial to the public will actually happen.

Commissioner Saltzman said he is troubled not to know whether there is any overriding public purpose at this time that justifies condemnation.. He said the same logic used to acquire this property could be applied all along Martin Luther King Jr., Blvd. He asked if the condemnation portion can be severed from this amendment.

Harry Auerbach, Deputy City Attorney, said the public purpose served is elimination of blight, not a specific development. A separate resolution by the PDC Board would be needed before condemnation could be initiated but the matter would not return to Council.

Felicia Trader, Director, PDC, said one concern is that PDC does not want to develop a specific plan until it has control of the property. This whole area is changing very dramatically and PDC wants to work with people to develop this piece to its highest and best use.

Karen Williams, General Counsel, PDC, reviewed the legal requirements for acquisition and condemnation, if necessary. She noted that the incoming tenants would have relocation rights.

Commissioner Sten asked what distinguishes this block from other underutilized ones in that area.

Mr. McElwee said its key location across from the Convention Center is seen as the starting point for conversations about the redevelopment of all those blocks.

Mayor Katz said the current uses on this property do not relate to the people who use convention center. The potential here is huge and could include a headquarters hotel. There has been a lot of talk about why this area has not been developing and this acquisition may be the catalyst to get things moving.

Mr. Auerbach read the ORS statute describing what qualifies as blight in condemnation proceedings and noted that it is quite broad.

George Morris, attorney, representing Rosewater Brewing Company, said this property was formerly a Sizzler restaurant, which has since declared bankruptcy and Rosewater acquired its interest in the property as part of that bankruptcy. He said originally they intended to develop the site as a brewpub but then decided to put the property up for sale. When PDC advised them of its interest in acquiring the site, Rosewater indicated it would be a voluntary

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seller. PDC then said it was no longer interested so Rosewater committed to sell the property to Carl's Jr. and, at that point, PDC jumped back in the picture. Rosewater's concern is that a taking has already occurred because, as a result of the steps taken by PDC, Carl's Jr. terminated its contract and Rosewater lost a ready, willing and able buyer. However, in one way his client supports this action as currently he is unable to use or sell the property because of PDC actions. He said because the terms of the lease are for 22 years, the property is not financable for multi-million high rise development or a Convention Center hotel on the scale that PDC desires. That puts his client in limbo as it can neither use nor sell it and public funds are needed to pay it what it is entitled. Otherwise Rosewater needs a very clear statement that PDC is out of the picture for development so it can move forward.

Commissioner Hales said in an area where the public has spent so much money to develop the Convention Center across the street, he does not think it is appropriate to leave a building boarded up for four years and feels it is necessary for the City to intervene in this case.

Commissioner Francesconi said he will support this acquisition as it does meet the definition of blight and there are no alternatives at this point.

Commissioner Sten said he thinks condemnation needs a lot more debate and is not sure blight is sufficient reason. He is concerned about PDC's on and off again approach to this property but believes it is appropriate to try to acquire it and work out a deal that is agreeable to both sides.

Mayor Katz said she is committed to reviewing this issue with Council members before PDC makes a decision to move forward with condemnation, which the City does only rarely.

Disposition: Passed to Second Reading December 8, 1999 at 9:30 a.m.

- *1697 Authorize a Homeownership Opportunity Initiative program for City of Portland employees, subject to any collective bargaining requirements the City may have (Ordinance introduced by Mayor Katz, Commissioners Francesconi and Sten)

Discussion: Mayor Katz said this is a wonderful home ownership proposal that will be available to all employees.

Baruti Artharee, Director of Housing, PDC, said this builds on an earlier program that gave police officers incentives to buy homes within certain locations in the City. This uses private funds to accomplish public purposes.

Barbara Reigler, Manager, Neighborhood Housing Preservation Program, Portland Development Commission, said this initiative offers special affordable features including reduced mortgage payments, low down payments, savings on mortgage insurance and easier qualifying ratios. Continental Savings Bank is also offering reduced closing costs for appraisals..

Ruth Roth, Office of Finance and Administration, said staff thought the City would be in a better position to encourage other large employers to offer such programs if the City itself

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had one. They were delighted when the AFL/CIO, Fannie Mae and Continental Bank came to the City with this program. It is their intent to roll out \$10 million in loans. One requirement is that employers purchase properties within the City.

Commissioner Hales noted that location-efficient mortgages are not included here to give those who live close to transit a better break on their mortgages because they do not have to spend as much money on transportation. He asked if that could be made a condition in this ordinance.

Ms. Reigler said location-efficient mortgages are not yet available in Portland yet but she believes Continental would probably be agreeable to talk about adding that condition.

Mr. Artharee said it would be appropriate to explore that with Continental Savings but he is concerned about encumbering this particular program right now, primarily because these partners came to the City with a pre-packaged program they are using very effectively in other cities. He is concerned about making location-efficient mortgages a condition for approving the program.

Commissioner Hales said he would not make it a condition for every employee. But the City subsidizes transit passes for many potential loan applicants that would be good candidates for location-efficient mortgages. If they are not offered in this package he does not see how the City could ask anyone to offer them.

Commissioner Francesconi said the partners have been working on this for six months and it would have been helpful to have had this suggestion earlier. It is a good idea but approval of this proposal should not be contingent on that.

Mr. Artharee said the idea of location-efficient mortgages is an excellent one for any other lenders who come to the City and they will explore this with Continental.

Commissioner Francesconi said homeownership rates are increasing except among the minority population and special outreach is needed to that group.

Commissioner Hales said he is sorry to upset the apple cart and somewhat disappointed that the issue of location-efficient mortgages never arose before. He hopes they will return in six months to add this for employees whose transit use the City is currently subsidizing.

Commissioner Sten said a location-efficient mortgage study is going on with Metro and mortgage lenders are waiting until that is completed before including that in their programs. The goal of this program is to increase the ratio of homeowners to renters and the two goals can work together. He said the City cannot reach its homeownership goals without strategic financial choices and this is one piece.

Mayor Katz said she hopes this program can be extended to include other financial institutions as this is a wonderful beginning.

Disposition: Ordinance No. 173970. (Y-4)

Mayor Vera Katz

- *1698** Adjust the current compensation plan for the Planning Director classification in accordance with the Personnel Rules adopted by the City Council (Ordinance)

Discussion: Mayor Katz said when her staff took a look around the country at the salary scale for Planning Directors in cities of comparable size, they found Portland's was lower than others. That is why a salary adjustment for the new Planning Director is being requested. She also believes it is time to review non-representative compensation schedules across the board.

Commissioner Francesconi said, given the new responsibilities assigned to the Planning Director, he believes the compensation should be increased for this position although he does not necessarily support increases for all managers. It does take money to get talent.

Commissioner Sten disagreed and voted nay. He said the position was advertised at this salary and that was clearly stated all along. He noted that the number of employees the new Director will supervise has been cut in half so there is a much smaller management responsibility. He is also concerned about the ramifications for other managers as this does imply higher pay rates for them down the line.

Mr. Auerbach noted that an emergency ordinance cannot pass unless the vote is unanimous.

Commissioner Francesconi moved to remove the emergency clause. The motion was seconded and, hearing no objection, the Mayor so ordered.

Disposition: Passed to Second Reading as amended December 8, 1999 at 9:30 a.m.

Commissioner Jim Francesconi

- 1699** Eliminate amusement distributor fees and amusement device permits and fees (Second Reading Agenda 1670; amend Code Chapter 14.69)

Disposition: Ordinance No. 173971. (Y-5)

Commissioner Charlie Hales

- *1700** Amend the fee schedule for land use applications and related planning services (Ordinance)

Discussion: Margaret Mahoney, Director, Office of Planning and Development Review, said this is a companion piece to the other permit fee increase ordinances. She said the goal is to recover 65 percent of the cost of the services.

Disposition: Ordinance No. 173972. (Y-5)

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- 1701** 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, effective January 1, 2000 (Second Reading Agenda 1624; amend City Code Chapters 24.10 and 24.15)

Disposition: Ordinance No. 173973. (Y-5)

- 1702** Amend City Code to increase plumbing permit and Plumbing Master Permit/Facilities Permit program fees effective January 1, 2000 (Second Reading Agenda 1625; amend City Code Chapter 25.05)

Discussion: Commissioner Francesconi said he believes these plumbing fees are too high compared to other jurisdictions. He voted no.

Commissioner Sten said he will support this but would like more documentation as to its effect.

Disposition: Ordinance No. 1732974. (Y-4, N-1, Francesconi)

- 1703** Amend City Code to increase electrical permit and Master Permit/Facilities Permit program fees effective January 1, 2000 (Second Reading Agenda 1626; amend City Code Chapter 26.05)

Disposition: Ordinance No. 173975. (Y-5)

- 1704** Amend City Code to increase mechanical permit and Master Permit/Facilities Permit program fees effective January 1, 2000 (Second Reading Agenda 1627; amend City Code Chapter 27.03)

Disposition: Ordinance No. 173976. (Y-5)

- 1705** Amend City Code to amend definitions and establish Sign and Awning Permit fees effective January 1, 2000 (Second Reading Agenda 1628; amend Code Chapter 32.02 and 32.03)

Disposition: Ordinance No. 173977. (Y-5)

- 1706** Amend City Code to provide for recovering the cost of reviewing land use applications by the Portland Office of Transportation (Second Reading Agenda 1629; add City Code Section 17.24.025)

Disposition: Ordinance No. 173978. (Y-5)

Commissioner Dan Saltzman

- S-1707** Consolidate existing erosion control regulations into one regulation, enact erosion control regulations and revise flood management regulations (Second Reading Agenda 1662; amend City Code by adding Title 10 and amending Chapters 17.38.24.50 and 24.70)

Discussion: Commissioner Saltzman asked if his Substitute had been passed.

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Mr. Auerbach said yes, Council can go ahead and vote today.

Commissioner Francesconi said if he had been present at that session he would have voted against regulating non-permitted activities as he believes education is the better path to pursue.

Disposition: Substitute Ordinance No. 173979 as amended. (Y-5)

Commissioner Erik Sten

- *1708** Contract with Mercy Corps International for \$71,178 for the Portland Entrepreneur Initiative 1999/2000 and provide for payment (Ordinance)

Discussion: Commissioner Sten said although the economy has improved, the poverty rate has remained constant and it is very hard for the City to get into the lending business and try to help those who need it. Mercy Corps has now decided to bring its experience nurturing micro-businesses internationally to bear locally.

Howard Cutler, Bureau of Housing and Community Development (BHCD), said four years ago BHCD decided to put more emphasis on micro-enterprises and is now ready to begin a coordinated, ongoing Citywide program through this contract with Mercy Corps and Cascadia Revolving Loan Fund.

Karen Young, Mercy Corps International, said this will provide a continuum of credit to entrepreneurs who can not get bank loans but have viable business ideas. Mercy Corps hopes to serve as an intermediary between the private and public sector and plans to develop five to ten loans over the next year.

Mayor Katz said there are some real questions as to whether micro credits work in the United States so she will keep very close track of this.

Disposition: Ordinance No. 173980. (Y-5)

City Auditor Gary Blackmer

- 1709** Assess property for sidewalk repair by the Bureau of Maintenance for billing processed through October 22, 1999 (Hearing; Ordinance; Y1036)

Discussion: Tom Cropper, Rose City Park resident, said sidewalk repair is a big issue for many residents who are forced to pay for sidewalk repairs which can become liens against their property if the repairs are done by the City and not a private contractor. In his case his family was forced to repair a sidewalk damaged by a leak from a water main, which he believes is the City's responsibility to maintain.

Disposition: Passed to Second Reading December 8, 1999 at 9:30 a.m.

At 12:05 p.m., Council recessed.

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A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON
WAS HELD THIS 1ST DAY OF DECEMBER, 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,
Sr. Deputy City Attorney; and Officer Chuck Bolliger, Sergeant at Arms.

1710 TIME CERTAIN: 2:00 PM – Amend the Zoning Code to establish minimum and
maximum parking ratios as required by Title 2 of the region's Urban Growth Management
Functional Plan (Ordinance introduced by Mayor Katz)

Discussion: Mayor Katz said this is a challenging and complicated piece of work. She
asked for an explanation of both the staff and the Planning Commission recommendations.

Susan Hartnett, Bureau of Planning, said this project focuses on the requirements of the
Title 2 requirements of the Urban Growth Management Functional Plan and is intended to
be primarily a compliance effort.

Karen Howard, Bureau of Planning, said Metro's Title 2 has two requirements. The first is
that cities and counties require no more parking than the minimums shown on the regional
parking ratios table. The second states that cities and counties shall not establish parking
maximums at ratios greater than those listed in the table. She gave an overview of the
maximums, which are given at two different levels, Zone A and Zone B, based on the
availability of transit. She said in Portland Zone A includes mixed-use areas and those
within one-quarter mile walking distance of 20 minute peak-hour transit service or one-half
hour distance from a light rail station. Most of the City's commercial areas fall into Zone A
while Zone B is comprised of a scattering of low-density residential islands, some major
industrial employment areas and portions of the Southwest and Northwest hills. One of the
biggest challenges of the project was to figure out how the Title 2 requirements fit in with
the City's existing parking standards, which are based on the zoning and usually expressed
as a ratio. For instance, in general office and commercial zones, the minimum parking
requirement is currently one parking space per 400 square feet of floor area. With a few
exceptions the minimum parking requirements already meet the Title 2 requirements and go
beyond what is expected. However, warehouse uses is one area that does not meet the
minimum and is higher than Title 2 standards. The Planning Commission also examined
other zones to make sure the minimum requirements now in the zoning code are not causing
more parking to be built than is needed. After considering these questions, the Planning
Commission recommends that the City reduce or eliminate parking minimums that may
force developers to build more parking than is needed and, specifically, to lower the
parking minimums for warehouse, office and health club uses and eliminate the minimum
parking requirements in the Central Employment and CO1 zones. Regarding application of
parking maximums, the City already has them in place in the Central City, Gateway and
Cascade Station Plan Districts. They also exist for some land uses, such as medical centers
and colleges. There are parking maximums in the Central Employment, the EX and NCO1
zones.

Ms. Howard said Title 2 requires that parking maximums be applied citywide to most non-residential uses and the challenge is that the parking maximums must comply with Title 2, meet the parking needs of specific land uses and be relatively easy to administer. The Planning Commission considered a number of issues in this regard. First, should parking maximums be applied uniformly across the City or should they take into account the availability of transit. The Commission recommends that the City maintain any current parking maximums in the zoning code and apply a single set of parking maximums equivalent to Zone B maximums in all other areas. That brings up the issue of compliance as a big portion of the City falls into Zone A. The next issue is what are appropriate maximums for different land use categories. For those included in the parking ratios table, the Planning Commission recommends that Zone B maximums be applied. For uses not included in the table, the Commission recommends that parking maximums equivalent to the Title 2 Zone B maximums be applied based on the most similar land-use category in the regional parking ratios table. For some land uses, such as detention facilities, medical centers and colleges, the amount of parking allowed is currently determined through a conditional use review or impact mitigation plan. The Planning Commission recommends that process be maintained. For uses that generate little parking demand, such as radio frequency transmission facilities and residential uses, the Commission recommends that no maximums at all be applied. Since parking ratios do not apply in commercial areas and, in order to prevent proliferation of commercial parking facilities as a means of circumventing parking maximums, the Planning Commission recommends changing commercial parking uses from an allowed use to a conditional use in the CG, EG1 and EG2 zones. Another issue is whether parking maximums should apply to both surface and structured parking. The Planning Commission felt that in order to provide an incentive to build more efficient structured parking, that it be exempted from the parking maximums except in certain limited cases. The Commission recommends that the City allow existing parking spaces that are in excess of the maximum to be maintained in most circumstances. The final issue considered was whether there were changes that need to be made to parking regulations in the Central City Plan district in order to comply with Title 2 requirements. Metro staff had indicated that staff must apply office maximums in those Central City parking sections that currently do not have them. The Planning Commission recommended a parking maximum of 3.4 spaces per 1,000 square feet of net building area for office uses in Lower Albina and specified sectors in the Central Eastside and River District. It also recommends that no parking changes be made in North Macadam at this time.

Ms. Hartnett addressed four issues. The first is the application of parking maximums. She noted that Metro's Title 2 distinguishes between maximums based on proximity to transit service and that much of the City falls within Zone A. The difference between Zone A and B is based on walking distances from transit so trying to administer a distinction between Zone A and B based on a map would be very difficult as the lines would be very jagged and would have to be updated frequently. The Planning Commission recommended applying Zone B as the Citywide standard which means that the City would not have to rely on a map to distinguish between the areas. They recognized this might require an exception to the Title 2 requirements but believe more restrictive maximums should only apply in the future once an area-specific activity has taken place. They felt that applying the Zone B standards here was a good first step in areas that currently do not have maximums. Staff had originally proposed maintaining the existing parking maximums in the CE and NC1 zones as well as the Central City, Gateway and Cascade Station Plan Districts. That is consistent with the Planning Commission's recommendation but staff's proposal for the other areas was to use the Zone A standard since the majority of the land area is Zone A. It also

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included in its proposal an exception in the Zoning Code that would allow sites outside the Zone A good transit definition to be able to access a higher zone B standard. This exception would be administered through the Zoning Code and would not require discretionary land-use review. Staff does not agree with the Planning Commission that structured parking should be exempted from the parking maximums, with some exceptions. Staff believes structured parking raises the same concerns as surface parking regarding traffic congestion, air quality and promotion of other transportation modes. Regarding parking maximums in the Central City, maximums need to be established in areas where they do not currently exist, such as Lower Albina, the Central Eastside and River District 1 and 2. She outlined staff proposals for parking maximums in those areas, applying a 2.5 ratio per 1,000 for office uses in Lower Albina and the Central Eastside 1,4,5 and 6, rather than the 3.4 recommended by the Planning Commission.. The staff recommendation is also consistent with what is already in place. For River District 1 and 2, staff proposed an office maximum of 2.5 per thousand with an option to adjust that to 3.0 per thousand for transit-remote areas in River District 1. They felt that EX zoning within the Central City should not have a more liberal maximum than EX zoning outside the Central City and thought adopting a higher maximum might impede their ability to implement the vision for the River District which relies on good transit use.

Ms. Hartnett said the question staff raised was whether the City should establish maximums that are more restrictive in those scattered areas of the City that do not already have their own parking regulations and benefit from better transit service. The Planning Commission recommends applying the Zone B maximums in all areas except CX, CM1 and Central City Gateway and Cascade Station. They believe those are the more appropriate maximums when there are no area-specific studies and are concerned about placing Portland at a competitive disadvantage in the region by setting more restrictive standards. The staff's original proposal was to establish maximums in the RX, CX, CM and CS zones outside the Central City that are consistent with the existing regulations for the EX zone. Those are somewhat more restrictive than the Zone A maximums. Staff also proposed establishing maximums in the CO1 zone consistent with the CM1 zone, again somewhat more restrictive than what Zone A requires. They believe these are the zones intended for higher density uses and the maximums are more consistent with the policies that helped create these zones.

Ms. Harnett said on the non-conforming situations, the Planning Commission came up with an approach that allows parking maximums that exist today in excess of the maximums to continue into the future. When staff reviewed that, it concluded a language change was needed and so is proposing a minor amendment that does not change the outcome but makes it easier to administer.

Commissioner Hales asked if the River District zones are used for anything else than parking.

Ms. Hartnett said they are called subsectors and their primary purpose is for parking regulations.

Commissioner Hales said some of the district boundaries do not seem to match up with reality. Regarding North Macadam, where no ratios are recommended, he asked what would apply if someone requested a building permit in the CX zone.

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Ms. Hartnett said there is a limitation on the amount of surface parking allowed of 40,000 square feet.

Commissioner Francesconi asked what it takes to get an area-specific standard.

Mr. Harnett said it would require undertaking a legislative project to look at existing parking inventories, the kind of uses allowed and envisioned and then try to determine what makes sense for the area. To do such a study for the River District, it would take probably nine months to one year.

Commissioner Francesconi said he would like to see how Zones A and B are applied throughout the region to other jurisdictions. He said balancing the parking ratios is critical to the businesses the City wants to support as well as to the urban form.

Commissioner Hales asked why a non-conforming provision is needed.

Ms. Harnett said it would only be applied if someone came in for a development application. She said they need a regulation that speaks to existing development that has parking in excess of what these new maximums allow them. The basic premise is to move everyone towards compliance over time. Those who have parking in excess of the maximums will not be required to take them out but if they expand they cannot shift those parking spaces somewhere else on site. If someone has a change of use for a restaurant that reopens as a retail shop, for example, they will not make them move pavement unless they expanded their business.

Elaine Wilkerson, Director of Growth Management Services, Metro, said the City has been a leader in encouraging compact communities and eliminating parking. However, key parts of the Planning Commission recommendations are going to be potentially in conflict with Metro's Functional Plan and would require an exemption, particularly the proposed Zone B areas. Metro was trying to recognize that where there is good transit service, people should be encouraged to use it. She believes both the Zone A and B standards are quite liberal in their context and are meant to be a regional standard which the City may wish to exceed. She described what other jurisdictions are doing, noting that most of them comply with the Functional Plan Zone A and B restrictions. She said Beaverton, because of its good access to transit, has a lot of Zone A designations. She added that the process for obtaining an exception would require the City to go before IMPACT.

Commissioner Francesconi asked if the City has more restrictive standards in urban zones than the Metro standard, could it be less restrictive in some commercial areas or the newer districts?

Ms. Wilkerson said she does not believe averaging will satisfy the standard and justify an exception. There is some concern that the zoning lines cannot reflect walking distances but the Zone B areas are primarily residential and there is no maximum in those areas. They would only apply to commercial areas. Moving to a Zone A standard would give the City some needed consistency and would have little impact on non-residential uses as most would be in Zone A in any case. She said the Planning Commission was aware that its recommendation would require an exception to the Functional Plan.

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Commissioner Francesconi said at some point he would like to hear from the Planning Commission on this issue.

Rex Burkholder, Bicycle Transit Alliance (BTA) and member of the Metro Transportation Advisory Committee, said these ratios are pretty liberal and Zone A is not that restrictive a standard. He said the BTA would like to see parking requirements eliminated in residential areas as providing off-street parking increases the cost of housing and the amount of impervious surface. With row houses, because there are so many curb cuts, essentially all on-street parking is removed. He said parking needs to be reduced as much as feasible.

Todd Sadlo, attorney representing Home Depot USA, said they do not oppose Title 2 but the formula used by staff in calculating the maximum parking spaces for commercial uses is not in Title 2 and, given the size of Home Depot's use, the ratio proposed is far more stringent than what is required. While the Planning Commission recommendations are acceptable to them, they believe the staff recommendations will have negative consequences, such as the impact on air quality the would result from forcing people to drive further into suburbia to get what they need. He said Home Depot does not wish to continue with its traditional suburban development format within the urban areas but would like Council to recognize that their customers must have sufficient parking as they generally cannot take their purchases away on trains or buses. He said the City should either accept the Planning Commission recommendation or take some other approach that does not go beyond Title 2 except in specific areas. The idea is to even the playing field in the region and the field is not even if Portland restricts parking generally beyond what is required in suburbia. He also requested that the City keep the exemption for structured parking as they believes this leads to more compact design.

Mayor Katz asked what the staff recommendation is for commercial zones.

Mr. Sadlo said staff said there has to be a 10 percent conversion between gross leasable area to gross floor area. Home Depot believes the conversation rate is not fair and that there is no basis for it. If Council accepts the staff's recommendation, it should adopt a more realistic standard for conversion.

Peter Fry, speaking for the Central Eastside Industrial Council (CEIC), said because there is some confusion about the purpose of these regulations so they have proposed a purpose statement. He said businesses in the Central Eastside, such as the Goodwill headquarters, are multi-functional and each of its needs must be provided for. Also, if parking is inadequate, it drives other businesses out of downtown, devalues the transit system and lessens the City's ability to maintain a dense urban center. He said the PERS move to Tigard is a case in point. He said the Central Eastside does not oppose the ratios proposed for the district but is concerned that structured parking is not exempt. It would support using the Central City Parking Review, exempting structures from parking ratios but requiring them to go through a parking review to ensure that the parking structure does not send excessive parking to the area.

Wayne Kingsley, Co-Chair CEIC Transportation Planning, said the CEIC gave input to the Planning Commission and a part of their input is incorporated in their recommendations. They believe those recommendations incorporate citizen review and comment whereas the staff proposal does not.

Mr. Fry said the adjustment process developed by staff is very good.

Steven Daneman, Alliance of Portland Neighborhood Business Associations, expressed concern about why there are so many differences between the staff and Planning Commission recommendations. He said when they differ dramatically more coordination is called for. He said business participation in the process must also be strengthened as it is critical to have stakeholders participate. That is becoming more difficult as many of the major business associations have already left town or become very cynical about the process. He questioned why the Metro standard should not be applied everywhere so that all the region on same playing field. If Portland wants to go beyond that, such as in the Central City, that needs to be justified. He said parking, both on- and off-street, is key to business district revitalization. Despite everyone's efforts, transit is not adequate throughout most of City and if zoning does not match today's transit services, there is a mismatch that will cause problems for businesses. Finally, the hardships caused by non-conforming uses should be minimized. He disagrees with Metro that parking restrictions do not have an impact and he believes consistency throughout the region is very important.

Commissioner Hales said if staff, the Planning Commission and Council always agree then either they do not need Planning Commission or the Council. He believes some level of disagreement is healthy.

Mr. Daneman said he does not think everyone always has to agree. But he thinks there is something wrong when the staff recommendation is so different from the Planning Commission's.

Ralph Austin, Executive Director, Innovative Housing, 2724 NE 39th Ave., supported the staff recommendation of a 2.5 ratio for parking maximums in the Central City, rather than going with a more suburban ratio. He objected to the current parking requirement calling for one space per eight residential units. He said the market should drive parking requirements rather than having ones that do not make sense.

Robert Ames, 1231 NW Hoyt, 97209, said the River District supports the very reasonable recommendation of the Planning Commission of basically not taking any chances with present circumstances in the River District until more is known about what is happening there. Right now a lot of leases are being negotiated with the kind of employers the City has been desperately trying to attract to the Central City. While all the leases do not turn on parking ratios, in every case it is an issue. The suburbs are an easy choice because more space is available for parking. He asked Council not to change the 3.4 ratio to 2.5 until they know what the impact of the streetcar will be and the River District parking study is completed.

Al Solheim, 1231 NW Hoyt, 97209, said transit service to the Pearl District is still evolving and it is underserved on a regional basis.

Commissioner Sten asked how many parking spaces are involved with each ratio.

Mr. Ames said on a lease for 25,000 square feet, going from 3.4 to 2.5 would result in 13 fewer parking spaces.

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Commissioner Francesconi said the City has spent a lot of money on transit improvements in the River District. Now Metro is saying the City has to put more restrictions on other outlying neighborhoods that have not seen the same kinds of improvements. What does Council say to those neighborhoods if they have to go to Zone A while the River District remains 3.4?

Mr. Ames said they do not have the same office development going on. There are only a few places in the City that are seeing any potential office development as the tremendous preponderance of growth in office space has been in suburban areas. He recommended that the 3.4 ratio remain until the study is completed or divide the area to differentiate the biggest transit service problems.

Commissioner Hales asked if he would be willing to modify the River District sub areas as shown on map to fit transportation reality, i.e. the existence of the streetcar and where the railroad tracks create a pedestrian barrier.

Mr. Ames said yes.

Commissioner Francesconi asked how important temporary surface parking lots are.

Mr. Ames said the existing stock is important to retain for employees, residents and shoppers. The current situation is such that it has led to the parking study. He said there may also be a need for one or two Smart Parks as surface parking is being lost as the River District is being redeveloped to a higher use.

Kim Knox, Tri-Met, 710 NE Holladay, 97232, said it is important to Tri-Met that the City be a regional model as what the City does with these ratios will have a huge ripple effect throughout the region in terms of the standards that are set. She said Tri-Met generally supports the four key points in the staff recommendation. It would urge the City to retain Zone A citywide as this encourages people to use transit in those corridors and keep their cars at home. She also urged the City to avoid making an exemption request to Metro on Title 2. Regarding the parking structure exemption, Tri-Met has observed the important need to assess the urban design implications of a parking structure. In the River District, the uniqueness of the area needs to be preserved and parking will have an urban design impact on what kind of businesses locate there and the visual impact it will have. Tri-Met will be rerouting buses in that area to avoid redundant services. It has found that people will walk one-half mile for light rail and the same may be true for the streetcar.

Veronica Bernie, Womens Affordable Housing Forum, said she has a problem with the lack of buffer zones between high-rise parking developments and the river because of the potential for earthquakes. She said seismic safety studies need to be done to ensure there is no problem in the future.

Homer Williams, Hoyt Street Properties, said the biggest consideration is that office is different than residential and getting jobs back in City depends on having a full array of amenities to offer. Once the trolley is in, its impact can be determined pretty quickly. He said right now construction workers take up all the parking and he asked Council to relax the rules for awhile and allow some interim, temporary surface parking over the next six years due to the inordinate pressures from construction.

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Beverly Bookin, Bookin Group, 621 SW Morrison, 97205, City land-use consultant to Smart Park, said in 1995 the parking management group charged her group to look at the "ripeness" of districts outside of downtown to be considered for smart park facilities. They concluded that the River District was the area most suited to have the first smart park outside the downtown core because of the relatively small supply of off-street, the long history of paid parking on the street and more willingness for people to pay for parking. It did not pencil out then but a new study coming out in January may show a change. Recently Smart Park got approval for the first automated garage, the second one in the country, to be built on 3rd and Taylor. She said these garages are 50 percent more space efficient than normal ones and this is something to keep in mind for the River District too.

Steve Dotterer, Portland Office of Transportation (PDOT), said in River Place PDOT has used a strategy which calls for ratios that can be revised over time, as development changes and services come in. That is something to consider in the River District as well. It worked in River Place because PDC was very involved and a parking manager was in the area who managed the transition. PDOT also supports the use of Zone A as the citywide standard. Regarding structured parking, such facilities still generate the same number of trips as surface lots and produce the same air quality problems and may have more negative impacts on adjacent streets because of the concentration of parking spaces.

Connie Lively, PDC, confirmed that they have received a lot of calls from River District businesses saying they cannot operate there because of the parking situation. That is why the parking study was undertaken, which will be completed in January. She recommended that the City not drop below the 3.4 ratio at this point because the District is losing parking rapidly as development occurs and no structures have been built yet. Parking structures should not be exempted from meeting any ratios but there is a way to incent putting parking in structures by perhaps offering a little higher ratio than normal. The economics do create a problem for building parking and developers will not build more than is needed but if the parking economics in the Central City get to the point where commercial parking starts paying a premium, that could start working against the City's interests. Regarding Metro Title 2, she thought it was written to address specific land-use concerns and only free, surface parking. She needs clarification that Portland will really be out of compliance if the ratios the Planning Commission recommended are applied.

Ms. Hartnett said Mr. Sadlo was correct in that staff's original proposal to the Planning Commission used a mathematical conversion which they later dropped, deciding to use only the Title 2 numbers. The amendments concerning elimination of minimum requirements for residential development came in during the Planning Commission's deliberations, both as a suggestion to eliminate all requirements for minimum parking for residential as well as the one concerning the downtown requirement. She said there is a separate requirement for the downtown sub-districts and university sub-districts to provide a certain amount of parking for residential uses. The Planning Commission felt since this effort was geared towards Title 2 compliance and the City had announced that residential parking would not be addressed more public involvement was needed before it could forward a recommendation concerning residential parking minimums. The Many Planning Commission expressed interest in having that discussion, but not as part of this project.

Mayor Katz asked Council to give some direction to staff about possible amendments or what more is needed.

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Commissioner Hales said he heard some things about urban design that he believes need additional work. He is concerned about several design solutions the City is getting, specifically the "parking in a wrapper" concept, with the parking in the middle floors such as the 1000 Broadway building and the ODS Tower. These buildings are dead in the middle and he does not like that solution even though it is allowed. He suggested that the City provide a strong incentive to developers to build parking underground as that is much more expensive. He also is concerned about the Planning Commission's recommendation that parking structures be exempted as this creates buildings that are completely dead at street level. He would like an amendment that requires active building use areas on the ground floor of all structures, not just downtown. He also recommended closing the loophole that applies the Central City regulations for surface lots to the River District. He said it should be just as hard to build a new surface parking lot there as it is downtown. He would like to review a number of solutions to the River District parking solution, perhaps a compromise ratio somewhere between 2.5 and 3.4. He also likes the idea of revising the ratio there over time. Finally, he believes Council should adopt Zone A Citywide as the minimum as otherwise the City will lose all credibility with Metro by asking for an exemption.

Mayor Katz said she would like to see what other jurisdictions all over the world are doing regarding designs for parking and garage structures, if anything.

Commissioner Hales said another issue is whether the City wants to give people an incentive to do robotic parking.

Commissioner Sten concurred with Commissioner Hales' recommendations. He agrees the City cannot amend the residential minimums because of the lack of public process but believes those issues are important. He said he is not sure a minimum is needed on the residential but is uncertain about what happens in a single resident neighborhood when higher density is placed in a location that is not used to it. In that case, some off-street parking may be needed. The other issue on the residential side is to review the City's ability to count shared parking usage.

Commissioner Hales said he asked OPDR to check the records and found 64 applications between 1997 and 1999 where someone applied for adjusting or waiving the minimum parking requirements. That is a significant number. Most were approved as they were primarily for cell sites, low-income and affordable housing, small retail and residential infill. It seems unnecessary for the City to require people to build more parking than they want.

Ms. Hartnett said the Code no longer requires a parking space for cell phone sites.

Commissioner Francesconi said he likes the idea of incenting underground parking and prefers the Planning Commission's recommendation regarding parking structures, rather than staff's. On the River district, the idea of studying it and then revising the requirements downwards is the best approach. On the issue of residential minimums, he thinks this should be looked at, particularly as an incentive to lower the cost of housing. However, a public process is needed. He also does not think they should be eliminated completely. He said he has a problem with designating the entire City as Zone A and is not ready to commit on that issue.

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Ms. Harnett said she would like more time to talk to Commissioner Hales and others about what kind of incentives they would like to see. She asked what Council wanted to do on the residential parking minimums.

Mayor Katz said Council is interested in more discussion but is unwilling to make a decision without more public involvement, especially in residential areas.

Commissioner Hales said he thought he heard a staff recommendation to get rid of the minimums in a number of the higher density zones. He said Council might look at that.

Ms. Hartnett said that recommendation called for eliminating minimums in the EX and CO1 zones.

Commissioner Sten said he would vote to get rid of the minimums in the high density zones since the City waives a request to eliminate them anytime one comes in. In single family neighborhoods, more thought needs to be given to possible unintended consequences.

Ms. Hartnett said the Planning Commission felt that without additional public involvement, it should not be moving a recommendation forward. That does not preclude the Council from taking action, however.

Mayor Katz said there seems to be enough interest by Council to take a look at that. She announced that the record would be left open and additional testimony will be taken.

Disposition: Continued to December 22, 1999 at 9:30 a.m.

At 4:10 p.m. Council adjourned.

GARY BLACKMER
Auditor of the City of Portland

Cay Kershner / 60

By Cay Kershner
Clerk of the Council