



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 11TH DAY OF APRIL, 1990 AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Clark, Presiding; Commissioners Blumenauer, Bogle, Koch and Lindberg, 5.

OFFICERS IN ATTENDANCE: Cay Kershner, Clerk of the Council; Kathryn Imperati, Senior Deputy City Attorney; and Officer John Wrigley, Sergeant at Arms.

Mayor Clark proclaimed August 4, 1989 thru August 4, 1990 as the Bicentennial of the Coast Guard and recognized the Lincoln High School Bicentennial Constitution team for it's success as both state and regional champions.

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

CONSENT AGENDA - NO DISCUSSION

- 556 Accept bid of Excel Environmental, Inc., for asbestos removal for \$57,637 (Purchasing Report - Bid 81)

Disposition: Adopted; prepare contract.

- 557 Accept bid of Dick Rogers Construction for SE Flavel 6" and 8", SE 51st Avenue 6" water mains for \$157,503 (Purchasing Report - Bid 82)

Disposition: Adopted; prepare contract.

- 558 Accept bids of Lakeside Industries, K.F. Jacobsen and Company, Inc., and Porter W. Yett Company for annual supply of asphalt concrete (April 1, 1990 through March 31, 1991 (Purchasing Report Bid 85-A)

Disposition: Adopted; prepare contract.

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- 559 Vacate a portion of NE 10th Avenue lying between the west extension of the south boundary line of Block 125, Holladay's Addition to East Portland, and the southeasterly right-of-way line of Columbia River Highway (I-84), under certain conditions (Second Reading Agenda 525)

Disposition: Ordinance No. 162894. (Y-5)

Mayor J. E. Bud Clark

- 560 Direct the Bureau of Personnel Services to proceed with a classification and compensation study on all non-represented positions (Resolution)

Disposition: Resolution No. 34708. (Y-5)

- * 561 Amend Contract No. 25931 with Megann Ratzow for Urban Services canvasser services (Ordinance)

Disposition: Ordinance No. 162895. (Y-5)

- * 562 Create four positions in accordance with the Personnel Rules adopted by the City Council (Ordinance)

Disposition: Ordinance No. 162896. (Y-5)

- * 563 Authorize the Personnel Director to enter into an agreement amending the July 1, 1989 through June 30, 1990 labor agreement between the City of Portland and the Portland Fire Fighters Association, Local #43 (Ordinance)

Disposition: Ordinance No. 162897. (Y-5)

- * 564 Amend Contract No 23823 with William Mercer Meidinger Hansen for provision of employee benefits consulting services (Ordinance)

Disposition: Ordinance No. 162898. (Y-5)

- * 565 Accept a \$1,000,000 grant from the US Department of Commerce, Economic Development Administration for the new Oregon Museum of Science and Industry (Ordinance)

Disposition: Ordinance No. 162899. (Y-5)

- * 566 Pay claim of Ramsay Signs, Inc. (Ordinance)

Disposition: Ordinance No. 162900. (Y-5)

- * 567 Approve intergovernmental agreement with Multnomah County relative to the division of forfeiture proceeds (Ordinance)

Disposition: Ordinance No. 162901. (Y-5)

- * 568 Authorize restoration of forfeited vacation and compensatory time off to the accounts of nine Police Bureau employees (Ordinance)
Disposition: Ordinance No. 162902. (Y-5)
Commissioner Earl Blumenauer
- 569 Accept completion of NE Lombard Street Interceptor and make final payment (Report; Contract 24676)
Disposition: Adopted.
- 570 Accept the completion of 1988 Traffic Safety Improvement Project approving Change Orders Nos. 1 and 2 and making final payment of \$9,587.85 to Highlight Construction Co. (Report; Contract 25485)
Disposition: Adopted.
- 571 Accept completion of the improvement of as a district, SW Locust Street, SW 65th Avenue and SW Pomona Street, and approve Change Order Nos. 1,2,3, and 4, and recommend final payment be made (Report; C-9665)
Disposition: Adopted.
- * 572 Authorize execution of a Quitclaim Deed in connection with certain Multnomah County-owned land conveyed to the City of Portland (Ordinance)
Disposition: Ordinance No. 162903. (Y-5)
- * 573 Amend a contract and authorize an increase in the amount of \$1,017 to an existing computer maintenance agreement with Intergraph Corporation (Ordinance)
Disposition: Ordinance No. 162904. (Y-5)
- * 574 Call for bids to complete Maintenance Oil/Gravel Project 1990; authorize a contract, and provide for payment (Ordinance)
Disposition: Ordinance No. 162905. (Y-5)
- * 575 Call for bids for the Columbia Boulevard Wastewater Treatment Plant Aeration Blower Retrofit Equipment Contract, authorize a contract and provide for payment (Ordinance)
Disposition: Ordinance No. 162906. (Y-5)

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- * 576 Accept a Pump Station, Access and Sewer Easement for the Portland International Center PUD Sewer Project, granted by the Port of Portland, at no cost to the City (Ordinance)

Disposition: Ordinance No. 162907. (Y-5)

- * 577 Amend the Comprehensive Plan Map and change the zone of property at SW Vermont, west of 45th, from R7, Medium-Density Single-Family Residential to R2, Low Density Multifamily Residential (Ordinance; 7971-PA)

Disposition: Ordinance No. 162908. (Y-5)

- * 578 Authorize a computer maintenance agreement with Intergraph Corporation (Ordinance)

Disposition: Ordinance No. 162909. (Y-5)

Commissioner Dick Bogle

- * 579 Contract with Alder Creek Lumber Co., Inc. for fire prevention and suppression services (Ordinance)

Disposition: Ordinance No. 162910. (Y-5)

- * 580 Authorize the loan of a surplus fire apparatus and a limited amount of equipment to Portland Community College, subject to certain terms and conditions, provide for acceptance therefore, and declare an emergency (Ordinance)

Disposition: Ordinance No. 162911. (Y-5)

- * 581 Allow the carryover of excess accumulated vacation hours for a non-represented employee of the Bureau of Fire, Rescue and Emergency Services (Ordinance)

Disposition: Ordinance No. 162912. (Y-5)

Commissioner Bob Koch

- * 582 Call for bids providing replacement of the carpeting in lobby areas of floors 3-15 in The Portland Building, authorize a contract, and provide for payments (Ordinance)

Disposition: Ordinance No. 162913. (Y-5)

- * 583 Authorize the payment of a claim from Karol Niemi Associates (Ordinance)

Disposition: Ordinance No. 162914. (Y-5)

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- * 584 Authorize a settlement agreement with Modular Communications Systems, Inc., (Moducom) to resolve a dispute involving provision of radio console equipment for Fire Alarm Dispatch (Ordinance)

Disposition: Ordinance No. 162915. (Y-5)

Commissioner Mike Lindberg

- 585 Appoint Arnold Biskar to the Cable Regulatory Commission (Report)

Disposition: Adopted.

- * 586 Authorize agreement with Lee Anna Casey and Lillian Adams for acquisition of property for Powell Butte, and provide for payment (Ordinance)

Disposition: Ordinance No. 162916. (Y-5)

- * 587 Call for bids for the construction of 12-inch and 8-inch mains in N Hayden Island Drive, authorize a contract, and provide for payment (Ordinance)

Disposition: Ordinance No. 162917. (Y-5)

- * 588 Call for bids for bleacher installation at Farragut Park for the Bureau of Parks and Recreation, authorize a contract, and provide for payment (Ordinance)

Disposition: Ordinance No. 162918. (Y-5)

- * 589 Increase contract with Darrit Construction by \$231,471, for construction of Eastmoreland Golf Clubhouse (Ordinance; Contract 25383)

Disposition: Ordinance No. 162919. (Y-5)

- * 590 Authorize application for a grant from the Environmental Protection Agency to conduct a study on the effectiveness of strategies to protect the City's groundwater wells (Ordinance)

Disposition: Ordinance No. 162920. (Y-5)

City Auditor Barbara Clark

- * 591 Reduce systems development charge (Ordinance; Amend 162351)

Disposition: Ordinance No. 162921. (Y-5)

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- * 592 Reduce systems development charge (Ordinance; Amend 162548)

Disposition: Ordinance No. 162922. (Y-5)

- * 593 Cancel systems development charge (Ordinance; Amend 162691)

Disposition: Ordinance No. 162923. (Y-5)

- 555 **TIME CERTAIN: 9:30 AM** - Direct the Bureau of Environmental Services to prepare recommendations for the purpose of improving recycling collection service in Portland (Resolution introduced by Commissioner Blumenauer)

Discussion: Commissioner Blumenauer said both regulatory agencies and citizens have higher standards for recycling than are currently being implemented and this resolution is an attempt to bring us up to state of the art in our recycling efforts.

Sue Keil, Environmental Services, said there is growing public awareness of the solid waste issue and people are looking for ways to cut costs and do the right thing. She said we need a Comp Plan that's easy to understand and a financial mechanism to fund it.

Individuals speaking in support of the resolution included:

Senator Dick Springer
 Representative Ron Cease
 Judy Wyers, Metro Council Member
 Bob Martin, Metro Director of Solid Waste
 Joel Ario, OSPIRG Executive Director
 Estle Harlan, Oregon Sanitary Service Institute
 Ross Dey, Multi Family Housing Association Director
 Jeanne Roy, Recycling Advocates Chair
 David McMahon, Cloudburst Recycling
 Elizabeth Groff, Woodstock Neighborhood Association
 Betty McCardle, Assistant to Executive Director, Oregon Environmental Council
 Judy Roupf, Oregon Recyclers Association
 Steven Waite, BAC Chair, Bureau of Environmental Services
 Dave Rozell, DEQ Waste Reduction Manager

Discussion: Supporters said Portland has lost its leadership role in recycling efforts and needs a better organized and funded system. Recycling is most effective when containers are available and collection is done on a regular basis. Several speakers supported economic incentives to recycling and stressed that garbage haulers should be allowed an equitable recovery of their costs and that the demand side, finding markets for recyclables, needed to be addressed.

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Commissioner Blumenauer said we are going to have to make some difficult decisions about financing these recycling measures. He said the report the Resolution calls for will be prepared by the Bureau of Environmental Services and will not require any additional funds for outside contracts.

Commissioner Koch said we need to put the information we have about recycling improvements into the context of the franchised garbage business.

Disposition: Resolution No. 34709 (Y-5)

REGULAR AGENDA

Mayor J. E. Bud Clark

594 Adopt a Workforce Development Strategy for the City of Portland, adopt policy priorities and implementation directives (Resolution)

Discussion: Chris Tobkin, Executive Assistant to the Mayor, said the City has a right to expect a return on its investments in economic development projects and one of these returns is jobs for City residents. This resolution goes beyond the first source policy Council adopted in 1978 in that it acknowledges workforce demographic trends and proposes long-range development of the workforce. It also calls for greater activity by the City through its own public work contracts and hiring and training efforts.

Ms. Tobkin said the policy's four key elements are: 1) First Source agreements with businesses receiving economic business assistance; 2) employment targets for public works projects; 3) crafts and trainee programs; and 4) continuing workforce development with emphasis on youth. If Council approves the strategy, staff at PDC and Mayor's office will proceed with implementation and return to Council within three months for approval of implementation and management plans.

Bishop A. A. Wells, Albina Ministerial Alliance, said this policy represents a compromise between complying with the constitution and satisfying the moral imperatives of justice and equality.

Jim Francesconi, Portland Organizing Project, said his group has come to see that the needs of Northeast Portland are also the needs of the City. They also saw that 48,000 jobs in the 1980's went to residents outside the City. Jobs for City and inner Northeast residents are crucial but just as important has been the lessening of polarization between groups brought about through the process of preparing this resolution.

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Harold Williams, Coalition of Black Men, said he hoped Council would not delay passage of this ordinance because a wait will not benefit black men.

Ralph Evans, Vice Chair, Coalition for Black Men, said the Coalition's support was conditioned on results and that they must see that black men, usually the last to be included, are hired and trained.

Jan Burrelson, Portland Development Commission, said workforce development is becoming a key issue for companies who need qualified workers. She said PDC has required First Source agreements since the 1970's, but have not had a policy to target neighborhoods and also involve the crafts and trades training.

Clint Roberger, State Labor Commission, Apprentice Program, stressed the need to have members of the apprenticeship community involved in any training programs, that those involved have clear expectations of what being an apprentice means, and that applicable prevailing wage laws are understood.

Jack Kalinoski, Executive Director, Oregon Columbia Chapter Associated General Contractors, said females and minorities are severely underutilized in apprentice programs now and that qualified workers interested in construction are desperately needed. They believe the City's strategy will satisfy some of their needs for qualified and skilled craftworkers but have specific concerns about implementation of the strategy and do not want unrealistic, unenforcable rules imposed on contractors. Mr. Kalinowski asked for additional time, not more than thirty days, to resolve these issues with the City and then return with a workable program.

Jerry Bruce, IBEW Local 48 and Building Trades Council, said overall his groups endorse First Source hiring but do have some concerns. One issue not addressed is education. They would like more emphasis on vocational education at an earlier age and asked for adoption of an area prevailing wage standard so legitimate contractors are not undercut.

John Villaume, Portland Organizing Policy, said calls for delay of this policy were unwarranted and that today is the day to make the decision.

Jim Olney, Executive Director of Northwest Chapter of Associated Builders and Contractors, said his group supported the policy but had a major problem with the exemption given anyone on a collective bargaining agreement which will set up a double standard and place the weight of the policy with non-union businesses.

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Jaime Partridge, Portland Rainbow Coalition, urged Council to mandate a prevailing wage on City-subsidized jobs.

Other individuals speaking in support of the strategy included:

- Kelli Brugh, Siletz Indian Employment
- Khanthaly Thommavony, International Refugee Center
- Paul Duong, Chairman, Portland Refugee Forum
- Rhys Scholes, President, Alliance for Progressive Policy
- Betty Drew, 14643 S. Quail Grove Circle
- Rhonda Payne, 7439 N. Huron

Mayor Clark asked City Attorney, Jeff Rogers, if there were legal problems with constitutional barriers and if the ordinance could be amended later if necessary.

Mr. Rogers said he saw no remaining legal barriers and that the concerns stated today had been worked out through consultation. He said the ordinance could be amended later if need be.

Commissioner Lindberg asked if labor contractors with prior agreements would be totally exempt.

Phil Thompson of the Mayor's office said usually the provisions are negotiated by the contractors with their labor unions and then come to the City with an understanding.

Commissioner Blumenauer said the workforce challenge is not just an issue of justice but also one of survival if we are to compete economically.

Commissioner Bogle said this targets neighborhoods under stress and offers career paths to the un- and underemployed.

Disposition: Resolution No. 34710. (Y-5)

Commissioner Earl Blumenauer

595 Authorize additional payments to CH2M Hill Northwest Inc., for Series 1990 Sewer System Revenue Bond Feasibility Report in the amount of \$6,432.01 (Second Reading Agenda 544)

Disposition: Continued to 2:00 p.m., April 11, 1990.

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Commissioner Bob Koch

- * 596 Pay partial payment of claim totalling \$4,755.54 to Doug Buchanan. (Previous Agenda 545)

Disposition: Continued to 2:00 p.m., April 11, 1990.

Commissioner Mike Lindberg

- 597 Reserve East Delta Park for a Sports Complex and direct the Park Bureau to work with Portland Metropolitan Softball Association and other field sports users to bring back to Council the documents required to proceed with construction of the complex (Resolution)

Disposition: Continued to 2:00 p.m., April 11, 1990.

At 12:25 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 11TH DAY OF April, 1990 AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Clark, Presiding; Commissioners Blumenauer, Bogle, Koch (late) and Lindberg, 5.

OFFICERS IN ATTENDANCE: Cay Kershner, Clerk of the Council; Adrienne Brockman, Deputy City Attorney; and Officer John Wrigley, Sergeant at Arms.

595 Authorize additional payments to CH2M Hill Northwest Inc., for Series 1990 Sewer System Revenue Bond Feasibility Report in the amount of \$6,432.01 (Second Reading Agenda 544)

Disposition: Ordinance No. 162924. (Y-4, Koch absent)

* 596 Pay partial payment of claim totalling \$4,755.54 to Doug Buchanan (Previous Agenda 545)

Disposition: Ordinance No. 162925 as amended. (Y-4, Koch absent)

597 Reserve East Delta Park for a Sports Complex and direct the Park Bureau to work with Portland Metropolitan Softball Association and other field sports users to bring back to Council the documents required to proceed with construction of the complex (Resolution)

Disposition: Continued to April 25, 1990.

598 **TIME CERTAIN:** 2:00 PM - Appeal of Homestead Neighborhood Association against approval of the application of Oregon Health Sciences University for a conditional use and for the construction of three facilities, with variances at 3181 Sam Jackson Park Road (Hearing; CU 118-89)

Discussion: Laurie Wall, Planning Bureau, reviewed the Oregon Health Sciences University request and the Hearings Officer's decision.

Richard Davidson, Homestead Neighborhood Association President, said the appeal asked for two conditions: 1) improvements to U.S. Veteran's Road which would add a third lane; and 2) a redesign of the basic science building to prevent obstruction of the view.

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Gordon Ranta, OHSU Director, Design and Construction Services, said any delay will be costly as the project involves fifty million dollars in construction costs. He said he had met with Homestead Neighborhood Association and thought all issues had been resolved. Mr. Ranta said the Hearings Officer had not granted OHSU everything they had requested but that they were willing to live with his decision.

Richard Bolton, 3131 SW 11th, said it was not a unanimous decision of the neighborhood to appeal the decision and that he was opposed to it.

Betsy Wright, Ronald McDonald House, said they supported the Hearings Officer's decision and were against construction of on-street curbs as called for in the appeal.

Commissioner Blumenauer moved that Council tentatively deny the appeal and sustain the Hearings Officer's decision. On a second by Commissioner Bogle, the motion carried.

Disposition: Appeal denied; Prepare findings for April 18, 1990 (Y-5)

REGULAR AGENDA

- 601 Appeal of Standard Appliance, Inc., applicant, against decision of the Variance Committee to deny application for a variance to reduce off-street parking from 22 spaces to 12 spaces in order to expand retail space at 4804 SE Woodstock (Previous Agenda 549)

Discussion: Cay Kershner, Clerk, said a letter had been distributed from Standard Appliance requesting a withdrawal of the appeal.

Disposition: Appeal Withdrawn.

- 599 Appeals of Park Tower Apartments, applicant, and Macheesmo Mouse, Inc., tenant, against Design Commission's decision to deny application to change the condition on the exterior facade of the Macheesmo Mouse restaurant at 723 SW Salmon Street (Hearing; DZ 65-89)

Discussion: Edgar Waehrer, Planning Bureau, said the Design Review Commission objected to the use of the checkerplate on the outer face of the building. He said the community has come to be more respectful of the architectural qualities of a building and now strive to maintain the integrity of the structural frame.

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Ken Novak, Attorney for Macheesmo Mouse, said the sign is consistent with downtown design standards and that it won an award from the American Institute of Architects for its exuberance and good site use. He said the Design Review's three to two decision and its view that the design was not compatible with the area represented a subjective application of the guidelines and came down to a matter of taste and aesthetics about which there could be differing opinions. He said any errors in the application had been inadvertent and should not be a reason for denial.

Wayne Stewart, Design Commission Chair, said the majority of the Commission had voted to deny because while they believe it to be a good design they wanted to draw a line between where the storefront stops and the building begins and also did not want to set a precedent for other storefront designers. He said they were not opposed to the use of checkerplate but felt that the application in this case was inappropriate.

Harold Schnitzer, 1121 SW Salmon, owner of the Park Tower Apartments, said he had worked hard to obtain a food operation at that site and that it needed to have a sign that could be seen by customers. He said his wife, Arlene Schnitzer, had sold him on this design.

Mary Ornstead, Heathman Hotel and Pub President, said the Hotel felt the design was in keeping with the nature of the neighborhood.

Dan Monroe, Oregon Art Institute Director, urged Council to accept the sign based on the quality of its design.

Commissioner Blumenauer moved to accept the appeal and overturn the decision of the Design Commission. Commissioner Bogle seconded the motion.

Disposition: Appeal granted. Prepare findings for April 25, 1990. (Y-5)

Commissioners Bogle and Koch expressed dissatisfaction with the quality of the slides shown and by the video presentations and said perhaps it was time to look at an update of the sound system and give employees better equipment to work with.

Mayor Clark suggested that they come up with a proposal for Council.

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600 Appeal of George W. Hall, Jr., against Variance Committee's decision to approve application of Allana Bove and James Finn to increase the height of a fence from 6 feet to 8 feet at 1901 SW Kanan Street (Previous Agenda 428)

Discussion: Cathey Briggs, Planning Bureau, said this concerned the appeal of a minor variance permitting an eight-foot high fence, rather than the six-foot allowed under the Code.

George Hall, appellant, said his property values are adversely affected because the fence creates a tremendously long tunnel, causing the front entrance to his house to become an alley. He said he only wants the top two feet removed so that it conforms to the Code and that LUBA had remanded it back to the City because of improper notification to abutting property owners.

James Finn, applicant, said the eight-foot height was a necessary shield from the sight of the eight vehicles Mr. Hall regularly parks in his driveway.

Sally Gould, 5737 SW 18th Drive, supported Mr. Finn's testimony and said that as owner of the fence on the other side of Mr. Hall, she feels she is living next to a parking lot and wishes the City restricted the number of cars allowed on residential lots.

Peter Hansen, Real estate agent with Professionals 100 Inc. in Lake Oswego, said that because of the number of cars, the Finn property values would suffer a more adverse effect than Mr. Hall's.

Marvin Waleditch, 1815 SW Sunset Drive, opposed granting the variance and said the parties should have worked through the neighborhood association on this.

Mr. Hall said the vehicles in question are show cars that he is trying to find housing for and that granting the variance set a dangerous precedent in the neighborhood.

Commissioner Bogle moved to deny the appeal and uphold the Variance Committee's decision to approve the variance. On second by Commissioner Koch the motion carried.

Disposition: Appeal denied. (Y-5)

At 4:10 p.m., Council recessed.

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 12TH DAY OF APRIL, 1990 AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Clark, Presiding; Commissioners Blumenauer, Bogle, Koch and Lindberg, 5.

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

CONSENT AGENDA - NO DISCUSSION

603 Return a taxicab company application for The Taxi Company, referred to the Commissioner of Public Safety for further investigation, recommending that this application be filed for no further consideration (Report; Previous Agenda 311)

Disposition: Placed on file; no further consideration.

Commissioner Earl Blumenauer

* 604 Grant a revocable permit to Earth Day 1990-Oregon to close and erect tents and stages on SW Salmon Street between SW Front and 2nd Avenues and SW 1st Avenue between SW Taylor and Main Streets on April 22, 1990 (Ordinance)

Disposition: Ordinance No. 162926. (Y-5)

REGULAR AGENDA

605 Grant a revocable permit to Michael and Alfred Obrist, deedholders, to allow storage and maintenance of recreational vehicles, boats, trailers, and motor homes at 6729 SE 162nd Avenue, on Tax Lot 2, Section 24, 1 South, 1 East, for a period of five years, under certain conditons (Ordinance; File No. 7959-R by Order of Council)

Discussion: After approval of the ordinance, Commissioner Blumenauer noted that the ordinance had not been listed as an emergency in the calendar. Commissioner Koch moved to reconsider and on a second by Commissioner Blumenauer the motion carried (Y-5). Commissioner Blumenauer then moived to remove the emergency clause and pass it to a second reading. On second by Commissioner Koch, the motion carried.

Disposition: Amended and passed to Second Reading.

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Commissioner Dick Bogle

- 606 Report of Commissioner of Public Safety recommending adoption of amendments to Title 31 to clarify fire regulations and recover administrative costs (Report)

Disposition: Placed on file.

- * 607 Increase fees for Certificates of Fitness, appeals filing and permit reinspection (Ordinance; amending Title 31)

Disposition: Ordinance No. 162927. (Y-5)

- 602 **TIME CERTAIN:** 2:00 PM - Taxicab company permit application for the Taxi Cab Company, dba The Taxi Company, 2334 SE 45th Avenue, Taxicab Company permit, New, favorable recommendation (Report introduced by Commissioner Bogle)

Discussion: Commissioner Bogle said three questions were involved in today's decision: 1) Is this the time to have a new taxi company; 2) Is this the right company; and 3) How many permits should be granted if a new company is approved?

He said there has been a change in the financial information given in the second application and for this reason he recommends that Council not move forward with a favorable recommendation today. He asked Council if they wished to proceed on the other questions and determine whether we need a new cab company and how many permits should be granted to them.

Dennis Nelson, License Bureau, said the issue of granting more permits is tied to the introduction of a new innovative company that will create demand for additional cabs and force the existing companies to become more innovative and aggressive. In response to a question from Commissioner Lindberg, he said he felt the recent granting of forty new permits to the existing companies was adequate.

Commissioner Blumenauer said the taxicab issues that have come before Council have been confused and frustrating and he would like to look at the underlying decision. He said he would like to consider whether the City should just give away cab permits or let people bid on them, taking the City out of the position of arbitrarily allocating them. He said if this application was not perfected he would rather wait and establish a framework first and not put people through the process of shadow boxing.

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Dennis Nelson said they have already begun a fee review of all regulatory permit programs and hope to have that information by fall. He said permits do have value but charging for them can have such side-effects as increased fares.

Mr. Nelson said in 1981 the U.S. Department of Transportation had pointed to the way Portland regulates cabs as a model for other cities to follow. He said the application for the new company followed procedures outlined in the Code and recommended proceeding with a hearing on the application.

Commissioner Koch said Council must make a decision based upon the information required under the law and decide if they have confidence in the financial and management information presented. He said he would like to hear from the financial experts for both sides. Otherwise, he said, not this company, not this time.

Commissioner Bogle said Council has to operate under our current Code and deal with the application before us. He asked for a consensus on how to proceed.

Commissioner Blumenauer said that because of changes in the application Council did not have the information needed from the Bureau to make a recommendation.

Dennis Nelson said the only change on the second application was that The Taxi Company had now selected one of the four investment brokers it had listed earlier as being under consideration.

May Clark says he personally does not feel that we need another cab company.

Commissioner Blumenauer said he believes Council is obligated to evaluate the application and that he is willing to listen to both sides if there is enough information so that the License Bureau can stick by its favorable recommendation.

Commissioner Bogle said the Bureau of Licenses is not willing to stick by its recommendation on The Taxi Company today.

Dennis Nelson, said the Bureau's recommendation is to grant a permit to The Taxi Company but that the permits not be issued until full investor information is available. He said the Bureau feels it is time to add a new taxi company and grant them forty-five permits.

Ruth Spetter, City Attorney, said that Council is required to hold a hearing on the matter at hand.

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Mr. Nelson recommended holding the hearing and dealing with all issues except financial investor information today and then returning to Council when it is known specifically who the people are and they can be checked out.

Commissioner Bogle said he did not want to leave an open application but wanted to vote the application down based on the information we have and allow the company to reapply at a later time.

Mr. Nelson gave the staff report, stating that it was time for a new taxicab company to meet the increased demand that is foreseen. He said the existing companies have done an adequate job but that Portland can do better. The Bureau believes the new company could provide needed innovation and competition, improving the quality and level of service with a central management and sophisticated tracking system. He said companies similar to this one in other cities have been very successful.

Mr. Nelson said the company has provided detailed financial reports which have been reviewed and verified by License Bureau staff. He said if this is not a sound plan, no investors will be found, providing the City with a reliable check and balance. He said there have been substantial changes from the first application and that Stanley Fields now plays a much more minor role in the company than before. He said they have increased the number of permits requested from thirty to forty-five, because that is probably the minimum needed to create a healthy company capable of competing.

Commissioner Koch asked if it was appropriate for Council to look at the management team and the financial information to separate the blue smoke from reality.

Commissioner Lindberg asked if they must prove their ability to finance a full service taxi company, rather than speculating as to whether they can.

Ben Walters, Deputy City Attorney, said one of the criteria Council must consider is whether the applicant has sufficient financial resources to meet the minimum standards established by the Code.

Commissioner Bogle asked how, if a company is still looking for investors, Council could say they were okay financially.

Mayor Clark said if you answered the first question do you want a new taxi company with a "no", the rest is moot.

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Commissioner Bogle asked the City Attorney if the question regarding the need for a new company is pertinent to today's hearing and to the Code.

Ruth Spetter said yes.

Michael Preisz, applicant, said that because The Taxi Company is a start-up company, conditional approval is needed in order to attract potential investors. He said they have hired Price Waterhouse to help with the financial aspects.

Roger Burke, CPA, said he had evaluated the proposals and found the company's financial information to be insufficient and incomplete.

Christopher Thomas, Attorney for the Northwest Taxi Association, said the materials submitted by the applicant do not meet the criteria required. He said the License Bureau never approached the existing cab companies to see if they could work out any problems first, as the Code required, before concluding a new company was needed. He said it was unfair to turn down small companies who had asked for additional permits and then decide that since they could not offer full service a new company was needed.

Mr. Thomas said License Bureau staff were gullible and that the people associated with this company are not credible. He said that rather than taking a neutral approach to this application the Bureau had acted as a cheerleader.

The following individuals testified against granting an application to The Taxi Company:

- Walt Johnson, Portland Taxi Company
- Robert Elliott, Portland Taxi
- Virginia Elliott, Portland Taxi Cab owner
- Greg Scoles, 7465 SE Division, weekend cab driver
- Raye Woolbright, Broadway Cab
- Ed Ready, Broadway Cab
- David DeSen
- Jay Cannon, Radio Cab
- Paul Cruikshank

Those opposed to granting this application said it is unfair to existing cab companies who have repeatedly requested more permits and were told they were not needed. They said the cab companies had introduced innovative measures and were willing to do anything the City required.

APRIL 12, 1990

The following individuals spoke in support of the application and/or in support of Stanley Fields:

Bernard Perez, 5114 SE Rex Dr.
Pamela Reamer-Williams, 4131 SW Viewpoint
Rick Ralston, 2324 SE 45th

They said granting the application would be of great benefit, forcing existing companies to move beyond rhetoric and improve their service.

Mr Preisz rebutted Mr. Burke's criticisms and said their financial figures were sound and that Price Waterhouse's involvement would assure that their figures reflected accounting reality.

Jeff Dye, attorney for The Taxi Company, said the company is willing to meet all informational needs and demands. He said the existing companies are fighting this because they fear increased competition.

Both Commissioners Blumenauer and Bogle cited questions about the need for additional permits and the shifting nature of the proposal as reasons for opposing this application.

Commissioner Koch said he had no confidence in the applicant's business plan.

Commissioner Lindberg said while he was impressed with the innovative parts of the application, the Code does not provide for speculative applications.

Mayor Clark said this was not the time to add a new company but that new guidelines are needed about the level of service and systems of evaluation.

Disposition: Favorable recommendation denied (N-5)

At 4:10 p.m., Council adjourned.

BARBARA CLARK
Auditor of the City of Portland

Cay Kershner

By Cay Kershner
Clerk of the Council