



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 22ND DAY OF APRIL, 1998 AT 9:30 A.M.

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

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

Agenda Nos. 473, 478 and 481 were pulled from Consent. On a Y-5 roll call, the balance of the Consent Agenda was adopted as follows:

CONSENT AGENDA - NO DISCUSSION

- 463** Accept bid of Bryan Bickmore Dodge, Inc. for 23 intermediate sedans for \$316,062 (Purchasing Report - Bid PA #7479)
Disposition: Accepted; prepare contract.
- 464** Accept bid of Andersen Pacific Contractors, Inc. for SW Fairview Blvd. below SW Champlain Drive slide repair for \$46,720 (Purchasing Report - Bid 98150)
Disposition: Accepted; prepare contract.
- 465** Accept bid of Pacific Fabricators & Constructors for Columbia Blvd. Wastewater Treatment Plant drag chain housing replacement for \$123,670 (Purchasing Report - Bid 98156)
Disposition: Accepted; prepare contract.
- 466** Vacate a certain portion of NE 52nd Avenue between NE Wisteria Drive and NE Sandy Blvd., under certain conditions (Second Reading Agenda 429; C-9944)
Disposition: Ordinance No. 172166. (Y-5)

Mayor Vera Katz

- 467** Confirm appointment of Kevin Murphy and Kieu-Oanh Nguyen to the Hospital Facilities Authority (Report)
Disposition: Confirmed.

APRIL 22, 1998

468 Accept carpet material delivery for the 12th floor of the Portland Building as complete, release retainage and make payment (Report; Contract No. 30634)

Disposition: Accepted.

469 Accept completion of contract with Pacific Coast Construction for labor and materials to install water slide and make improvements to Wilson Pool, make final payment and release retainage (Report; Contract No. 31140)

Disposition: Accepted.

470 Accept completion of contract with Custom Sprinkling Specialist, Inc. for labor and materials to renovate Hamilton Park, make final payment and release retainage (Report; Contract No. 31266)

Disposition: Accepted.

471 Accept contract with Jensen Drilling Company for Ditch Camp horizontal drains, Phase II, as complete and authorize final payment (Report; Contract No. 31520)

Disposition: Accepted.

*472 Authorize contract with KPMG Peat Marwick LLP for an independent management review of the Office of Finance and Administration's Accounting Division (Ordinance)

Disposition: Ordinance No. 172167. (Y-5)

*474 Authorize agreements for the conveyance of properties to the Bureau of Environmental Services, subject to certain conditions being fulfilled, and authorize acceptance of deeds and payments of expenses (Ordinance)

Disposition: Ordinance No. 172168. (Y-5)

*475 Authorize a contract to Westech Construction, Inc. for the Mariner's Gale storm pipe replacement project, Project No. 6314, for \$120,000 and provide for payment (Ordinance)

Disposition: Ordinance No. 172169. (Y-5)

*476 Authorize contract and provide for payment for remodel at Fire Bureau Training Center (Ordinance)

Disposition: Ordinance No. 172170. (Y-5)

*477 Authorize a contract and provide for payment for emergency standby generator installations at eight Fire Bureau locations (Ordinance)

APRIL 22, 1998

Disposition: Ordinance No. 172171. (Y-5)

- *479 Contribute \$10,250 towards the purchase of the Hilgedick Property in southeast Portland adjacent to Rocky Butte Nature Park (Ordinance)

Disposition: Ordinance No. 172172. (Y-5)

- *480 Apply for a \$35,000 grant from the Oregon Association Chiefs of Police to fund additional Portland Police Bureau saturation patrols (Ordinance)

Disposition: Ordinance No. 172173. (Y-5)

- *482 Authorize negotiations for the purchase of public walkway and utility easements, traffic signal facility easements and a retaining wall easement required for construction of the Hillsdale pedestrian improvements project, authorize the City Attorney to commence condemnation proceedings and obtain early possession (Ordinance)

Disposition: Ordinance No. 172174. (Y-5)

- *483 Amend contract with EES Consulting for additional services for water treatment operator training (Ordinance; amend Contract No. 31288)

Disposition: Ordinance No. 172175. (Y-5)

City Auditor Barbara Clark

- 484 Approve Council Minutes for June 4, 1997 through August 27, 1997 (Report)

Disposition: Approved.

- 485 Transmit Certificate of Completion for street improvements in SW 37th/Vesta Street Local Improvement District (Report; C-9875)

Disposition: Accepted.

- 486 Declare the purpose and intention of the City of Portland to construct street and storm sewer improvements in the Brentwood II HCD Local Improvement District (Resolution; C-9951)

Disposition: Resolution No. 35688. (Y-5)

REGULAR AGENDA

- *473 Authorize payments to Peter B. Tobey for technical support services and Net-Map license upgrades (Ordinance)

Discussion: The Mayor asked that this be referred back to her office.

Disposition: Referred to Commissioner of Finance and Administration (Y-5)

*481

Authorize an Intergovernmental Agreement between Metro, Oregon Department of Transportation, Tri-County Metropolitan Transportation District, Clackamas County, Multnomah County, City of Portland and City of Milwaukie to establish a Land Use Final Order Steering Committee for the South/North Light Rail project (Ordinance)

Discussion: Commissioner Hales said some minor amendments have been made to the agreement. He moved adoption. Commissioner Francesconi seconded and, hearing no objections, the Mayor so ordered.

Steve Iwata, Office of Transportation, said this involves only jurisdictions within the State of Oregon so the amendments submitted by Metro were clarified to indicate that. The agreement was also clarified to explicitly state that any changes will require approval by all the local governments.

Disposition: Ordinance No. 172176 as amended. (Y-5)

*478

Amend agreement with Multnomah County by increasing the amount by \$281,204 to fund an array of homeless, safety, housing and youth programs and modify the scope of work and provide for payment (Ordinance; amend Agreement No. 31497)

Discussion: Commissioner Kafoury said this adds money to the current contract for the singles assessment center, makes three small contributions to youth providers, and increases the amount of block grant funds to Mental Health Services West for Bridgeview.

Disposition: Ordinance No. 172177. (Y-5)

460

TIME CERTAIN: 9:30 AM - Recommend approval of Pedestrian Master Plan to create a twenty-year vision for increasing opportunities to walk in the City of Portland (Resolution introduced by Mayor Katz)

Discussion: Commissioner Hales said the idea behind this plan is to make the City more consistently walkable.

Bill Hoffman, Portland Office of Transportation (PDOT), said when the pedestrian program began six years ago, they knew that significant areas of the City were without sidewalks and curb ramps but did not know the full extent of the deficiency. Many neighborhoods had specific problems they wished to address and the City lacked a comprehensive list of all the project needs. There was also no process for setting priorities, funding or implementation, nor were there any design guidelines that respected the needs of pedestrians. He said the Plan presented to Council today addresses all these issues and contains an inventory of the entire pedestrian network of sidewalks and curb ramps. It identifies 150 projects that address neighborhood concerns and the Plan includes a defensible process for prioritizing those projects which provide the most benefit for the limited dollars available. The Plan also includes the Portland Pedestrian Design Guide for planning and building projects in the right-

of-way that works for pedestrians. Finally, the Plan presents a series of recommendations for funding and implementation.

Ellen Vanderslice, PDOT, showed slides to illustrate the five elements of the plan, which is intended to complete the pedestrian network, improve its quality and increase pedestrian safety. Streets have been classified according to their appropriateness for walking and 16 pedestrian districts, where walking should be the primary transportation mode, have also been identified. Ms. Vanderslice explained how priorities were established for the 150 projects that were identified, resulting in three groups in order of priority. She also described some of the funding strategies being pursued to raise the estimated \$120 million needed to make these improvements. Among the possible strategies are partnerships with businesses and property owners, use of Local Improvement Districts (LIDs), revenues from Transportation Service Development Charges, grant monies and general obligation bonds.

Others speaking in support of the Plan included:

Ed Washington, Metro Council, 600 NE Grand, 97212
Michael Rankin, Oregon Department of Transportation
Chris Hagerbaumer, Oregon Environmental Council
Paulette Rossi, 3710 NE 147th, 97230
Katie Mangle, Tri-Met, 710 NE Holladay, 97232
Robert Jones, 11923 NE Sacramento, 97220
Terry Griffiths, 4128 SE Reedway, 97202
Jay Mower, 777 SW Chestnut, 97219
Meeky Blizzard, Citizens for Sensible Transportation
Ray Burkholder, Bicycle Transportation Alliance and Coalition for
World Future
Kay Durtschi, Transportation System Planning Group
Rod Merrick, Transportation System Planning Group
Debra Giannini, 232 SE 55th, 97215
Keith Bartholomew, staff attorney, 1000 Friends of Oregon
Doug Klotz, 2630 SE 43rd Ave., 97206

Supporters said pedestrian connections should be viewed as necessities, not amenities, and urged Council to move forward with this.

Ragiv Batra, Greater Brooklyn Business Association, said the list of projects should include pedestrian connections to South/North light rail and include Interstate and Powell Boulevard. He added that the "green" street concept could use some refinement.

Lenny Anderson, Transportation Coordinator, Boise Cascade, proposed amendments to create better pedestrian connections to Swan Island and better access to the River. He also recommended that the "green" street proposed for Klickitat, near where he resides, be shifted a few blocks south.

Jim Peterson, Multnomah Neighborhood Association, 2502 SW Multnomah, 97215, said the

APRIL 22, 1998

Multnomah Pedestrian District is listed in Metro's Regional Transportation Plan as a main street and funded for \$500,000 although that amount is not in PDOT's budget. He said the relationship between pedestrian districts and main streets is fuzzy and some corrections need to be made.

Don Baack, Southwest Trails Group, 6495 SW Burlingame Pl., 97201, said what is missing from this plan is money allotted in this year's budget for southwest trails. He said \$150,000 was requested to implement the first step in their vision. Also missing is a seamless approach among Transportation, Planning and Parks to set trail standards, reduce paperwork and address liability issues on pedestrian connections.

Michael Roche, Southwest Neighborhood Association, said pedestrian districts should not be used as a tool to push urban renewal but should be established only with the full consent of residents within those districts.

Also, staff should not arbitrarily exclude R5 from any pedestrian district. He said the City should fully address infrastructure needs first to determine how much they will cost and who will pay. He expressed concern about using LIDs, especially those with waivers, because of their potential enormous costs to property owners. He noted that it will cost hundreds of millions in stormwater improvements to fully implement the pedestrian districts. He said the Association also urges adoption of a proposed "urban lane" concept which will be a lot less expensive.

Judie Miller, Transportation Chair, Southwest Neighborhoods, 4216 SW Pendleton St., 97219, said southwest residents feel very strongly about the need for pedestrian improvements there. She said items on the project list from the Southwest Community Plan relating to pedestrian improvements should also be included in the plan.

Helen Farrens, Homestead Neighborhood Association, said while they support the trails, they are no substitute for good sidewalks. She said the pedestrian area around Oregon Health Sciences University is a disaster area that needs attention.

Marilee Tillstrom, Hosford Abernethy Neighborhood Association, expressed concern about the corner of SE 26th and Powell, where Cleveland High School is located. She said Cleveland, which has no campus, should somehow be encompassed into Powell Park. A second concern is the lack of good access to the River from their neighborhood and not just a ditsy trail.

Pamela Allegria, Willamette Pedestrian Coalition, said these improvements will take 85 years to complete, given the current financial plan. She said the Plan needs to be speeded up and a dedicated source of funding needs to be created. She also opposed, as did Doug Klotz, the inclusion of alternative pathways (basically widened shoulders) rather than sidewalks.

Robert Boulware, 1216 SE Tenino, 97202, expressed concern that costs be distributed equitably and said current residents should be given priority for infrastructure improvements so they are not left behind as the Pearl and River Districts are developed.

APRIL 22, 1998

Alexander Rogers, Cully Neighborhood Association, and Ruby Ibarra, 5300 NE Cully, described the need for pedestrian improvements at Prescott and Cully.

Gary Papers, Chair, Urban Design Committee, American Institute of Architects, said the proposed projects must extend to, and connect, with each other and with existing facilities in order to create an interconnected network. Second, all State, county and City agencies must follow the pedestrian design guidelines. Some quantitative standards, such as curb cut dimensions and corner radiuses, must be revised accordingly. Third, substandard conditions for pedestrians still exist in the downtown area that need to be corrected and, finally, the City should require that sidewalks in the pedestrian realm be included in the land-use review process. In some cases substandard sidewalks will need to be redone by the adjacent development, rather than making it optional to include sidewalks.

Maria Gregory, Multnomah Neighborhood Association, 3637 SW Canby, 97219, said the pedestrian plan should not be used as a tool for redevelopment and increased density. Also, the pedestrian plan does not fully disclose the true costs to citizens, particularly if LIDs are to be used. She noted that the LID cost projections omit stormwater treatment improvements, which are estimated at \$50 million in Southwest Portland alone. Sidewalk cost estimates for Southwest are \$21 million. She called for consideration of other funding alternatives to LIDs.

Commissioner Hales said some revisions may be required later to reflect the Southwest Community Plan and South/North light rail.

Mr. Hoffman said as South/North light rail develops, the City needs to make sure its stops are accessible to pedestrians. This is a priority for PDOT staff. He said pedestrian districts are not defined until after the zoning is established and areas considered for inclusion in pedestrian districts were those where the density and mixed use of the zoning supported an increased number of pedestrian trips. When the Southwest Community Plan is complete they will review areas where the improvements are most necessary. He agreed that expanded shoulders are not the best solution but many Southwest residents requested them because, in some places, the cost of sidewalks along with the extensive drainage improvements required would preclude sidewalks anytime in the near future. He said an Alternative Walkway study is underway as, while staff believes that sidewalks should be built wherever possible, alternatives are needed.

Commissioner Hales recommended adoption of the resolution and amendments in Appendix B and said staff will return in 60 days with further amendments based on the requests for specific changes in such areas as Swan Island and Brooklyn. He said adoption comes with the understanding that further amendments will be needed following adoption of the Southwest Community Plan and completion of the South/North light rail line.

Commissioner Francesconi said the City must press the legislature for more transportation funding and must educate citizens on the importance of these improvements.

Mayor Katz said a funding strategy is still needed.

Disposition: Resolution No. 35689. (Y-5)

461 **TIME CERTAIN: 10:30 AM** - Applications for new taxicab company permits (Report introduced by Mayor Katz)

Discussion: Commissioner Francesconi noted that after the last hearing on this issue, Council eliminated Code language which had historically barred the entry of new taxicab companies because existing companies had the right of first refusal. Following that action, the Taxicab Review Board reviewed and granted two applications for new permits and the Bureau also did an estimated-needs study. He said today Council will hear appeals from those whose applications were rejected.

Dennis Nelson, Manager, Bureau of Licenses, said there were 11 applications, eight for new companies and three from existing companies, applying for a total of 432 new permits. The Taxicab Board of Review has rated those applications, considered the Taxicab Supervisor's recommendations and reviewed a financial analysis report prepared by the Bureau's Audit Manager. The Board recommends denying the requests from three existing companies and approving the application of Smart Cab for 48 permits and Sassy Cab for 17 permits, with conditions. The Board recommends unfavorably on the remainder of the new company applications. The new company permits would be granted on condition that minimum cab requirements be met and that each company have at least half their allocated number of permits in place within 90 days or forfeit the permits. That assumes the total number of permits in service after 180 days would constitute the total number authorized for each company. For example, if Smart Cab only had 42 in place after 180 days, it would be limited to that number. He noted the tremendous amount of time and effort put forth by the applicants, staff and the Taxicab board members.

Commissioner Kafoury said the December report suggested that 25 was the agreed-upon threshold number. What has changed since then to justify this significant increase?

Mr. Nelson said the Supervisor's demand study stated that without significant changes in the industry, 25 would probably be the maximum number of new permits recommended. However, that report also concluded that new services could create additional demand. John Hamilton, the Taxi Supervisor, then went on to list some areas where additional demand could be created and new applicants were advised to address those. The Board arrived at 48 as a result of its recommendation to grant the number requested by Smart Cab and Sassy in their initial applications. They had developed business and financing plans based on those numbers and the Board did not want to second guess them. However, a condition was added regarding the six-month time frame.

Mayor Katz said lack of enforcement at the airport is a major concern, which she would like addressed. Also, why were Broadway and Radio Cabs' requests for additional cabs denied.

Mr. Nelson said Broadway did not apply for new permits although Radio, New Rose City and

APRIL 22, 1998

Portland Cab did. He said the Board felt that new companies should be given a chance as the existing companies had already had time to introduce innovative changes. Regarding enforcement, the License Bureau is preparing a written enforcement plan for Commissioner Francesconi and a sub-committee of the Taxicab Board is working with the Port of Portland on the enforcement issue there.

Mayor Katz confirmed that the decision about the existing cab companies was a judgment call, not based on their failure to meet the criteria or lack of qualifications.

Mr. Nelson said Sassy and Smart Cab came out on top of the Board's rating sheet, followed by Radio Cab and Portland Cab. The Board had to draw the line somewhere and decided to draw it after the first two, allowing some new blood into the taxicab industry. However, in the end it was a judgment call.

Commissioner Francesconi said the rationale is to allow the new company's business plans to work. He said there is no "magic number" or any precise way to determine what the numbers should be. He said it is very clear the City is not doing what it should regarding luxury sedans or shuttles and that relates to the issue of permit numbers as well. The City does not want to kill existing businesses. A special task force, including members of the industry, is needed to strengthen the enforcement side. That is the next project.

Mike Engle, General Manager, Radio Cab, questioned the process used to determine the number of licenses granted. He said the Taxicab Board of Review was forced to use assumptions provided by the new companies because they have no existing track record, while Radio Cab does. Recently Radio Cab has been involved in extensive marketing and an innovative dispatch system program. Its employees are owner-operators and 320 people depend on the Company for their financial well-being. He said the end result of this process must not damage a vital link between the citizens of Portland and their transportation needs. Council's decision will impact both users and providers and, while competition should be encouraged, caution must be taken as today's decision may have unforeseen consequences for all parties.

Ed Trompke, attorney representing Smart Cab, 5285 SW Meadows, urged approval of the Taxicab Board's recommendation. He quoted John Hamilton, the Taxicab Supervisor, who stated that as long as capacity is regulated, the industry cannot determine demand. Only when the industry is opened up, will true demand be known and the public will make that determination. He said Smart Cab is offering innovation through group rides, which other companies could have offered and marketed but chose not to. Smart Cab's business plan indicates that 48 cabs are needed if the company is to be innovative and create new demand. That number is also what the experts say is needed to operate successfully, to spread overhead costs and to allow the company to pass on cost-savings to the public. That number will also allow it to serve areas in northeast and southeast which are currently greatly underserved.

James Taylor, Albina Community Bank, discussed Smart Cab's financial capability and the business itself. He said he has been working with the company for nine months and has evaluated the company's management skills, business plan and financial projections, which

APRIL 22, 1998

the Bank believes are very feasible. He said the Bank believes it can provide financing to allow Smart Cab to acquire the vehicles and to provide general funding on an ongoing basis. The company can and will be profitable based on the 48 cabs it proposes to operate. It is proposing some innovative tactics to address the market, a critical factor for the bank which found that while the taxicab industry is highly competitive, existing companies were not doing anything innovative.

Commissioner Francesconi asked if the company would be more profitable with 48 cabs and unprofitable at 15 or 25, for instance.

Mr. Taylor said it would be more profitable with 48 although the company could still be profitable at a lower number.

Steve Entler, past-General Manager, Radio Cab, said about 10 years ago Seattle deregulated its taxi industry and is now going totally in the opposite direction after paying the price that resulted from open-market entry. He said granting these new licenses dilutes the available market and lowers earnings for the average cab driver. If the market is diluted too much, good operators will shift to other businesses and the industry will end up with a transient labor force. He said Seattle, in going to a tightly regulated market, now has a taxi police force and taxicab inspections for every vehicle.

Norm Lindstedt, attorney representing American Cab Company, said his client was not timely in developing its financial information but has it now. He asked if Council, at this point, has the discretion to refer an application back for further consideration.

Commissioner Francesconi said while Council may have the discretion he will not recommend any further delay now or make the existing companies go through the process again.

David Grau, attorney for applicant Liberty Cab, said this company has requested a new taxicab company permit allowing it to operate a fleet of 20 cars. He said allowing new companies to compete in the City will benefit everyone and Liberty would like to be part of that competition. The people of Liberty Taxi are largely former and experienced drivers of the New Rose Cab Company who lost their jobs after taking a stand they felt very strongly about. As a result, his clients have entered the competition for permits very late but in the last 90 days have managed to assemble a fleet of 15 fully operational taxicabs that are ready to hit the streets on a moment's notice. He said the company is supported by equal contributions from every single member/owner and as a result begins operation completely debt free, with a balance sheet well over \$250,000. He asked that these drivers be given a chance to prove themselves and compete openly and fairly for their jobs.

Barry Artistani, a Liberty Cab owner, said this company is taking a new approach to the cab industry, something lacking for many years. In this company, every driver is an owner who will be operating on the streets.

Steve Buckstein, President, Cascade Policy Institute, said he hopes the City accepts the

APRIL 22, 1998

Board's recommendation to let two new companies into the market but believes it should be opened up even further for both existing and more new companies. Cascade's recent economic analysis of Portland taxi regulations makes a case for removing entry barriers and proposes an innovative new taxi-stand system and new ways to foster competition at the airport. The analysis suggests that the City needs fewer, not more or better, regulations and needs to promote competition in new, innovative ways.

William Hoelscher, attorney representing Portland Taxicab Company, said the added competition resulting from granting permits to two new companies may not mean a great deal to Broadway or Radio Cab, which have 136 cab permits each, but it will have a very serious impact on the Portland Taxicab Company which has only 26 permits, not an optimum number for success. He said 48 was the number mentioned earlier and Randy Owens has stated he believes 60 is the optimum number. Mr. Hoelscher then commented on the Taxicab Supervisor's biannual report. First, the market has been inundated in the last several years with 330 taxicab-like vehicles, principally luxury towncars, airport shuttles, hotel pick-up vehicles, etc. Second, the number of cab permits that can be reasonably foreseen as being needed in the next two years totals 35 permits so if two new companies are allowed to compete, giving one firm 48 and 17 to the other, there will be a serious impact on all current existing cab companies, but most particularly on the smaller ones such as Portland Taxicab. He noted also that Smart Cab is the taxicab extension of Smart Towncar and Smart Shuttle, which is partly responsible for inundation of the market with luxury towncars and vans. Now they seek to go into the permitted taxicab business. Smart Cab references a previous hearing where the Mayor asked Mr. Owens what he thought the optimum number of cabs was and he replied 60. The Smart Cab application then goes on to dispute that but finally concludes that 60 is indeed the optimum number.

Arthur Bantu Palmer, New Rose City Cab Company, said it is a miscarriage of justice, especially to African-Americans, to grant 48 permits to a new company while denying any permits to New Rose or Portland Cab. He said the number of permits is 200 percent larger than New Rose and Portland Cab Company combined. This will give the new companies a great advantage over both existing companies, which have served this community for 50 years, and will make it virtually impossible for New Rose to survive. He said it is unfair to replace one minority company with another minority company or to romanticize the Ethiopian immigrants, as the Oregonian did, while totally ignoring those who came as slaves. He called for Council to even the playing field.

Patricia Montgomery, administrative assistant, New Rose City Cab, said in the 12 years she has been at New Rose the number of permits has increased from 11 to only 19 and the company's hands have been tied by this limited number, forcing them to turn down accounts and making it hard to be innovative because it is such a small fish in the pond. Now the City is adding several bigger fish which will make it even harder to compete. She said after a lot of the company's drivers walked out, New Rose hired people that others would not give jobs to, such as older citizens. She asked Council to support New Rose City's appeal.

Kalau Davis, supervisor, New Rose City Cab Company, said the Code's minimum standards call for not less than 15 taxicabs, with two-thirds in operation at all times. At the Taxicab

APRIL 22, 1998

Board of Review meeting it was stated that Smart Cab will have 50 percent of its fleet operational within six months. It does not mandate the two-thirds, a violation the Board made at its last meeting.

George Van Hoomisen, President, Broadway Cab, said Broadway's 136 cabs were granted in bits and pieces over a period of 65 years and every time the number increased Broadway had to come to Council and prove that it was in the public interest. While he supports the recommendation in general, the total number of cabs recommended for the two new companies is excessive, the largest in 20 years, and poses a far greater risk to the existing industry and the public than is necessary. He said the ratio of cabs to population has stayed roughly constant for the last 20 years and the last time there was an increase anywhere near this magnitude was in 1990, when 40 permits were authorized. This led to the bankruptcy of Broadway, the City's largest cab company. Radio Cab also was in trouble then and only the bankruptcy of its largest competitor rectified that situation. He said even if the City were to grant 15 permits, the minimum number of cabs for new companies, that will put the ratio of cabs to population back to 1990 when the industry was in a precarious situation. Much of the support for new cabs is based on the impression that the economy is booming and the population is exploding but there is considerable evidence to the contrary. Most of the growth has happened in the suburbs where the City has no regulations.

Commissioner Francesconi asked if Mr. Van Hoomisen supported Smart Cab's statement that the company will be more profitable with 48 cabs than with 30.

Mr. Van Hoomisen said not necessarily. He believes the financial information provided by the applicants is woefully inadequate. He supported the two new companies because those were the strongest applicants and clearly the Board believes there should be some new blood in the industry. He does not know if they will make more money with 48 cabs. There is no magic number and great caution should be used when adding cabs, noting that more can always be added later.

Commissioner Francesconi asked if a company can make more money with 48 cabs, is that inconsistent with the argument that the cab industry cannot accept more competition.

Mr. Van Hoomisen said when the numbers are increased in an industry with multiple companies, in the short run quality starts to suffer because companies cut their costs in order to survive. In the long run, one or more of the weaker players might disappear.

Vesia Loving, Northeast resident, supported Smart Cab's application as well as New Rose Cab Company. She said Radio and Broadway Cab have had a monopoly in the City which caused Northeast residents to suffer. She said there is enough room for others and right now people of color are being left out. Council should be the equalizer and give Smart Cab's owner an equal opportunity to succeed.

Tim O'Conner, Sassy Cab, said his company applied for 17 cabs but with the idea that the City would decide how many vehicles would be granted. He noted the company already has 17 vehicles for use in Clackamas County. He asked Council to modify his application and

APRIL 22, 1998

grant 30 permits, which will not add 30 permits' worth of business to Portland but will put all his fleet under the same regulations. He said he has no intention of inundating Portland with 30 new cabs. Rather, he plans to conserve present ridership and increase ridership to the lesser-served areas of Portland, primarily southeast. While the company will try to cover the entire City, the number of cabs it has will enable it to provide good service to a certain concentrated area where people already know the company's name. At 17 cabs Sassy was already profitable and it should be more profitable at 30 as overhead would be reduced and more income would go to the drivers. The key to good service is making sure your drivers are well-compensated.

Commissioner Francesconi said he does not understand. If Council grants the 17 cabs would there be just 17 new cabs in Portland or more.

Mr. O'Connor said with 30 permits, they will provide 15 cabs' worth of service to Portland. It is a matter of getting the whole company under the same jurisdictional umbrella, rather than half in Clackamas County and half in Portland.

Commissioner Francesconi said since you want all of them to be able to operate in Portland, why did you not state that in the application.

Mr. O'Connor said the application applies to the present, so that is the information he provided. He did, however, provide an addendum right after that changing his request to 30 but it did not get addressed.

Patrick Fesler, Radio Cab driver, said his concern is with the threshold. When the number of drivers is increased, at some point expenses become greater than earnings. He said several town car companies are already beginning to go bankrupt because of lack of business even though they are innovative. He said he has heard nothing innovative so far. The shared ride option is nothing more than a shuttle, which primarily serves the suburbs where permits are not needed. His concern about granting added permits has nothing to do with the ability of Smart Cab's owner but whether the market can bear the increase. Also, lack of enforcement is a major concern.

Carl Stevens, Wilsonville resident, said he is a frequent business traveler who has often used the town car services of Mr. Aleme (Smartcab's owner) as he provides excellent service at a competitive price.

Mayor Katz asked about the requirement that two-thirds of the fleet be operational at all times.

Mr. Nelson said the Code specifies that if you are authorized 50 permits, you must keep two-thirds of your fleet in operation at all times. The Board's recommendation is to phase in these permits over a six-month period. He does not believe there is a legal conflict.

Nancy Ayres, Deputy City Attorney, said Code section, 16.44.10(d), says there must be not less than 15 taxicabs with two-thirds of the fleet operational at all times. This could mean at

least 10 would have to be on the street at all times and that requirement would certainly be met by the phase-in operation. It could also apply to two-thirds of the total although that is not absolutely clear, but she believes the phase-in, if approved by Council, would be adequate.

Mayor Katz asked if this number will overwhelm the industry with cabs and result in diminishing returns for the drivers themselves. When would the potential for a mistake be caught?

Mr. Nelson said the City is taking a risk here that increased competition will improve service as it has in many other industries. There is also a potential downside, oversaturation of the market, which in this industry becomes very visible. In other industries when competition becomes fierce, companies go out of business and this will occur in some form over the next two years in the taxicab industry. With too many cabs, you increase the danger of diluting the market. With too few, competitive forces are not brought to bear. The number arrived at is a subjective call.

Mayor Katz asked what tools are available that would indicate the City might have gone too far. Does it have to wait two years?

Mr. Nelson said there is a provision in the Code to reduce the number of permits as well as to increase the number for existing companies. That has never been exercised to date. Some marginal operators will go out of business while others may thrive in the competitive environment and be highly successful. He believes the City will have to just wait and see but the Board believes this is a good time to try and expand the market.

Commissioner Francesconi said the other issue is the unregulated airport business, which is the most lucrative. That is why enforcement is needed and why the City cannot wait two years. Mayor Katz agreed.

Commissioner Kafoury asked how the Board determined that the current companies were not innovative.

Mr. Nelson said the Board relied on a ratings process and the top two applications were from new, not existing, companies. He said the small, existing companies have a good argument when they say it is hard to compete when you are small but they have been here a long time and nothing in their applications was very impressive. He said the Board was surprised that they received requests for over 400 new cabs.

The Clerk called the roll on Agenda Item 461. Commissioner Sten, although present for most of the testimony, had left the meeting by this time.

Commissioner Francesconi said he will vote aye as what the City is trying to do here is provide opportunities for others to achieve the American dream while preventing others from losing out. Most of all, however, the City is trying to provide transportation that works for all citizens. He does believe new companies should be allowed in to increase innovation and

improve service, especially in northeast and outer southeast, areas that have been underserved by the taxi industry. As to which companies the City allows, he cannot second guess the Taxicab Review Board's ratings system. Another difficult question is whether to allow still more new companies, especially when the smaller existing ones are struggling and the City is allowing in new companies and granting them more permits. He could not vote in favor of allowing Smart Cab to enter the market without giving those companies a chance to compete. Although it pains him to pass over the existing companies that were operating under a different set of rules, the truth is those existing companies did have an opportunity that he will not second guess. Finally, determining the number of cabs is very difficult and while there is no magic number his guts tell him the City is on the edge of creating a problem. That is why enforcement is crucial. If Smart Cab is to serve the City, then it has a right to succeed and make money at it. However, if its 48 cabs end up sitting at the airport, there will be a problem, as the Board will hold the company to its pledge to serve underserved parts of the City. He is unsure the Bureau has the necessary skills to do enforcement and it may need more resources to do that.

Commissioner Hales said this is an appropriate recommendation. There is no way to make a decision on this issue without causing disruption. A decision to do nothing will also cause disruption as long as the City is in the weird business of regulating this market. He said the City has a little bit of regulatory authority to protect consumers and ensure a certain level of quality but the market has ways to get around these stratagems, as the appearance of towncar and shuttles has demonstrated.

Commissioner Kafoury said it is luxury vehicles that have brought about the real change in the market. She applauded closer review of that segment as she has been uncomfortable about leaving one market segment unregulated while placing stringent regulations on another. Today's decision to expand is not nearly as dramatic as Council's inaction with regard to luxury vehicles. She said this is a very close call but she has faith in the work that has been done here. She noted that she was reluctant to grant new applications in December without first going through this kind of process and the consistency of the Board's ratings has swayed her a great deal.

Mayor Katz said she will vote aye but believes three issues need to be addressed: 1) enforcement, especially at the airport and some hotels; 2) the need for a far more sophisticated ratings system, one with meaningful criteria and a clearer definition of what is meant by innovation; and 3) a process for future monitoring.

Disposition: Accepted. (Y-4)

462 Appeal of currently permitted taxicab companies (Report introduced by Mayor Katz)

Discussion: Commissioner Francesconi moved to deny the appeals. Commissioner Hales seconded.

Disposition: Appeals denied. Y-4)

APRIL 22, 1998

Mayor Vera Katz

487 Support the Oregon Department of Transportation's I-5 North High Occupancy Vehicle (HOV) lane demonstration project (Resolution)

Disposition: Continued to April 22 at 2:00 p.m.

*488 Authorize an intergovernmental agreement and easement with the United States of America represented by the General Services Administration for the placement and maintenance of the Suzhou Stone on Terry Shrunken Plaza (Ordinance).

Discussion: Dick Raglund, Bureau of General Services, explained the need to provide additional protection around the stone.

Kirk Landau, Walker Macy Landscape Architects, showed slides of the stone and explained the design and structural challenges and how they are being met. To meet concerns about vandalism, a reflecting pool will be built, along with a curving wall and appropriate lighting.

Don Jenkins, Portland Art Museum, said the stone should be treated as a sculpture as it reflects spiritual and cultural values highly prized by the Chinese.

Newcomb Wong, Portland/Suzhou Sister City Association, said the rock is an object of distinction and a symbol of friendship which they are very proud to have in Portland.

Mayor Katz said the stone needs to be graffiti proof and include a plaque explaining its importance.

Disposition: Ordinance No. 172178. (Y-4)

*490 Authorize a contract and provide for payment to furnish certain FY 1997-98 City vehicle requirements (Ordinance)

Disposition: Continued to April 22, 1998 at 2:00 p.m.

S-491 Request for an annual revocable permit for the intersection of SE 9th Avenue and Sherrett Street for the neighborhood public square project; provide conditions for future similar requests and authorize the City Traffic Engineer to review and issue permits (Second Reading Agenda 423)

Discussion: Commissioner Kafoury asked whether mediation had been arranged.

Mark Lakeman, permit applicant, said yes, and explained what is planned.

Commissioner Francesconi noted that the original Exhibit A is incorrect in that the ordinance itself, not Exhibit A, spells out the process for reaching agreement on an alternate design.

APRIL 22, 1998

Brant Williams, Portland Office of Transportation, said his office will have the authority to approve any alternative.

Commissioner Hales moved the Substitute. Commissioner Francesconi seconded and, hearing no objection, the Mayor so ordered.

Disposition: Substitute passed to Second Reading April 29, 1998 at 9:30 a.m.

489 Revise residential solid waste and recycling collection rates and charges, effective June 1, 1998 (Ordinance; amend Code Chapter 17.102)

Discussion: Sue Keil, Bureau of Environmental Services, said this simply passes through the Metro disposal fee savings to the residential customers. The ordinance reflects the new rates and new container weights.

Paulette Rossi, Public Utilities Review Board, Solid Waste Subcommittee, said customers should be charged for the actual services they receive and good recycling habits should be encouraged.

Disposition: Passed to Second Reading April 29, 1998 at 9:30 a.m.

City Auditor Barbara Clark

492 Assess benefitted property for the cost of constructing street and storm sewer improvements in the NE 47th Place/Sumner District Street HCD Local Improvement District (Second Reading Agenda 455; C-9923)

Disposition: Continued to April 22, 1998 at 2:00 p.m.

493 Assess benefitted property for the cost of constructing street and storm sewer improvements in the N. Bruce District Street Local Improvement District (Second Reading Agenda 457; C-9937)

Disposition: Continued to April 22, 1998 at 2:00 p.m.

At 12:50 p.m., Council recessed.

APRIL 22, 1998

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 22ND DAY OF APRIL, 1997 AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi (late), Hales, Kafoury and Sten, 5.

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

487 Support the Oregon Department of Transportation's I-5 North High Occupancy Vehicle (HOV) lane demonstration project (Resolution)

Discussion: Commissioner Hales said the State Highway department is prepared to give a High Occupancy Vehicle lane a try in North Portland.

Disposition: Resolution No. 35690. (Y-4)

*490 Authorize a contract and provide for payment to furnish certain FY 1997-98 City vehicle requirements (Ordinance)

Disposition: Ordinance No. 172179. (Y-4)

492 Assess benefitted property for the cost of constructing street and storm sewer improvements in the NE 47th Place/Sumner District Street HCD Local Improvement District (Second Reading Agenda 455; C-9923)

Disposition: Ordinance No. 172180. (Y-4)

493 Assess benefitted property for the cost of constructing street and storm sewer improvements in the N. Bruce District Street Local Improvement District (Second Reading Agenda 457; C-9937)

Disposition: Ordinance No. 172181. (Y-4)

*497 Amend the Comprehensive Plan Map and change the zone of property in Tracts F, G, I, J, M, R and W of Forest Heights and along NW Miller Road, from R10, Residential, to R2, Residential, CN2, Commercial, and OS, Open Space (Findings; Previous Agenda 415; LUR 97-01151 CP ZC)

Discussion: Commissioner Hales moved the findings as amended. Commissioner Francesconi seconded.

Disposition: Findings Adopted. Ordinance No. 172182 as amended. (Y-4)

TIME CERTAIN: 2:00 PM - Accept the background report for Floodplain Management in the Johnson Creek watershed (Previous Agenda 418)

Discussion: Commissioner Sten thanked citizens in Lents and Bureau of Environmental Services (BES) staff for their unprecedented efforts in trying to figure out the best set of regulations for Johnson Creek, which continues to be a problem in the community. These regulations are just one piece in trying to correct that situation. Other pieces include buying and building places for floodwater storage, adding parkland and working upstream on problems created long ago. He said during the time these regulations have been under consideration, the problem has continued to worsen and this process needs to come to a close. He proposed some amendments representing compromises among the interested parties and asked that testimony be restricted to those amendments only.

Dean Marriott, Director, BES, said three options for treating fill were proposed originally: 1) allow no additional fill at all in the floodplain; 2) require balanced cut-and-fill; and 3) require balanced cut-and-fill, with exceptions. In the flood risk area, no additional subdivisions were to be allowed and there were restrictions on practices that would restrict the flow of flood waters. In the floodway along the creek, no new above-ground structures would be allowed, building footprints could not be increased, and alterations to existing structures that would add more than 50 percent of the assessed value would be prohibited. Mr. Marriott noted that many people questioned the accuracy of the floodplain maps and the Bureau is prepared to provide for a remapping, which is estimated to take between 13 and 19 months. He cautioned, however, that FEMA staff has indicated that they are unfamiliar with any remapping project that has shrunk the size of the floodplain.

Commissioner Sten explained the changes he is proposing in four areas, in response to citizen input on the original proposal. First, in response to complaints about City maintenance of properties purchased through the willing-seller program, the City has committed to participate in a good neighborhood agreement. No official amendment is needed, however. Second, regarding the 50-percent of assessed value limit on all improvements to buildings in the floodway, he is recommending that owner-occupied homes be exempt. (The Planning Bureau has recommended, however, that the owner-occupied restriction be dropped because there is no way to distinguish between the two.) Third, there is an amendment committing the City to complete its part of the work on the remapping the 100-year floodplain within nine months. The final amendment calls for development by BES of a Johnson Creek fill mitigation bank program. He recommends, however, that this not be allowed in the area next to the Creek. He noted that none of these amendments are more restrictive than those originally proposed.

Commissioner Sten moved the amendments as submitted with the change recommended by the Planning Bureau regarding owner occupancy. Commissioner Hales seconded.

Commissioner Francesconi said he would vote against removing the owner-occupied provision.

Commissioner Sten then moved to submit his three original amendments without the Planning

APRIL 22, 1998

Bureau's recommendation. Commissioner Hales seconded and, hearing no objections, the Mayor so ordered.

Margaret Mahoney, Director, Bureau of Buildings, said the cut and fill mitigation bank is an excellent idea although she does have some concern about eliminating the exemptions the Bureau of Buildings proposed to the cut-and-fill regulations, based on the cost of processing them.

Commissioner Francesconi noted that one exemption was gardening.

Commissioner Sten said it comes down to the reality of what can and cannot be enforced. He said for the most part minor fill issues will be complaint driven. He would rather not have any exemptions to the cut and fill.

Ms. Mahoney said if there is a blanket requirement for no fill without a corresponding cut, then a gardening project could be in violation of the Code, if there was a complaint. The resolution of that could be that the gardener had to pay into the mitigation fund. She said fill related to gardening could be exempted at a certain relatively small volume.

Commissioner Francesconi said he is concerned about creating a technical violation the City does not enforce.

Commissioner Sten said the problem with fill is determining how much was there before.

David Knowles, Director, Bureau of Planning, said Metro's proposed Title 3 requirements dealing with flood plain management contain a performance standard that requires that all development within the 100-year flood plain be done through balanced cut-and-fill. He believes the proposed "banking" amendment would still comply with that requirement but is not certain.

Commissioner Sten said essentially they view the whole flood plain as a balanced cut-and-fill and to exempt both gardening and landscaping makes him nervous. He noted the problems the City had with the berm on the freeway land.

Commissioner Hales asked about the owner-occupied exemption from prohibitions on improvements in the floodway. He noted this applies to only 50 houses and asked if there was a way one could tell if the homes were owner occupied.

Mr. Knowles said no, it would be better to just exempt residential properties.

Commissioner Sten said the whole point is to allow a few homeowners, who know their land floods, to make additional investments in their houses.

Commissioner Sten moved to accept Planning's recommendation to delete the owner-occupancy requirement from the amendment regarding alterations exceeding 50 percent of the assessed value.

APRIL 22, 1998

Ms. Mahoney said even if residential is exempted, there are still Code provisions requiring compliance with FEMA regulations.

Commissioner Hales seconded Commissioner Sten's amendment and roll was called (Y-5).

Malia McKee, Pacific Hydro-Geology, Inc., 18477 S. Valley Vista Rd., Mulino, representing Powellhurst-Gilbert and Lents Neighborhood Associations, commented on the amendments. She said they did not particularly like the first amendment because it singles out commercial and industrial people although they realize there are not a lot of them within the existing 100-year flood plain and that they will probably not try to improve their properties above the 50 percent level anyway. However, amendment two, combined with amendment one, could actually exceed FEMA standards and make the floodplain far more extensive than it would realistically be. For amendment two, they suggest that the delineation not be done with the intention of exceeding FEMA standards. Regarding amendment three, she said the idea of setting up a fill mitigation bank program is exciting although it adds to BES' work load. To help with that situation, she said the neighborhood association has offered her services. She said there is a certain amount of uncertainty about how this will work and whether the funds will actually go to help the City remove soil from the floodplain. She said they believe that commercial and industrial property, not just residential, should be included because the area needs to be allowed to continue as it is. Ms. McKee said she understands why the City does not want any fill in the flood risk area but pointed out that is the area where floods are documented and where the most benefit could result from a balanced cut-and-fill. If commercial property and the risk area are eliminated, the possibility of doing any fill work in the event of a fire is removed. She said one way out is to have Planning review any fill requests to see if it will negatively impact neighbors. She said she thinks a way can be figured to allow fill within the risk area and still achieve the objectives of balanced cut-and-fill.

Commissioner Sten said he is not sold on doing fill in the flood risk area. He said they are trying to preserve economic investments but not spur new ones. For that reason he is trying to put some strings on the flood risk area so that over time the properties are not redeveloped.

Ms. McKee said the reason why you have a cut-and-fill is to allow people who do flood a chance to find a way to get out of harm's way. She asked what happens if the flood risk area decreases in the remapping.

Commissioner Sten said if there is a major change in the 100-year flood plain, then the City can look again at how the flood risk area is drawn.

Ms. McKee said remapping should not cause an increase in the flood plain because of increased stormwater as there is a way to control stormwater runoff and still allow development.

Ivy Frances, BES, said the "green" area was based on mapping of flood events a minimum of 30 times in the last 60 years and means it could not possibly be in the 100-year floodplain. It more likely falls within the five-year flood plain, as defined by FEMA. The Corps of

APRIL 22, 1998

Engineers has told BES repeatedly that they do not think there will be wholesale changes in the flood plain due to remapping.

Ms. McKee said the Corps of Engineers numbers are significantly different from what was calculated when the resource management plan was done. Now that there is more data, the question is whether that changes things.

Commissioner Sten said the 50 percent assessed valuation provision applies only in the very restricted floodway. The mitigation bank was restricted to residential because it is preferable to fill on-site because of the impact on one's neighbor. The commercial area is pretty small so he is open to going either way.

Mayor Katz said she is concerned about the assumptions that will be made in redrawing the map.

Mike Houck, Audubon Society, said he does not oppose the cut-and-fill mitigation bank here but asked that it not be expanded anywhere else in the City. Although he has never heard of a floodplain mitigation bank, wetland mitigation banks are uniformly opposed by natural resource agencies because of the impacts on adjacent properties. He also opposed exempting office and commercial. He reminded Council that FEMA regulations are minimum standards and said the City should move beyond them to do more to retain the natural functions of flood plains. He said he agrees with Mr. Knowles that gardening and other minor fill issues are exempt in Metro's Title 3.

Mr. Marriott agreed with Commissioner Sten about not specifically exempting gardening, relying on the good will of citizens not to file frivolous complaints. His experience with people in flood prone areas is that they will be very inventive in landscaping their properties in ways that push the water onto someone else. He would rather rely on the discretion of the Bureau of Buildings when complaints are received.

Commissioner Francesconi said the public needs to understand the difference between putting in tomato plants and shifting water around.

Mayor Katz asked if people would technically be in violation for putting in tomato plants.

Mr. Marriott said bringing in one bag of potting soil would probably be a violation.

Commissioner Sten said a little gardening dirt does not qualify as "development."

Commissioner Francesconi said he is happy to agree that tomato plants are not development.

Mr. Marriott said the reason for creating the mitigation bank is to deal with small property owners who have no space to do any cuts. However, if commercial and industrial property is included, it probably will not affect a lot of people as there is so little in the flood risk area. He said some concern has been expressed that BES intends, through the remapping, to extend the 100-year flood plain to cover as large an area as possible. He said BES will endeavor to

APRIL 22, 1998

do the remapping in a professional manner that takes into consideration the characteristics of Johnson Creek although there may be some debate about how it is conducted.

Commissioner Sten said the remapping results can be brought back to Council and people can comment before it is submitted to FEMA.

Mr. Houck said if the flood plain does wind up being larger after the remapping, so be it.

Disposition: Continued as amended to April 29, 1998 at 9:30 a.m.

***495** Adopt flood management amendments to the Johnson Creek Basin Plan District in Title 33 (Previous Agenda 419)

Disposition: Continued as amended to April 29, 1998 at 9:30 a.m.

***496** Amend City Code to establish special provision for the Johnson Creek flood zones (Previous Agenda 420)

Disposition: Continued as amended to April 29, 1998 at 9:30 a.m.

At 3:15 p.m., Council recessed.

APRIL 23, 1998

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 23RD DAY OF APRIL, 1998 AT 6:30 P.M.

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

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

498 **TIME CERTAIN: 6:30 PM** - Public testimony on alignment preferences and other concerns about the South/North Light Rail project (Hearing)

Discussion: Citizen testimony was divided according to the various proposed light rail segments.

Downtown Segment:

Barry Kolin, Historic Oldtown Business Association, endorsed the Irving Street option for downtown.

Sam Naito, Association for Portland Progress and South/North Downtown Oversight Committee, said the Oversight Committee believes the South/North alignment must be built and downtown must continue to be the major hub of the mass transit system.

Terry Parker, 1527 NE 65th, showed a video to illustrate his point that light rail should not be placed on the transit mall downtown. He said the low cost option using the Hawthorne Bridge and 1st Avenue should be selected.

Jim Howell, 3325 NE 45th, opposed ripping up the transit mall to make way for light rail and instead called for a subway system to better accommodate future growth. He supported the lower cost Hawthorne Bridge/1st Avenue option to avoid overwhelming the system.

Brian Chase, Director of Facilities, Portland State University, said the light rail alignment through downtown is essential to the University's growth as its new urban center has been designed around the transit mall and light rail line.

Irwin Mandel, 1511 SW Park Ave., 97205, supported an underground light rail route downtown, even though it appears to be a lost cause. He said an alternate route to the transit mall should also be seriously studied before a decision is made about downtown as many believe the mall route is the most destructive one possible.

Stan Lewis, 111 SW Harrison, 97201, supported the full transit mall and Option 3 (the Irving diagonal station) for the north entry. He said he believes downtown residents are no longer arguing over the small details as they have come to feel that South/North is very important to

APRIL 23, 1998

their future, especially as downtown grows closer to adjacent neighborhoods with the addition of the River District and the Central City streetcar.

Richard Lishner, 2545 SE 37th, 97202, said besides moving people, a light rail line adds tremendous leverage for redevelopment, something he and other architects believe is more important than the actual transit. He said the questions to ask are whether the line goes where people want to go and stops at places people want to go. He said the American Institute of Architects fought against placing the line on the transit mall but now realize they have lost that argument. However, they fear that cost-cutting measures now present an even worse alternative, the half-mall option. This is a very serious mistake, an interim solution that means downtown will be torn up twice when the system runs out of capacity in a mere 10 years.

Steve Rosenberg, representing the South Auditorium Rail Coalition, 255 SW Harrison, supported a station at Harrison Street for transit riders in their district. They do not believe it is too close to the Portland State University station as studies show it would add over 1,000 riders a day. They also do not believe the elevated station connecting Harrison to River Place will serve either side well, instead providing unwelcome and unsafe access.

Commissioner Hales said this is a question the Downtown Access Committee has not grappled with yet. The interaction of a possible station at Harrison with River Place raises some tough issues.

Scott Anderson, Downtown Community Association (DCA), 623 SW Park Avenue, 97205, said the DCA supports Option 6 (the Caruthers crossing and Moody design option) for the south entry. They believe this option, with a Harrison Street stop, will provide access to thousands more riders than would the options without a Harrison Street stop. They also recommend moving the current bus lines on Harrison to Lincoln Street.

South Corridor Testimony - Caruthers Crossing

Citizens speaking in support of the Caruthers crossing option included:

Steve Satterly, 3805 SE Levy St.

Connie Hunt, President, Central Eastside Industrial Council, 1727 SE Grand Ave.,
97214

Marilyn Cofffield, President, the Greater Brooklyn Business Association, and Fred Meyer, Inc.

Randall Posdena, Managing Director, ECO Northwest, 1711 NW Andrew Place
State Senator Kate Brown, 4219 SE Ellis, 97202

Gary Reddick, CEO, Siena Architects, 411 SW 6th Ave. 97205

Bob Harrison, Co-Chair, OMSI

Randy Miller, One Produce Row, 97214

John Poer, Past President, Greater Brooklyn Business Association

Supporters said the Caruthers crossing will provide significantly higher ridership and better

accessibility to employment, educational and cultural institutions, particularly OMSI. It will better serve low-income, minority populations who use transit and provide needed connections and infrastructure to southeast neighborhoods. Caruthers will also be more cost effective than the Ross Island crossing because it is cheaper to build and costs per rider are lower. North Macadam will develop with or without light rail but a Caruthers crossing will allow the Central Eastside Industrial area and Southeast neighborhoods to grow and redevelop, resulting in the largest combined gain for the region -- the most acres, the most jobs and the most affordable housing. They said this crossing is one way to resolve some of the long term transportation issues in the Central Eastside and is a good way to unite both sides of the River to create one downtown. Because of increased congestion on the Ross Island Bridge and Powell Boulevard, light rail is needed in this area to get more people out of their cars.

Commissioner Hales noted that rezoning along the alignment will be necessary if redevelopment goals are to be met and this may be difficult to do, given people's resistance to accepting additional density.

South Corridor Testimony - North Macadam Crossing

Supporters of North Macadam as the preferred alternative across the Willamette included:

Gary Groth, U.S. Bank, representing the Marrow property owners
Tim Goldfarb, Oregon Health Science University (OHSU), 3181 SW Sam Jackson
Park Road, 97201
Cheryl McDowell, Chair, North Macadam Transportation and Infrastructure
Workgroup, 3431 SW Kelly
Ann Gardner, Schnitzer Investment
Steven Shain, 3121 SW Moody

Supporters of the North Macadam crossing option noted plans for OHSU to locate a Women's Health Center and other clinic activities in North Macadam, demonstrating the tremendous growth potential it has to attract new jobs and housing units and the need for access to light rail to achieve these goals. Providing regional rail service, via the Ross Island crossing, to the proposed tram to OHSU facilities on the hill, will provide the seamless connection necessary to best serve both properties. The Ross Island crossing alignment will provide high quality regional transit service to over 130 acres of vacant and redeveloping land and is critical to achieving aggressive housing, density and employment goals. Transit ridership may be underestimated in the Draft Environmental Impact Study (DEIS) not only due to the potential for greater levels of jobs and housing but due to the assumption that residents of the Corbett/Terwilliger/Lair Hill neighborhood do not have access to light rail. Providing access to that neighborhood through a proposed Gaines Street station would add new ridership, not merely shift existing riders from buses to light rail. The Ross Island crossing will link whole neighborhoods to light rail and tie the entire area to the Willamette River whereas the Caruthers crossing will serve only the very northern edge of North Macadam district and the very southern end of the Central Eastside, serving neither district very well. The Ross Island crossing alignment presents specific design opportunities that a newly developing district is

better able to achieve, requiring only minor improvements and few displacements. Without light rail, reaching the projected goals for job and housing development is unlikely unless there is a major transportation solution for North Macadam.

South Corridor Testimony - other issues

Karen Williams, Eastmoreland Neighborhood Association, 7634 SE 32nd Ave., 97202, said they now support a Bybee Boulevard station, despite concerns about increased traffic congestion, potential parking impacts and safety concerns for light rail riders using a below-overpass station. Widening and rebuilding the overpass is still the best solution to resolve their principle concerns about the station.

Ann Bradwell, Land-use Chair, Corbett Terwilliger Lair Hill Neighborhood Association, 032 SW Seymour, said the Board plans to give more attention to the crossing issue at its next meeting in order to make a decision, which they will forward to Council.

North Corridor Testimony

Doug Hartman, Interstate Avenue Association, said the Association voted unanimously to oppose closure of the Alberta Street ramps as it would reduce accessibility to businesses and increase traffic congestion on Killingsworth and Interstate. Eight Association members voted in favor of the Interstate alignment; three voted for the I-5 route. All supported the connection of light rail to the Expo Center, Jantzen Beach and the Rose Quarter. Many voiced concern about the added cost of an Interstate alignment, the number of business displacements and construction impacts.

Alan Hipolito, Director of Environmental Programs, Urban League of Portland, 5121 NE 29th Ave., 97212, said the League favors the Wheeler/Russell option and the Interstate option for the North Portland segment. He said these options minimize the potential for displacement and noted the negative impacts to their neighborhood of previous large scale redevelopment projects, which forced people to relocate and divided the community. If light rail comes to this area, community members must receive: 1) relocation within the district of businesses and homes which are displaced; 2) preferential consideration for entrepreneurial and employment opportunities that develop as a result of construction of the rail line; and 3) creation of improved complementary east/west lines to enable access to light rail.

Deborah Howes, North Fenwick/Arbor Lodge, supported the Interstate alignment because it will get more people out of their cars, even though it is more costly. She said the I-5 alignment is unsafe, isolated and environmentally unhealthy. The Interstate alignment will also boost development, bringing more foot traffic into the area.

Tom Kelly, representing Neil Kelly Company, 804 N. Alberta, and the North/Northeast Business Association, said the Association voted unanimously to oppose the closure of the Alberta Street ramps and in support of the Interstate alignment. Closure of the Alberta Street ramps is also a personal concern for his company. The Interstate alignment should be selected for two reasons -- its economic impact and safety.

APRIL 23, 1998

Elaine Mildenerger, Interstate Avenue Safety and Action Group, supported the I-5 alignment because of the catastrophic consequences selection of Interstate will have on businesses and employment. Customer comment forms returned by 750 people advocated either the I-5 alignment or the "no-build" option. An estimated 29 businesses would be sacrificed by the Interstate alignment and many others might not survive the construction phase. According to the North Portland segment summary, the advantages of I-5 exceed Interstate by a ratio of two to one and the disadvantages of Interstate exceed I-5 by a ratio of three to one.

Larry Jones, George's Corner Tavern, 5501 N. Interstate, said he hopes redevelopment does not mean getting rid of all the businesses already there and getting new ones.

Pauline Bradford, 1745 NE First, expressed concern about displacement of current businesses and residents, based on her experience with past governmental projects. She said if light rail is built there should be a true "just compensation" package for all who are displaced so that they are not economically injured.

Cathy Galbraith, 2128 SE 35th Place, expressed concern about the displacement of vintage buildings and people in Northeast Portland if light rail is built. She said light rail will not sufficiently benefit those impacted, especially in the "Freedom Area" (where African-Americans were concentrated from the 1920s by redlining) or meet environmental justice compliance requirements. She called for full replacement, not just market cost, for those who lose their homes and other measures to preserve the neighborhood. She noted the locally small projected increase in ridership compared to the enormously high construction and annual maintenance and operation costs. She said there is no evidence of financial support for the leg between Lombard and Vancouver and it is only that leg that moves the projections from 11 percent to 30 percent.

Mayor Katz said she would like to know how many businesses and how many employees would be displaced on all the segments. Other Council members also expressed concern about these displacements and the need to address all the issues raised.

Prescott Reavis, 2170 NE Hancock, said "no build" in the North corridor is his first choice and I-5 is his second, because there will be less displacement. He suggested going to an underground subway system.

Ray Leary, Project Manager, Addidas Retail Store on Martin Luther King Blvd., Jr., said Northeast Portland is currently undergoing a cycle of redevelopment and it is critical to the vitality of these businesses to keep the Alberta exit open.

Kristin Jager, 2549 N. Arlington Place, opposed light rail in Kenton if it goes down Interstate and does not connect with Vancouver and Clark County. She expressed fear that a light rail station in Kenton would attract many commuters from Vancouver, causing massive traffic and parking problems, as will narrowing the number of lanes on Interstate, the only alternative for cars when there are problems.

Lyle Peters, Oregon Arena Corporation, One Center Court, 97227, stressed how helpful light

APRIL 23, 1998

rail will be in allowing people access to Rose Quarter events. He said this will best be supported by the East I-5/Kerby grade separated option as well as a multi-level Rose Quarter transit center. The West I-5/Wheeler/Russell at-grade option creates significant challenges that they do not believe can be properly mitigated.

Citizens speaking in support of light rail station in downtown Kenton included:

Don Arambula, Kenton Neighborhood Association

Nick Scovill, Chair, Kenton Action Plan and member, Kenton Business Association

Peter Teneau, 2715 N. Terry, 97217

Supporters favored the Interstate alignment over the I-5 option, extension of the terminus to Hayden Island or, at a minimum, to the Kenton West station. They said these will be the best choices to relieve traffic congestion and parking problems, promote economic revitalization, encourage higher ridership and address the public safety and security concerns that would occur with selection of the I-5 alignment.

Pam Arden, 1817 N. Winchell, called for further study of a crossover option that would combine portions of both the I-5 and Interstate alignments. While the Interstate alignment serves the community better, the businesses already there need to be preserved and there are questions about bus service and the loss of an historic building at SE Argyle and Interstate.

Commissioner Hales asked about the status of the crossover option.

Mr. Iwata said it is acknowledged as a possibility in DEIS. If Council is interested in a crossover, it can be explored in the next phase, as part of the final Environmental Impact Statement (EIS) process. He said the larger alignment choices should be made now and a crossover could be considered later as a design refinement.

George Crandall, American Institute of Architects (AIA) Urban Design Committee, said the AIA has prepared an objective evaluation of the alignments and the station. It found that evaluating the cost and ridership were fairly easy but that evaluating the land-use implications was very difficult as no criteria existed. The Committee met with Tri-Met and Metro to develop some criteria and then evaluated the stations using the six criteria that had been established. They evaluated all 40 stations using that criteria and found that in the Clackamas area the quality of all the stations was poor. The Milwaukie to McLoughlin sector was also generally not very good and the river crossing area was fair. So was the Eliot section and so was North Portland, depending on the alignment. He said they found the crossing with the most potential for creating livable communities was the Caruthers alignment. In Eliot, they found that the Wheeler/Russell option was best and that most of the stations along I-5 fell into the poor category while most along Interstate ranked in the good category. He said they believe the line should run to Milwaukie but that the section from Milwaukie to Clackamas ought to be deferred because of the poor quality of those stations and low ridership. Interstate wins hands down over I-5 and the terminus should be in Kenton, rather than Lombard.

Don Arado, AIA Urban Design Committee, explained their decisions in greater detail,

APRIL 23, 1998

particularly concerning the Caruthers crossing. They also support a Moody Street crossing and a station at SW Harrison. Regarding Eliot, they believe stations at either Wheeler/Russell or a station south of Emanuel are preferable to the Kerby station. They prefer an at-grade station at the Rose Quarter and selection of the Interstate alignment.

Garry Papers, Chair, AIA Urban Design Committee, said their aim was to present a qualitative analysis that described how light rail influences neighborhoods, livability and development potential. The extensions north of Kenton or south of Milwaukie should not be built until they prove they have the ridership, land-use changes and citizen support necessary. The money saved should be used to complete the center portions, while deferring stations with low ridership or those too close together. The length alternative they recommend is the Moss 1, but slightly modified to have a Milwaukie station as one terminus and West Kenton as the other. He reiterated their support for the Caruthers crossing and the North Marquam/Moody design Option 6, including the Harrison station. Downtown, they strongly recommend the full transit mall and the Irving Street diagonal station option, which ties in most directly with Union Station. For North Portland, the Interstate alignment is preferable but they support a crossover study. He said it is very important that the central portion be done right as the ends can always be added on later.

Commissioner Hales said Council's philosophy is that these be not just transportation projects but also community development projects as well and the AIA work provides an excellent framework for making choices about this.

Mayor Katz asked if North Macadam can meet Metro's 2040 density goals without a light rail alignment.

Mr. Papers said reliable transportation has to be provided but there are other planning tools that can be used and development should not be dependent on whether light rail happens there.

Mr. Crandall said he believes North Macadam will do just fine without light rail because of its close proximity into downtown, especially if they have a streetcar.

Commissioner Hales said he would like to get as much input from the community as possible before June 10, when Council votes on its recommendation to Metro. He suggested other possible forums for public input.

Mayor Katz said Council needs answers from staff to the questions raised tonight and suggested scheduling another hearing to take testimony from those who did not get a chance to testify tonight.

Disposition: Continued to May 14, 1998 at 6:30 p.m.

APRIL 23, 1998

At 9:30 p.m., Council adjourned.

BARBARA CLARK
Auditor of the City of Portland

Cay Kershner

By Cay Kershner
Clerk of the Council