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Creating Development and Civic Promotion Department (Portland Measure 52); Fire Bureau Facilities and Equipment Bond Measure (Portland Measure 51); Special Tax Levy for Charter Revision Study (Portland Measure 56)

City Club of Portland (Portland, Or.)

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REPORT
ON
CREATING DEVELOPMENT AND
CIVIC PROMOTION DEPARTMENT

CHARTER amendment creating Development Commission for Urban Renewal, promoting industrial growth in, near city; prescribing powers, duties, procedures; authorizing revenue bonds; authorizing, if necessary, five-year special tax not over two-thirds mill or \$400,000 yearly, permitting levy during succeeding five years of portions not previously levied, outside constitutional limitations.

Vote 52 Yes No

TO THE BOARD OF GOVERNORS,
THE CITY CLUB OF PORTLAND:

In the examination and study of the so-called Urban Renewal ballot measure, your committee found no organized opposition to the measure. In view of the short time available to the committee for its investigation, the study was limited to the features, the benefits, and the costs anticipated from the enactment of the measure. The committee interviewed Mr. John Kenward, Mrs. Joy O'Brien and Mr. William Marsh, all of the Urban Renewal Section, Housing Authority of Portland, and Miss Marian Rushing, Deputy City Attorney. Individual members of the committee also interviewed representatives of the Mayor's office, the Building Trades and the Housing Authority. Noted by the committee were the editorial comment of both major local newspapers and feature articles which appeared in those publications. The committee also examined and studied a considerable amount of printed matter, including "Who Does What in Urban Renewal," a reprint of an article from "Architectural Forum"; "What is Urban Renewal," a reprint of a speech by Richard L. Steiner, Acting Commissioner, Urban Renewal Administration, Housing and Home Finance Agency; The Redevelopment Plan (Project No. 1) of the Urban Renewal Section, Housing Authority of Portland; "ABC's of Urban Renewal," Urban Renewal Division, Sears Roebuck & Co.; and the report on this ballot measure published by the League of Women Voters.

THE MEASURE

The measure submitted to the voters provides for the formation of a new department of the city government, a commission of five citizens, serving without remuneration, whose duty it shall be to direct a continuing plan for urban renewal and development in the city and within a five-mile radius thereof. This Commission is authorized to take over urban renewal duties of the Housing Authority of Portland and to serve as the city agency for Urban Renewal in its relations with state and federal agencies. The commission is granted general powers to acquire property by purchase or condemnation, to clear the land, to install structures and facilities, and to dispose of property by sale or lease. In addition, the commission has authority to impose restrictions on the use of the land and to provide for the relocation of persons whose property has been taken. It is a measure which contemplates not merely a single project, but a continuing agency to study, correlate the planning of, and execute an over-all program for the city and its immediate environs.

The measure further defines the administrative powers of the commission and establishes procedures. It authorizes the commission to borrow money, requires the payment of all monies received to the treasurer of the city to be set aside in a separate and distinct fund, and provides that the operations of the commission shall be subject to audit by the city auditor. The usual requirements of city reports and operation under an approved budget are also made. A continuing special tax levy outside the six percent limitation, in an amount not to exceed \$400,000 in any one year, with a maximum of \$2,000,000 within a ten-year period is provided as a means of raising necessary funds and to qualify for Federal grants.

The measure further provides that the commission may request the issuance by the city of revenue bonds to be repaid out of revenues of the commission, or when permitted, from tax revenues attributable to improvements existing or subsequently constructed on urban renewal property.

Your committee addressed itself to four major aspects of the proposed legislation under the following headings:

ECONOMIC AND OTHER GENERAL BACKGROUND

The measure is the outgrowth of nationwide experience on the part of federal, state and municipal governments in dealing with Slum Clearance, Emergency (War) Housing and Permanent Housing, City Planning and Urban Redevelopment. It aims to fulfill the objectives of Federal law, as amended in 1954, and state legislation which enable municipal action to deter blight resulting from sectional deterioration, and in addition to rehabilitate existing blighted areas.

The measure is deemed a forward step on the premise that sectional deterioration costs American cities dearly in depreciated property values and resultant lower tax revenues; increased costs of fire and police protection; actual fire loss; increased crime and lowered moral standards; spread of disease through poor sanitation facilities and lack of light and air. Other penalties are air pollution, traffic and human congestion, loss of adequate park and recreational areas. Finally, this act in conjunction with Federal law, sponsors city-wide planning, study and rehabilitation to include a five-mile radius of the city; thus it will eliminate to some degree the pains of future annexations which would otherwise lack facilities complying with city codes.

Some of the major developments leading to the present measure are:

- 1949—National Housing Act (granting Federal aid for slum clearance and urban redevelopment).
 - Redevelopment Law of the State of Oregon (establishing Housing Authority as Redevelopment Agency)
- 1951—Portland City Council requested capital grant *reservation* from Federal government. Preliminary advance studies of blighted areas begun. Preliminary advance contract executed. Redevelopment of Vaughn Street area approved.
- 1952—Work on Vaughn Street Project continued. Bond issue for Vaughn Street proposed and defeated by voters. Test case filed and hearings begun on validity of Oregon Redevelopment Law.
- 1953—Law upheld by Supreme Court of Oregon.
 - Vaughn Street Project killed by City Council action refusing one-third share from city funds.
- 1954—Revision of Federal law (with objective to prevent slum areas from developing by rehabilitation, modernization and thus sustain values). Features:
 - Special F.H.A. Financing
 - Encouragement of voluntary renewal
 - Move toward small "spot" clearing.
- 1955—Pilot demonstration plan presented by Housing Authority to City Council. Allowed to die without action.
 - Mayor appointed Advisory Council on Urban Renewal as recommended by Housing Authority.

- 1956—Survey and Planning application for South Auditorium project submitted by Housing and Home Finance Agency; continued progress on South Auditorium project; application for \$84,193 granted by Housing and Home Finance Agency for planning and survey; \$3,167,000 Federal funds "earmarked" for South Auditorium project; contract let by Housing Authority to City Planning Commission.
- 1957—Preliminary reports approved; "workable program approved"; State legislature amended ORS Chapter 457 to provide for local action consistent with Federal provisions;
- 1958—Webb & Knapp, Inc., indicated its willingness to enter into a \$30,000,000 construction program.

The history of Urban Renewal in Portland initially reflected a decidedly favorable interest, later curtailed by the defeat of the Vaughn Street project by the voters and later by City Hall action. Current action is reinstating a Commission with broader scope to co-ordinate with City Planning.

POWERS OF THE COMMISSION

The powers granted to the commission under the charter amendment appear ample to carry out the program. For the most part, all powers granted to the newly created commission are already available to the City Council by virtue of the Federal Housing Act and the state statutes, particularly Oregon Revised Statutes, Chapter 457 as amended. While both the Federal Act and the state laws recognize the activity of city agencies in an area within 10 miles of the city, this charter amendment would limit the commission to an area within the 5-mile radius of the city.

It was this authority to act outside the city limits which concerned your committee. It was our conclusion, however, after considerable investigation, that where a sufficient "city purpose," as that term has been developed by the courts in this state and in others is shown to exist, or where the extra-mural activities are sufficiently identified with urban renewal projects within the city, then the powers and authority of an Urban Renewal Commission within the 5-mile fringe area would be sustained.

Your committee further concluded that the charter amendment does not contain any unwarranted delegation of power and that the safeguards of responsibility to the Council and thus to the electorate are maintained.

FINANCIAL ASPECTS

Financing of Urban Renewal will be from two sources, local and Federal funds. The primary source is in Federal grants in the favorable ratio of $\frac{2}{3}$ Federal to $\frac{1}{3}$ local. Local contribution is to come, in the first instance, from the Special Tax Levy on the May ballot. It is for 5 years and for the lesser of $\frac{2}{3}$ of a mill or \$400,000, annually. If approved, this levy will provide funds necessary to qualify for a Federal grant.

The secondary source of local funds will be the issuance of Revenue Bonds, but this will first require legislative action as well as a constitutional amendment. It is contemplated that the City Council, upon the request of the Commission, will then issue revenue bonds to develop the project, not to exceed \$5,000,000.00 outstanding at any one time. Tax levies are not to be used if it is feasible to use revenue bonds.

However, the issuance of revenue bonds is contingent upon the passage of House Joint Resolution No. 36 to be voted on in the November, 1958 election. This is a constitutional sequestration amendment to permit the separation of an urban renewal district for tax purposes. If H.J.R. 36 is passed in November, the 1959 session of the legislature will have to provide enabling legislation.

The bonds would be repaid from:

1. Revenues from urban renewal development.
2. Sale of property involved in urban renewal development.
3. Tax revenues attributable to improvements existing or subsequently constructed on property in a project.
4. Tax revenues exceeding a specified level within such a project.

For all practical purposes, Nos. 1 and 2 above would not be sufficiently certain to warrant the issuance of bonds. While the revenue bonds may permit the substitution of that form of financing as a means of reducing or replacing of the Special Tax Levy, the issuance of revenue bonds will be contingent upon the approval of H.J.R. 36. Since the issuance of bonds is contingent upon a constitutional amendment and legislative action, your committee feels that for the purposes of the present study, it must view the act solely upon the basis that the tax levy will be the immediate and possibly the only source of local contribution.

It should be noted that a great many provisions of the act are included to provide for the issuing of bonds in the event the H.J.R. 36 is approved. Thus, the framework is devised for use with the constitutional amendment and legislative action on an "if and when" basis. There may be a long hard road ahead to qualify revenue bonds for this purpose.

Since the primary reliance will be on the Special Levy, it behooves us to look at other continuing special levies in order to weigh the additional tax load.

The following two schedules show the status of continuing levy and millage affecting the property in the City of Portland. The first one shows the present costs and the second, the estimated costs of measures on the ballot of May 16, 1958. The special tax levy for Urban Renewal is shown as No. 3 on the second schedule.

Schedule "A" CONTINUING LEVIES IN EFFECT AS OF APRIL, 1958

	Amount Annually	Expiration Date
SCHOOL DISTRICT NO. 1:		
1. 10-year serial levy approved May, 1951—levy per year	\$2,780,000	1960-61
CITY OF PORTLAND:		
2. Street Lighting Levy, approved Nov. 2, 1954, 10-year special levy—per year	1,000,000	1964-65
3. Zoo Levy—approved May 21, 1954—5-year levy of 1.2 mills or (whichever is the lesser)	771,800	1958-59
4. Public Recreational Areas—approved May 19, 1950—10-year Special levy of .4 mill each year		1959-60
5. Fire & Police Disability & Retirement approved Nov. 2, 1954—continuing levy. Not to exceed 2½ mills nor be less than 1 mill, unless the Reserve Fund will, as a result of minimum levy, exceed \$750,000		None
6. Fire Pension Levy:—.3 mill continuing levy		None
7. Sinking Fund—continuing levy—Not less than .4 mill		None

Note: No continuing levies for Multnomah County or for the Port of Portland.

Schedule "B" ESTIMATED COST OF CITY MEASURES ON BALLOT
of May 16, 1958

MEASURE:	Annual Levy	Millage on	Increased Cost Per
		\$700 Million Assessed Value	\$100 of Taxes Paid in 1957-58
		1958-59	1958-59
1. Special Tax Levy for Charter Revision Study (Two Years)	Lesser of 1/20 Mill or \$35,000	0.05 mills	\$.07
2. Creating Transit Dept.			
a. \$7,000,000 General Obliga- tion Bonds (20 Years)	Amount needed	0.30*	.43*
b. Special Levy for Operating Deficit (10 Years)	Lesser of 2 mills or \$1,500,000	2.00	2.84
3. Special Tax Levy for Urban Renewal (5 Years)	Lesser of 2/3 Mill or \$400,000	0.57	.81 †
4. Fire Bureau Facilities General Obligation Bonds (20 Years)	Amount needed	0.13*	.18*
	TOTALS	3.05 mills	\$4.33

One of the redeeming features of Urban Renewal, in contrast to most continuing levies, is its tendency to generate more revenues through increased property value. Furthermore, in the event the constitutional amendment and the enabling legislation is enacted, the Urban Renewal program could become completely self-sustaining.

Another favorable feature is that the local levy contemplates Federal grants in the ratio of 2 to 1; thus, the cost locally, in terms of benefits received, would be considerably lower than in the usual special levy situation.

It is also to be noted that the Urban Renewal Special Levy provides for a five-year carryover for any unused portion below \$400,000.00, thereby encouraging the council to avoid resorting to the levy in any year in which the funds are not needed.

EXPERIENCES OF OTHER CITIES

Most of the major cities of America have undertaken urban renewal projects. Some have been on a grand scale, and others have been more modest. Best known of the cities and projects are Pittsburgh and its Golden Triangle, St. Louis and its City Center, Philadelphia and its huge downtown rebuilding. Other cities which have undertaken noteworthy projects are New York, Chicago, Detroit, New Orleans, San Francisco, and New Haven, to name only a few.

As far as your committee has been able to ascertain, the projects have been uniformly successful in bringing about the intended results. The drift has been away from housing projects and has been toward the rebuilding of city center business property and the concentration of industrial and commercial uses of land. In Los Angeles where a special problem exists, urban renewal has been used primarily in the construction of vehicular freeways.

* Interest and repayment costs, some of which will commence six months after sale, will increase these costs as bonds mature.

† This is the maximum cost for a year. The measure authorizes levying of \$2,000,000 in any part of a 10-year period, with not more than \$400,000 in any one year.

The one common experience in urban renewal projects has been the pre-eminence of the relocation problem: How and where to settle the people who have lost their homes. Your committee believes this will be relatively a minor problem in Portland, particularly in the South Auditorium area. There will be work to be done in this connection but, it appears to the committee the number of people requiring new homes will be small, and more important, the people who will be displaced can be assimilated into many of the residential sections of the city. In short, it is felt by your committee that the benefits usually expected of urban renewal will accrue to Portland without any substantial difficulty of relocating the displaced population.

CONCLUSION AND RECOMMENDATION

Your committee believes that planning for the future is necessary, and that the problem of urban renewal and urban development is sufficiently important to warrant continued special treatment. If Portland is to keep step with the growth of the Pacific area, it must plan not only for the industrial development which it wants and needs, but must protect against deterioration and stagnation. Your committee thinks a separate city department will provide the spark and the interest. Your committee recommends, therefore, that the City Club go on record as approving the measure and urges a vote of "52 Yes."

Respectfully submitted,

PAUL L. BOLEY

D. W. HOFFMAN

ARTHUR MARKEWITZ

VOLNEY PRATT

GEORGE S. WOODWORTH, *Chairman.*

Approved April 30, 1958 by the Research Board for transmittal to the Board of Governors.

Received by the Board of Governors May 2, 1958, and ordered printed and submitted to the membership for discussion and action.

**REPORT
ON
FIRE BUREAU FACILITIES AND
EQUIPMENT BOND MEASURE**

A CHARTER AMENDMENT to authorize the issuance of \$3 million of general obligation bonds for use by the Bureau of Fire for construction and relocation of fire stations, extension and renovation of fire alarm system, and purchase of equipment.

TO THE BOARD OF GOVERNORS,
THE CITY CLUB OF PORTLAND:

ASSIGNMENT

Your committee was appointed to study and report on a proposed amendment to the charter of the City of Portland reading in part as follows:

“ . . . to authorize issuance of general obligation bonds in the total sum of \$3 million for fire apparatus and equipment, fire boat facilities, additional fire stations, fire alarm communications system and other facilities for use by the Bureau of Fire of the City of Portland, and the modernization, repair and rehabilitation of existing facilities and equipment of said Bureau, outside debt limitations.”

SOURCES OF INFORMATION

Your committee has obtained an explanation of the measure from the Fire Chief and his staff, have confirmed their understanding in further talks with Commissioners Earl and Bean, and verified certain aspects with the staff of the Bureau of Municipal Research, City Planning Commission and the Oregon Insurance Rating Bureau. This report is being made, however, in advance of the public hearing called by the Multnomah Tax Supervising and Conservation Commission.* No organized opposition to the fire bond measure has come to our attention.

THE MEASURE

If approved at the May primary, the measure would authorize the City to issue \$3 million in Fire Bureau Facilities Bonds, which would be general obligations of the City and be outside the debt limitation fixed by the charter. The bonds would be issued from time to time as the Council directs, for a maximum term of twenty years, following the City's usual procedure in such matters. Proceeds would be placed in a Fire Bureau Facilities Fund in care of the City Treasurer to be expended for construction and rehabilitation of fire stations, fire alarm communication systems, fire boats, and apparatus and equipment in a manner and to the extent the Council finds appropriate for economical and effective fire prevention and control and continuance of present insurance ratings.

In more detail the proposed program is as follows:

Fire Stations: Thirteen stations are to be constructed and three remodeled at an estimated cost of \$1,500,000, following which twenty-two stations are to be abandoned. Five of the twenty-two stations have been unmanned since mid-1957. The Fire Bureau will end up

* No additional facts were divulged at the April 29, 1958 hearings. There was no adverse reaction from the Commission.

with thirty-one stations (including the three fire boats) which is the same number as at present but six less than in 1937. The salvage value of these stations and their sites will accrue to the City's general fund, to be re-allocated to the Fire Bureau for new stations.

The Fire Bureau is now operating with a legacy of stations built for horse-drawn or outmoded equipment, acquired as communities have been annexed, or designed for the city of half a century ago. Neighborhood patterns have changed, industrial and commercial areas expanded, city limits pushed out, and new streets and highways built. Several of our present stations are closer than required by underwriters standards in the northeast and southeast districts, and too far apart in the southwest and certain other sections. The proposed sixteen new stations, to be located in accordance with underwriters' standards which call for an engine company every $\frac{3}{4}$ of a mile in high-value commercial areas and every $1\frac{1}{2}$ miles in residential districts, are expected to provide better protection at less cost than the twenty stations they replace.

Equipment and Facilities. \$950,000 is to be expended on new fire equipment. The City has bought no major equipment since the special five-year, $\frac{1}{2}$ -mill fire levy expired in 1954. That source provided \$1,400,000, all of which was applied to equipment and stations. Of twenty-four pumpers, six are now twenty years old. Of eight ladder trucks, two are nineteen years old and one is thirty years old. Such equipment is beyond the recommended useful life for first-line service, as defined by the Board of Fire Underwriters. The three fireboats are thirty-one years old and require extensive overhauling.

While new trucks, engines, and equipment are more efficient, they are costly—\$45,000 for a truck, and \$110 for a hose nozzle. The Fire Bureau has requested necessary replacements each year, and each year the request has been turned down because there just isn't enough money in the City's normal budget. Nothing is gained by putting off the replacement of old equipment, and much may be lost. Certain other facilities are needed also, such as a central storage depot to replace facilities scattered about the city. Centralized hose depots for drying hose will reduce this inventory by twenty-five percent with an estimated saving of up to \$5,000 per annum.

The alarm system would be rehabilitated and extended at a cost of about \$600,000. This is the nerve center of the Fire Bureau for receipt of calls and dispatch of men and equipment. What we have now is a telegraph system which responds automatically when the alarm box is operated, and by use of punch cards dispatches fire companies according to a pre-arranged plan. We are told that underground, lead-sheathed cables (many of them forty years old) are breaking down, as may be expected with the passage of time, and that communications must be extended to the new stations when built. Decision has not been reached whether to stay with the all-telegraph system or go to one of the newer types which would replace at least part of the telegraph facilities with telephone lines and auxiliary equipment. The Fire Bureau is to continue its studies and receive proposals from several interested suppliers.

HOW THE MEASURE WOULD BE CARRIED OUT

The Fire Bureau states that it can move rapidly, once authorized to proceed. It knows what equipment it would order, and in what sequence. Architects would be retained and sites selected and acquired. With the assurance that money would be available, the Fire Bureau would be in a position to move ahead in a systematic way with the planning, design, acquisition and construction phases of its program.

When ready to make expenditures, the Fire Bureau would lay its proposals before the City Council, sitting as a budget committee. Bonds would be sold by the City Treasurer as a single or separate issue, depending on the probable rate of expenditure and the state of the bond market. Any temporarily surplus funds would be put out at interest until needed.

WHY A BOND ISSUE?

Voter authorization of the bond issue will enable the Fire Bureau to embark promptly on this major refurbishing of its fire protection facilities with the assurance that funds will be available to carry the program through to completion. The Fire Bureau proposes to have

the buildings 90% completed and the alarm system rehabilitated or replaced in two years—a program that could not be financed within the 6% limitation and would be impractical to finance by a special levy. The proposed improvements are of a type whose cost may properly be spread over the life of the bond issue.

We note that the City's proposed budget of \$16 million for the next fiscal year would provide only \$800,000 for capital improvements to all departments. In the case of the Fire Bureau, about 94% of budget has gone for wages and salaries, leaving only 6% for all other purposes.

COST OF THE MEASURE

Annual debt service on the \$3 million issue will average about \$200,000, according to the City Treasurer's estimates. The amount varies from year to year. This would be roughly equivalent to .3 mills on present assessed valuations. For example, for a residence with an assessed valuation of \$3300, a .3 mill levy would cost about \$1.00 per year.

The alternative seems certain to be higher insurance rates which would follow from downgrading of Portland from a Class 2 to a Class 3 city. Insurance rates might go up by about 10% if the City were to lose its Class 2 rating, which would amount to perhaps \$2 a year on the residence cited above. No city, it may be observed, has anything better than a Class 2 underwriters rating, but several major Pacific Coast cities are in Class 2. It is now twenty-one years since Portland was last inspected and rated. Only the prospect that the City would act is said to have held the underwriters off until now. As of April 14, insurance rates on most properties in Albany, N. Y., were raised, due to deterioration of fire protection facilities.

Some economies of manpower and operating expenses may be expected to result from the modernization program. All substitutes and temporary appointments will be eliminated and the reduced number of stations manned by full-time, trained firemen. All three-man companies are to be eliminated and the crews brought closer to underwriters standards.

For the city as a whole, there is a clear monetary gain by providing adequate fire protection, quite apart from the increase in public safety.

COMMENT

It seems clear that the time has come for a major expenditure on our fire system. Fire stations, the alarm system, and equipment, have reached a degree of obsolescence that makes it good economy to embark on a major modernization program. The latter is dictated also by reasons of public safety. The program has been worked out by the Fire Bureau in a year and a half's careful planning and appears to be sound. Competent authorities agree that it can be completed in full within the limits of the \$3 million requested. The Fire Bureau says its proposal meets with the endorsement of fire underwriters and has been checked with the City Planning Commission and the State Highway Department for conformity to highway and community plans. We have been assured that the program will not interfere with the capital improvement programs of other city departments.

In approving this measure, your committee cannot avoid mention of the perennial need for better planning of the City's capital improvements. The need for a long-range capital improvements program and adequate financial support thereof is familiar to all City Club members.

RECOMMENDATION

You committee recommends that the City Club go on record as favoring the proposed \$3 million fire bond measure, and urges a vote of "51 Yes."

Respectfully submitted,

TRAVIS TYRELL

BYRON VAN FLEET

WARREN H. MARPLE, *Chairman*

Approved April 30, 1958 by the Research Board for transmittal to the Board of Governors.

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**REPORT
ON
SPECIAL TAX LEVY
FOR CHARTER REVISION STUDY**

TO THE BOARD OF GOVERNORS,
THE CITY CLUB OF PORTLAND:

Your committee was appointed to report on the proposed amendment to the city charter which would authorize and direct a special tax levy of \$70,000, over two years, for the purpose of financing "a study of appropriate charter revision of the city of Portland."

The ballot proposal specifically authorizes the council to supplement said \$70,000 fund by appropriations out of the general fund of the city of Portland. It provides "the money in said fund shall be expended for one or more of the following purposes: salaries, wages or contract fees for technical assistants, consultants, experts and clerical staff as the council may find appropriate or necessary in order to make a comprehensive study and report of the needs of the city for charter revision and to design and formulate a comprehensive revision of the charter for submission to the electorate of the city."

The record shows that this ballot measure was originally proposed by Mayor Schrunk at an informal meeting of the council Tuesday, February 25, 1958. It was formally introduced on Thursday, February 27, 1958 and at that time adopted by the council. The Mayor and Commissioners Bean, Boody and Bowes voted affirmatively; Commissioner Earl was officially absent.

SCOPE OF COMMITTEE'S WORK

Members of your committee interviewed Mayor Terry D. Schrunk, Commissioners Ormond R. Bean, Nathan Boody, William Bowes, and Stanley Earl, City Attorney Alexander Brown, and a representative of the Bureau of Municipal Research. Judge Virgil Langtry and attorney John C. Beatty, Jr., were also interviewed by your committee; both are prominent advocates of the council-manager proposal for Portland and both took part in the study of the Mayor's Committee on Municipal Re-organization in 1949-1950. Your committee also examined relevant portions of the minutes of the city council, editorial and other published comments and relevant material.

These interviews and studies develop the following arguments for and against the proposal:

ARGUMENTS FOR

1. There is a real and urgent need for modernization of the city charter.
2. There is need for a substantial change in the form of city government, either by a change to another form, or a substantial change in the present commission form.
3. There is need for a comprehensive study, coupled with public hearings, to determine the comparative merits for Portland of the several forms of city government.
4. No comprehensive or impartial studies have been made which are up-to-date.
5. Adequate funds necessary for a comprehensive study are not available within the present budget and a special additional tax levy is therefore needed.
6. This proposal represents a constructive and positive alternative to the council-manager proposal at this time.

ARGUMENTS AGAINST

1. The proposed amendment is too vague in defining the scope, purposes and direction of the proposed study.
2. The \$70,000 in additional taxes to be levied under the proposal is not supported by any proposed budget.
3. \$70,000 or more for a two-year study is a vastly excessive amount and more than would be reasonably necessary.
4. A mere modernization or "housecleaning" revision of the charter could be accomplished without significant cost by the city attorney's office.
5. A ballot measure is unnecessary to accomplish the stated purposes inasmuch as the council already has the power under the present charter to initiate a charter revision study and accomplish all the other purposes of the proposed amendment to the charter.
6. Comprehensive and impartial studies were made in the past and a new study is therefore not needed.
7. The present council-manager proposal placed on the ballot by the initiative embodies the recommendations of the "Mayor's Committee on Municipal Re-organization" of 1950 brought up-to-date and if adopted, would render this charter revision levy unnecessary.
8. This ballot measure was proposed by the council for the primary purpose of blocking the council-manager initiative on the same ballot.

DISCUSSION

The present and urgent need for modernization of the city charter is not challenged by opponents of this ballot measure. It is pointed out, however, and this committee agrees, that a mere "housecleaning" modernization by removing much accumulated "deadwood" can be accomplished without any fanfare by the city attorney's office. To accomplish that end, no large-scale study or any substantial amount of money is necessary, but at most the services of one more deputy city attorney for a period up to one year.

While the proponents of this measure urge the need for a new comprehensive study of the city charter, there was substantial evidence presented to your committee that comprehensive studies have been made. In fact, the study and report made by the "Mayor's Committee on Municipal Re-organization," eight years ago has recently been brought up-to-date. While this committee is not passing on the merits of that report, it is satisfied that that study was undertaken by a competent committee which had no predetermined bias despite the established fact that the then Mayor, Dorothy McCulloch Lee, publicly favored the council-manager form of city government for Portland.

Some of the proponents speak of the measure as one to establish a "broadly representative committee to study and report on changes our city government needs." * There is no basis for this assumption. Nothing in the language of the proposed charter amendment points to a "broadly representative committee" and no assurance or even any indication as to the composition of the "advisory group of citizens" which this charter amendment directs be established by ordinance of the council to "direct such study or assist therein."

Your committee has received no specific indication from any council member as to the composition of such committee, and several commissioners indicated that no thought has as yet been given that matter. It was added, however, that the council would undoubtedly appoint citizens who had no predetermined bias in favor of any particular form of city government. Logically this would exclude all persons who have participated in prior studies, the most recent of which have favored the council-manager form of government for Portland.

In view of prior studies dating from the first City Club committee study in 1933, including the eighteen-month study undertaken by Mayor Lee's Committee on Municipal Re-organization (1949-1950) and a similar study by a League of Women Voters committee (1952), we are satisfied that a study of the scope indicated by a \$70,000 tax levy is not necessary at this time.

* From brochure published by Committee Opposing City Manager Form of Government.

While none of the commissioners indicated how the study would be conducted if the \$70,000 tax levy were approved, Mayor Schrunk was quite specific in his ideas on this subject. Mayor Schrunk stated that he initiated this measure. He envisioned that the council would hire as a full-time secretary and co-ordinator either a qualified attorney or a representative of the Bureau of Municipal Research; that the council would also request the American Municipal Association or the U. S. Conference of Mayors to recommend a suitable and competent organization that would undertake a charter revision study for the city of Portland which should include a comparison of "model-type charters."

Your committee is advised that one of the national organizations best equipped to assist in the formulation of basic charter revisions of a city government is the National Municipal League. It should be pointed out that such assistance was, in fact, given to the Mayor's Committee on Municipal Re-organization (1949-1950). Moreover the present council-manager proposal for Portland has, in fact, been approved as to its structural soundness by the National Municipal League.

It is our opinion that any further study with respect to the basic structure of Portland's city government ought to await the outcome of the May election. If the council-manager proposal is adopted, no such study would be necessary at this time. The only revision of the charter then in order would be a so-called "deadwood removal" operation which could easily be accomplished at relatively small cost by the city attorney's office.

It should be noted that the Bureau of Municipal Research which maintains a full-time office in the Portland City Hall, had no part in the formulation of this ballot measure, nor did the council request a report from the Bureau with regard to this measure.

No evidence has been presented to your committee by the Mayor or any member of the City Council that there exists any proposed budget for the expenditure of the \$70,000 or that indeed the figure represents any more than a guess as to the cost of such a study. In any event, \$70,000 is substantially more than would be necessary, even if the council-manager initiative were to fail.

While some council members did not want to be quoted, Mayor Schrunk asserted that he proposed this measure at this particular time because he felt "that the people should have the opportunity to vote on something constructive, positive," and he felt that the council-manager proposal was essentially negative in nature. Mayor Schrunk also went on record as a strong advocate of the strong-mayor form of city government.

It is the belief of this committee that this ballot measure cannot be considered "constructive" or deserving of adoption. It is found wanting in that:

1. It is too vague in all respects.
2. No justification exists for a \$70,000 appropriation and additional tax levy.
3. It is essentially negative in nature, as it appears conceived in opposition to the council-manager form of city government which is the subject of a charter amendment placed on the same ballot by the initiative method.

CONCLUSION AND RECOMMENDATION

It is your committee's conclusion and considered judgment that this ballot measure is unsound and your committee, therefore, unanimously recommends that the City Club go on record as being opposed to this measure, and urges a vote of "56 No."

Respectfully submitted,

MARKO L. HAGGARD
 FRED M. ROSENBAUM
 JOHN R. SABIN
 THOMAS E. WITHTYCOMBE
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