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Report on Authorizing Bonds for Education Building Program (State Ballot Measure No.1); Report on School District Number One, Multnomah County, Building Fund Serial Tax Levies (Ballot Measure No.3); Report on Multnomah County Special Bond Election (Multnomah County Measure No.2)

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**REPORT
ON
AUTHORIZING BONDS FOR EDUCATION
BUILDING PROGRAM**

(State Ballot Measure No. 1)

Purpose: To amend the Constitution to authorize State General Obligation Bonds up to \$30 million for building projects. Of this amount \$25 million to provide funds for higher education and \$5 million for community colleges and education centers.

To the Board of Governors,
The City Club of Portland:

Your Committee was authorized to study and report on the above State Ballot Measure to be voted on at the Primary Election, May 15, 1964.

I. Legislative History

The 1963 regular session of the Oregon State Legislature enacted House Bill 1846 as an amendment to the present income tax act, to produce an estimated \$64 million in additional revenue to the state. At the same legislative session, House Joint Resolution 20 submitted to the voters at the next primary election a bond measure to raise \$30,000,000 for buildings for higher education.

A successful referendum petition referred the tax bill to the voters at a special election on October 15, 1963.⁽¹⁾ The tax program was defeated, resulting in a special session of the Legislature for rebudgeting. During this special session, the Legislature also passed House Joint Resolution 8 which amended HJR 20 by earmarking for community colleges \$5 million of its \$30 million request.

Condensed View of HJR 20 and HJR 8

House Joint Resolution No. 20 proposed to amend the Constitution of the State of Oregon by creating a new article to be known as Article XI-G.

Section 1 specifies "the credit of the state may be loaned and indebtedness incurred in an amount not to exceed at any one time \$30 million to provide funds with which to construct, improve, repair, equip and furnish these buildings and structures, and to purchase and or improve sites therefor⁽²⁾ that are designated by the Legislative Assembly for higher education institutions and activities."

The bonds "shall be the direct general obligations of the State" and it is provided no additional indebtedness shall be incurred after June 30, 1969.⁽³⁾

Prompt payment of bonds and interest is to be provided by **ad valorem** taxes against property and "other revenue to supplement or replace, in whole or in part, such tax levies."

⁽¹⁾Portland City Club Bulletin, Oct. 11, 1963, Vol. 44, No. 19, "Personal and Corporation Income Tax Bill".

⁽²⁾Except self-liquidating and self-supporting buildings or projects constructed pursuant to Section 2, Article XI-F(1) of this Constitution.

⁽³⁾Except for refunding bonds issued to provide funds to redeem bonds issued pursuant to the Article.

House Joint Resolution No. 8 reduced to \$25 million the amount for "higher education institutions and activities" and provided that \$5 million go to community colleges and education centers designated by the Legislative Assembly "or that are community colleges and education centers authorized by law to receive State aid."

II. Introduction

Long before the regular session of the 1963 Legislature, it was painfully obvious that Oregon was participating in the same population explosion that was rocking most of the nation. The war babies that were fathered in great numbers in World War II had already stretched the imagination and resources of the State to provide facilities for elementary and secondary education. Now it was higher education's turn.

Enrollment projections, presented to the 1963 regular session of the Legislature by the Board of Higher Education, confirmed the obvious, and forecast enrollments of over 57,000 in State-supported colleges and universities by 1972. This figure represented a staggering increase of 70 per cent over current enrollments.

Furthermore, educators maintained that classrooms and laboratories were already being used close to or above levels commensurate with sound returns.

The clear need seemed to be for more buildings and equipment to carry the student load.

In years past, the Legislature and the Board of Higher Education had not always seen eye to eye on building fund appropriations, and they didn't this time in every particular. However, there was substantial agreement on the immediate need for a major building program that dwarfed anything presented in prior bienniums.

The Governor's Budget for 1963-65 had termed the building requirements "great and pressing" and mentioned the possibility of meeting the need, in part, through bonding authority. Never before had Oregon authorized bonds for other than self-liquidating capital construction.

The regular session of the Legislature, following careful study, proceeded to authorize, by constitutional amendment, a \$30 million bond issue for referral to the voters. This proposal for higher education construction requirements would be financed through general obligation bonds to be repaid by General Fund appropriations. (In the special session, after the October tax defeat, the bond amount was reduced to \$25 million for higher education and \$5 million authorized for community colleges). In addition the 1963 Legislature appropriated \$11.5 million from the general fund for higher education building needs during the 1963-65 biennium. With a hoped for \$12.5 million⁽⁴⁾ from the bond authorization in the same biennium period, there would be, in total, about \$24 million available for buildings, land and improvements up to July, 1965.

This total was far below the Board's original request of \$47 million for the biennium but represented possibilities of solid inroads on the capital construction needs.

The October, 1963, defeat of the income tax measure was a severe shock to all educators. To the State system it meant loss of over \$7 million of the \$11.5 million previously authorized, as budgets were accommodated to reduced revenue.

The special session of the 1963 Legislature also cancelled several building projects that had been authorized by the 1961 Legislature, including the Portland State College Science Building.

At the same time that the Board of Higher Education was experiencing its great disappointment, another group, the recently prominent Com-

⁽⁴⁾As limited by the Appropriations Act (Section 2) of the 1963 regular session of the Legislature.

munity Colleges, was also feeling the sting of similar cut-backs in building appropriations. These schools, controlled by local school boards and under the supervision of the State Board of Education (a group distinct from the Oregon State System of Higher Education and its Board) had but recently received encouragement from the Legislature that gave them visions of great things to come. Although at least one such school had been operating since 1949, it was only after the 1961 Oregon Legislature authorized districts to form community colleges and teach college credit transfer courses that the possibilities of tremendous growth became evident—this vision was further enhanced by the State's offer to make money available to help local sources form and operate the schools.

To Community Colleges the October tax defeat meant loss of the \$1.3 million grant appropriated by the 1963 Legislature for building construction. The special session of the Legislature, by House Joint Resolution No. 8, then allocated \$5 million of the proposed \$30 million bond issue to community colleges, providing these funds were to be used for construction over the next two bienniums ending July, 1967.

Therefore, the proposed \$30 million bond issue assumes even greater proportions following the October tax defeat. The May election carries with it the hopes of both the four-year institutions and the two-year community colleges and education centers for immediate construction aid.

III. Scope of Committee Research

Every reasonable effort was made to cross check background material. The very nature of the study indicated that most of the statistics would come from education sources and this proved to be so. However, their interpretations and projections of population figures, a major item in this report, are based on Oregon Census Bureau figures, considered an impartial reference. Budget figures have had the benefit of careful analysis by the Legislature's Joint Ways and Means Committee and other responsible groups and individuals. It is the Committee's opinion that factual material presented by interested parties is basically accurate.

Printed reference material was obtained from:

Legislature's Ways and Means Committee;
Oregon State System of Higher Education;
State Department of Education.

Material published by the newspapers, **Oregon Voter**, Colleges for Oregon's Future (a citizen's committee), Oregon Tax Research (a Non-Partisan Taxpayer Association) and others was also reviewed.

The following persons were interviewed:

Dr. Roy Lieuallen, Chancellor, and his Assistant, Don R. Larson,
Oregon State System of Higher Education;

Dr. Leon P. Minear, Superintendent Public Instruction, State
Department of Education;

C. W. Posey, Executive Secretary, Oregon Educational Association;
Tom Scanlon, Director of Research and Education, Oregon AFL-
CIO;

John D. Mosser (R), State Representative from Washington County
and member of the Legislature's Joint Ways and Means
Committee;

Robert D. Holmes, former Governor, State of Oregon, and member
Colleges for Oregon's Future (CFOF) Executive Committee;

Walter W. R. May, Editor and Publisher, **Oregon Voter**;

George J. Annala, Oregon Tax Research.

IV. Background Information

A. State System of Higher Education

This section will deal with the needs and problems of the four-year public colleges and universities, with community colleges to be taken up separately.

The Board of Higher Education Capital Construction Budget⁽⁵⁾ submitted to the Legislature in the 1963 session requested close to \$47 million for capital construction, land purchase and other projects. Of this total, close to \$44 million, representing 39 projects, was for general purpose buildings. The Governor's recommendation (based on priorities and immediate needs) presented to the Legislature included 17 of the 39 projects and reduced the expected outlay to below \$22 million. To get the full impact of these budget figures, it is helpful to study the following comparison of building requests and appropriations:

Biennium	Board of Higher Education Budget	Appropriated By Legislature
1949-51	\$12,000,000	\$ 6,875,000
1951-53	11,750,000	5,430,000
1953-55	9,445,000	3,840,000
1955-57	7,665,000	4,021,000
1957-59	14,022,000	7,000,000
1959-61	20,125,000	10,062,000
1961-63	8,310,000	6,310,000 ⁽⁶⁾
1963-65	46,887,000	11,500,000 ⁽⁷⁾

Each biennial budget estimate contains a six-year capital construction budget for the purpose of permitting the Legislature to consider long-range as well as immediate requirements. The following illustration compares Board of Higher Education requests with the Governor's recommendations:

System of Higher Education Six-Year Capital Construction Program

Biennium	Included in 1961-63 Budget Agency Request	Governor's Recommendation	Included in 1963-65 Budget Agency Request	Governor's Recommendation
1961-63	\$ 8,310,000	\$ 6,160,000 ⁽⁸⁾	\$	\$
1963-65	20,375,000	3,831,570	46,887,000	21,470,500
1965-67	26,300,000	7,823,430	34,335,000	23,455,200
1967-69			22,420,000	21,425,000
	<u>\$54,985,000</u>	<u>\$17,815,000</u>	<u>\$103,642,000</u>	<u>\$66,350,700</u>

There are two key areas in the above tables. One has to do with the tremendous jump to \$47 million in Board of Higher Education request for 1963-65—an amount almost four times the average biennium amount of past years and substantially more than twice the largest request of any preceding biennium. The other is the remarkable change in projected amounts requested from 1963 forward as related in budgets for the two bienniums.

(5) Non-self-liquidating. Hereafter, unless special reference is made, mention of construction, buildings, etc., shall refer to "non-self-liquidating" projects.

(6) Excludes funds appropriated for Oregon Technical Institute, School of Social Work, and land purchases and plant rehabilitation which were not included in the Board's request.

(7) Plus the bond measure intended to add an additional \$12.5 million in the 1963-65 biennium.

(8) Excludes funds recommended for Oregon Technical Institute new campus construction, land purchases and plant rehabilitation and School of Social Work which were not included in agency report.

It has been indicated that earlier biennium requests of the Board of Higher Education normally included provision for some buildings needed in the future rather than just to meet immediate construction requirements. This seems logical when set against rapidly rising student enrollments. On the other hand, the Legislature appeared to be limiting appropriations to provide mainly for current needs with less allowance for accelerating space requirements, educators pointed out. There was also evidence, to complicate the picture, that space utilization was not at an optimum and needed study to determine practical limits. It was a genuine problem to determine when the construction curve would intersect student requirements.

By 1963 the State System, recognizing flaws, had substantially improved its construction planning procedures and techniques and was also able more adequately to support its new building projections. The upgraded technical staff also provided space utilization studies reflecting careful analysis, and they were able to show that classroom and laboratory space utilization was fast approaching, was already at, or was exceeding reasonable standards.

All of the above improvements in presentation gave increased stature to Higher Education's request for funds.

Following a careful and comprehensive study, the Legislature apparently concluded that procedures followed in developing higher education construction requirements were basically sound—and for this reason the \$11.5 million was appropriated for the 1963-65 biennium. Accordingly, the constitutional amendment was drafted to permit additional funds to be obtained by bonding, if the voters approved.

Enrollment Estimates: Enrollment estimates made some time prior to the 1963 Legislative session indicated that about 43,000 students would be on system campuses by the 1966 Fall term. By the time the Legislature was in session, revised estimates showed this expected total would be over 45,000. It should be remembered that to prepare for this increase of over 11,000 from present enrollments the building program would have had to be authorized by the 1963 Legislature if the space were to be available for 1966 occupancy. Construction authorization of a 1965 session could hardly be expected to have any substantial completion by 1966. The projected increase in students from 1966 to 1972 is again over 11,000 but the time span is twice as long for the same estimated enrollment increase as that for the three year period beginning in 1963 and ending in 1966. This indicates the urgency of the present need. The following figures illustrate, by member school in the system of higher education, the projected enrollments previously summarized.

Projected Fall Term Enrollment

(Enrollment used to Project Building Needs, as Prepared by the Budget Office on January 8, 1963, and Released through Comptroller's Office in March, 1963)

	1961 Actual	1963 Actual	1966	1968	1970	1972
Eastern Ore. College	1,064	1,224	1,665	1,867	2,015	2,147
Ore. College of Ed.	1,267	1,555	2,170	2,433	2,626	2,797
Ore. State University	9,039	10,900	14,653	16,430	17,734	18,892
Southern Ore. College	1,465	1,974	2,714	3,043	3,285	3,499
University of Ore.	8,716	10,295	13,834	15,511	16,742	17,836
Portland St. College	4,742	5,686	7,780	8,723	9,416	10,031
Subtotals	26,293	31,634	42,816	48,007	51,818	55,202
U. of Ore. Dental Sch.	351	373	383	383	383	383
U. of Ore. Medical Sch.	715	752	843	892	919	986
Oregon Tech. Institute	902	1,000	1,000	1,000	1,000	1,000
Totals	28,261	33,759	45,042	50,282	54,120	57,571

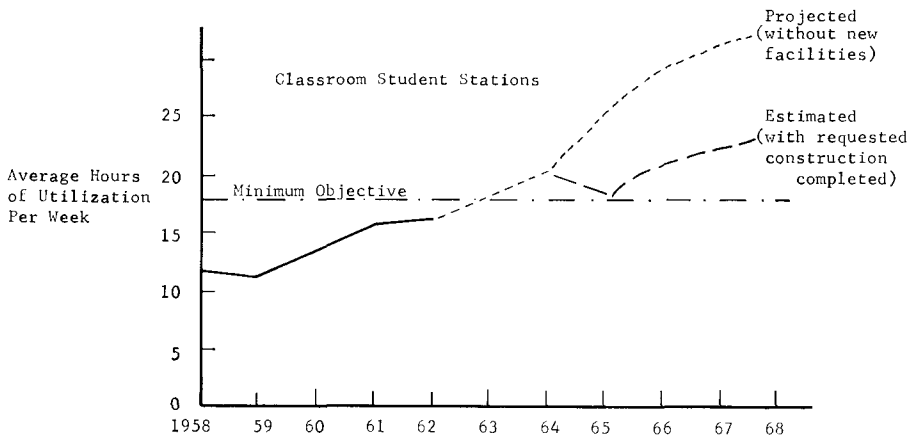
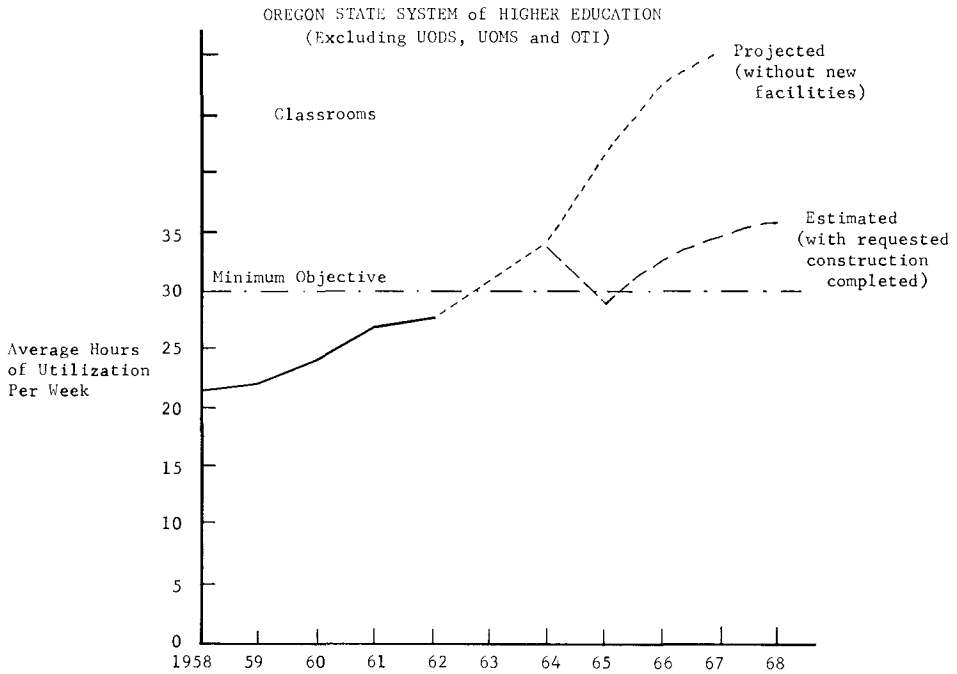
Space Utilization: Prior to 1963 critics of the state system's demands for additional buildings emphasized that classroom and laboratory space

in existing buildings was not being utilized to its maximum. In general terms, some support could be found for this contention although, as applied to specific schools, it wasn't applicable. Be that as it may, by 1963 Legislative session the Oregon State Board of Higher Education had completed for presentation a study of building utilization that specified space utilization objectives and standards for building planning. This study specifies that expected utilization of classroom and laboratory space at each institution would be at the maximum practicable level. To illustrate what was meant by "maximum practicable level" data from other comparable state systems, single institutions and regional groups had been reviewed and applied to Oregon's situation. The study showed Oregon standards were high in comparison with other states, and recommended maximums were already exceeded in several schools of the system. The "master plan objective", which Oregon indications were based upon, was the same as in use by California—a state that had already done a good deal of work in this area to "prove out" reasonable limits. Incidentally, your Committee received extremely frank expressions on space utilization studies from representatives of the state system. It was their contention that improved techniques that may someday be available through electronic processing would permit increased utilization of space—however that time was not now and standards presently used were felt to be sound for projecting current needs. The following charts illustrate hours of schedule occupancy of classrooms and student stations within classrooms. The student station figures are based on actual stations in a room and in some cases limited space had already resulted in crowding in additional seats beyond the normal or optimum for the particular room. Average hours of utilization would reflect higher on the chart if only normal occupancy figures could have been used.

**Projected Classroom and Laboratory Room and Student Station
Average Hours of Scheduled Occupancy Per Week**

-----	Actual average hours of scheduled occupancy per week, 1958-1962.
- - - - -	Estimated average hours of scheduled occupancy per week, 1963-1968, assuming completion by Fall Term 1965 of projects included in the 1963-1965 Capital Construction Program of the Department of Higher Education.
-----	Projected average hours of scheduled occupancy per week, 1963-1968, if new facilities are not available.
- - - - -	Minimum objectives for average hours of scheduled occupancy per week:
	Classrooms — 30 hours
	Classroom student Stations — 18 hours
	Oregon State System of Higher Education
	Eastern Oregon College
	Oregon College of Education
	Oregon State University
	Southern Oregon College
	University of Oregon
	Portland State College

It should be noted that the top broken line on each chart shows the situation expected if new facilities, included in the original Department of Higher Education project list for 1963-65, are not completed by Fall Term 1965. The above table and the chart following are illustrative and do not include the projections for laboratories but the figures, if included, tell substantially the same story.



Building Program Control: There are reasonable checks and balances throughout the building program to insure responsible use of appropriated funds. The system works from tested standards of space utilization in planning its construction program. From within the system each institution sets its own priority for specific building needs. The Chancellor's Office then screens the projects and formulates its schedule of construction for submission to the Board of Higher Education. The Department of Finance and Administration also participates in the study of plans and specifications and is instrumental in cost control. Finally, the Board's recommended priority projects are considered by the Governor and his selection of specific items forms the capital construction budget sent to the Oregon Legislature. It is in the Legislature that each project submitted is carefully studied before any funds are appropriated.

The procedures outlined above resulted in the Board of Higher Education's 1963-65 priority list of construction projects originally totaling close to \$47 million ending up at \$11.5 million appropriated and \$12.5 million scheduled for bond borrowing for the 1963-65 biennium.

As all but about \$4 million of the \$11.5 million appropriation was lost in the October, 1963, tax defeat, the \$12.5 million schedule of immediate construction needs can only be met by voter approval of the bonding measure.

Building Projects Scheduled for 1963-65 Biennium

Priority Number	Title	Amount	Cumulative Total
Priority Number	Title	Amount	Cumulative Total
1	PSC Science Bldg., incl. land	\$ 1,937,500	\$ 1,937,500
2	OTI Initial Campus Development	342,386	2,279,886
3	OCE Replacement of Campbell Hall (Humanities & Soc. Science Bldg.)	286,500	2,548,386
4	Land Purchases	280,364	2,282,750
5	OSU Computer Building	138,500	2,967,250
6	Heating Plants and Utility Services: UOMS Central Heating Plant Boiler	77,750	3,045,000
	OSU Utility Tunnel Extensions	451,500	3,496,500
7	OSU Space for Math. Dept. Offices, Language Laboratory and Classroom Facilities (Alterations to Old Library Building)	725,000	4,221,500
8	PSC Physical Education Bldg., including land	2,648,500	6,870,000
9	SOC Classroom, Lab. and Office Bldg., including land	915,000	7,785,000
10	OCE Classroom, Lab. and Office Bldg.	820,000	8,605,000
11	EOC Science-Mathematics Bldg.	875,000	9,480,000
12	UO Library Bldg., First Add'n and Alterations	2,330,000	11,810,000
13	OSU Pharmacy Bldg., Add'n and Alterations	690,000	12,500,000

Additional Building Projects With High Priorities

14	Land purchases	697,296	13,197,296
15	UO Science Bldg., Second Add'n	2,410,000	15,607,296
16	OSU Cordley Hall, First Add'n	2,535,000	18,142,296
17	SOC Physical Ed. Bldg. Add'n	615,000	18,757,296
18	OCE Library Bldg., Add'n and Alterations	500,000	19,257,296
19	UOMS Library Bldg., Add'n & Alterations	290,000	19,547,296
20	PSC Library, Second Unit, and Alterations	2,900,000	22,447,296
21	OTI Equipment and Improvements	201,634	22,648,930

TOTAL of Priorities 1 through 21 \$22,648,930

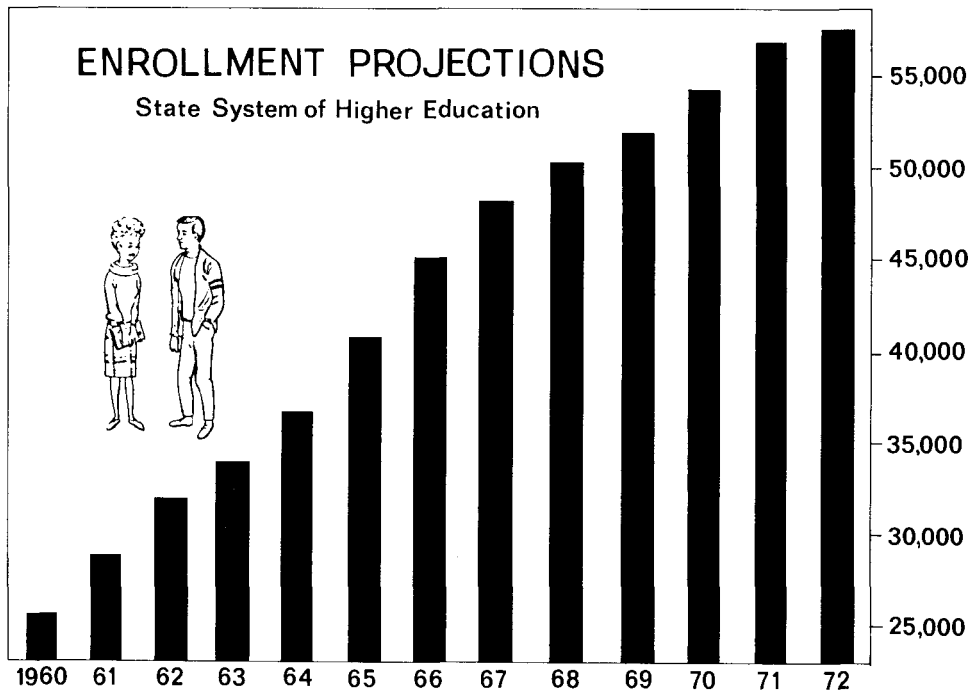
The \$12.5 million schedule is dependent on bond borrowing—and additional projects are lost this biennium unless funds can be obtained from other sources. It will be noted that each construction project carries a priority number and only the most urgent, Nos. 1 through 13, actually needed to properly take care of students already on campus, are hopefully scheduled for 1963-65 construction.

It is estimated that even if all priority construction scheduled above were completed within reasonable time limits, the continuing increase in students would have pushed space utilization factors substantially above

the minimum utilization objectives before the buildings were completed. It's a case of running fast to keep from going backwards.

Student Increase: The provision of space requirements should be planned well in advance. It is true that the current enrollment surge should peak sometime in the late 60's, but it is expected that there will then be a continuing, if less spectacular, increase from that time onward.

High school graduates in Oregon, combining public and private schools, totaled about 18,000 in 1959. By 1962 this annual figure was over 22,000. Forecast for 1965—over 31,000. From 1971 through 1974 the yearly average is projected at close to 34,000. No wonder, then, that informed estimates are being made that the present 45,000 enrollment on state college campuses, private and public, will approach 90,000 by the early 70's. This doubling is not unreasonable, even on the basis of increase in high school graduates alone. There are other factors tending to accelerate the number who will be seeking to enter college. Perhaps the most important single factor is the greater percentage of high school graduates entering Oregon colleges each year. By 1963 this proportion had climbed to 43 per cent from about 23 per cent in 1940. A society ever more demanding in its educational requirements should tend to push this percentage constantly upward. Requirements for adult re-training, technical and vocational training, and perhaps accelerating adult continuing education, all promise to exert a constant push for more classroom space. The following graph indicates the enrollment projection in the State System to 1972:



B. COMMUNITY COLLEGES

The community college program first came into major public focus following the 1961 Legislative session. Prior to that time there had been but few educational facilities available beyond the high school level, and short of the four-year colleges and universities. Facilities being provided were mainly in the adult education field with vocational and technical training offered on a limited basis. However in 1961 the State Legislature agreed to spend state funds for part of the cost of building and operating community colleges and thereby opened the door for major changes. These schools are operated by either an existing first-class school district, or a

special area district created for the purpose. Within the Oregon system they are under the State Department of Education. The State System of Higher Education also forms part of the picture as it approves courses carrying credits transferable to the four-year schools in the system.

In 1961 there was one school, Central Oregon College at Bend, Oregon. Two more were established in 1961, two additional in 1962, and three vocational schools at Eugene, Salem and Oregon City assumed community college status. Also Portland Community College was re-classified a true community college from the "adult education system" program of the Portland School System. Since then one additional unit has opened at Roseburg, making ten in all at the present time. Possibly three or four more will come into being as new districts are formed.

Enrollment projections are startling. The 1963-64 figures show 4,373 full-time-equivalent students enrolled—and this is double the 1961-62 number. By 1971 it is estimated the total may read 25,000.

There seems no doubt that the community colleges are going to continue to expand and provide training for many students who otherwise would have no post-high school educational opportunities.

Cost estimates, reflecting projections for the next ten years, indicate \$31.5 million needed for new buildings. Of this amount about two-thirds would be state funds, and one-third local. Some \$87 million operational funds would be expected from the state and approximately \$30 million operational funds would come from local taxes and tuitions.

Obviously the Legislature and others are watching these programs carefully and a committee has been visiting existing and proposed sites to help determine if present state laws are adequate to provide operational financing and provide for expansion.

Legislators, educators and others differ substantially on where emphasis should be placed or will develop—vocational and technical versus liberal arts. Most however seem to concur that these growing colleges are filling a void along with creating problems faster than answers are found.

On the average, operating funds for community colleges come from the following sources:

Per Pupil	
\$ 90	Federal Government
180	Tuition (set by local district)
311	State general fund
89	Local taxes
<hr/>	
\$670	Total

This \$670 per pupil cost is a favorable one when compared with an amount which is almost 50 per cent more in the State System of Higher Education. Also note the direct Federal Aid of \$90 per student.

The plans for community college development, as prepared by the Department of Education in early 1961, clearly recognized many of the difficulties that would need to be faced in fitting these schools into the total Oregon system. Included in the Basic Concepts was the statement:

"Since a portion of the educational offerings in these schools parallels work in State College and Universities, it is essential that these inter-related programs be coordinated on the state level. This coordination would continue even after the school has become accredited by the regional accrediting agency."

It was further emphasized that the long-range plans envisioned meeting the needs of students at a level of instruction commensurate with the student's interests and abilities. Curriculum offerings visualized, designed to accommodate the varying interests and needs of the population groups served, gave specific recognition to vocational, technical and semi-professional programs for full-time and part-time students. Recognition was also given to the general education needs of youth and adults along with provisions for lower division collegiate offerings.

The Department of Education plan further sets forth the principles to be followed in the orderly development of a statewide program and suggests a priority established for the eligible geographic areas of the state. Enrollment projections were made with adjustment factors included for state and private colleges in the area.

It was the intent that the proposed plan of development would permit practically all major population centers to have facilities to provide this new type of post-high school educational opportunity within commuting distance by 1969.

The following table shows the initial enrollments by year and by area as coordinated with a proposed building program.

The projected enrollments shown are based on available information concerning such factors as existing programs, other post-high school educational opportunities, the nature of the area to be served by the school, and the demonstrated needs and interest of the students.

1961 ENROLLMENT PROJECTIONS (BASED ON FTE*)
(State Board of Education)

Past and Projected Community College Enrolments								
	61-62	62-63	63-64	64-65	65-66	66-67	67-68	68-69
Central Oregon	370	425	545	631	707	773	839	890
Cent. Willamette Valley	345	380	660	970	1,295	1,455	1,650	1,785
Clackamas County	87	87	87	354	591	763	904	1,025
Clatsop County	243	289	355	386	422	453	479	500
Douglas County	71	91	154	215	218	448	604	745
Lane County Area	423	473	575	910	1,090	1,240	1,335	1,395
Malheur County	—	91	146	316	409	472	536	600
Portland School Dist.	885	1,015	1,275	1,805	2,395	3,025	3,575	3,950
South Central Oregon	105	150	183	316	397	478	559	635
Southwestern Oregon	265	380	540	696	851	1,107	1,198	1,284
Umatilla & Morrow Cnty.	174	214	244	270	401	482	538	599
TOTALS	2,968	3,595	4,764	6,869	8,776	10,696	12,217	13,408

Summary of Enrollments by Type of Program

	61-62	62-63	63-64	64-65	65-66	66-67	67-68	68-69
Vocational—Day	1,590	2,050	2,715	3,720	4,635	5,435	6,000	6,415
Lower Division Collegiate	470	625	1,010	2,040	2,935	3,995	4,855	5,580
Vocational Extension	860	868	969	1,026	1,099	1,159	1,227	1,270
General Adult	48	52	70	83	107	117	135	143
TOTALS	2,968	3,595	4,764	6,869	8,776	10,696	12,217	13,408

*FTE—Full time equivalent

The original building costs estimates for 1961-69, based on priorities, and coordinated with enrollment projections and operating costs are given below:

Biennium	Operating Costs	Buildings	Total
1961-63	\$1,968,900	\$2,553,000	\$4,521,900
1963-65	3,780,725	3,718,000	7,498,725
1965-67	6,815,200	2,601,000	9,416,200
1967-69	9,609,375	1,169,000	10,778,375

These original enrollment projections, drawn up in early 1961, have proved to be reasonably accurate. It is difficult to project for the next five to ten years but, from developments to date, it would appear enrollments well over 20,000 can be expected in the 70's.

Funds requested from the 1963 Legislature were \$4 million for construction and \$4 million for operations for the 1963-65 biennium. The Legislature allowed \$1.3 million for construction and \$2.5 million for operations.

All of the construction funds were deleted following defeat of the tax measure in October, 1963.

Recognizing the desperate plight of the community colleges the special

session of the 1963 Legislature made provision to allocate to these schools \$5 million from the Bonding measure of \$30 million. Of this amount only \$1.3 million to be available this biennium—to replace the like amount previously deleted.

V. Arguments in Favor of the Measure

Arguments considered by your Committee are as follows:

State System of Higher Education (four-year colleges and universities):

1. **Cost of higher education has risen**—There is a yearly construction cost increase reflecting rising wage rates and material costs. Provision for adequate salary increases for teaching staff must be made if these people are not to be lost to competing state systems and private industry. Also general maintenance and operational costs continue upward.
2. **Student contributions to cost are rising rapidly**—In the last ten years the student's share of the cost increase has gone up, and the state's share down. Lack of funds has decreased the state's participation in costs by 8.3 per cent while the student's load has increased 114 per cent. By 1962 state's share was \$670 and student's \$250 of the total \$920 per student cost. Student fee has since risen to \$330 a school year and, to make up shortage of expected revenue lost in last October 15 tax defeat, it has been decided to increase fees to \$426 per year. There is hope that if the Bond issue passes, this last projected increase may be cancelled by getting a release of funds, estimated as accruing from improved tax revenue, presently withheld by the State Emergency Board.
3. **Quality of education must be maintained**—The October tax defeat was not only felt immediately by the schools in requirements for cost retrenching, but the outcome made many educators and others wonder if Oregon voters were indicating they were willing to settle for second-class facilities for their children. The pressing requirements of today's world demand a level of excellence in education if Oregon's young people are to assume their rightful places without handicaps. If the Bond issue should fail, it would be a stunning blow to Oregon's future.
4. **Federal matching funds**—A major new program for advancing higher education through federal aid for construction of buildings became law in 1963. Oregon's share will be more than \$2 million annually for undergraduate facilities and about \$580,000 annually for community colleges and technical facilities. Local matching funds will be required on the basis of two state dollars to one federal in higher education and 60 to 67 per cent of the total for community colleges. Private schools also participate and have the same matching requirements. State-supported four-year schools would, at the least, be severely handicapped in obtaining their 1963-65 biennium share of funds unless the bond issue passes—and there is no assurance that the grants could be obtained without Bond money.
5. **Enrollment increases**—Present enrollments are already stretching the State System to the utmost. Buildings authorized now, if completed by Fall of 1965, would still fall far short of adequately handling the then student load of estimated 45,000 compared to current 34,000. A further jump to about 57,000 students can be expected by 1972. Past building programs have not allowed sufficiently for growth—the same mistake can't be made again without severe repercussions.
6. **Image of the State**—Increasingly, most new industries check out the educational facilities of a state before committing themselves to plant construction. There is clear evidence that, unless a state is considered

progressive in its educational outlook industry may look elsewhere. Research facilities, as well as the opportunity to communicate with top minds to keep abreast in their fields, are of increasing importance to many business leaders. A restricted budget and inadequate plant can only mean, eventually, the loss of the best teachers, and a reduction in stature that could restrict availability of future research grants and gifts.

7. **Space utilization**—In July, 1960, already feeling the press of crowded classrooms, the Board of Higher Education established space utilization objectives. These were supplemented on June 12, 1962, to include minimum objectives for student station use in classrooms, laboratories and physical education areas. In addition, building planning standards were established. These standards have been instrumental in convincing the Legislature and other interested parties that any space reserve existing up to 1963 is now gone.

Community Colleges and Educational Centers (two-year colleges)

1. **Enrollment increases**—Estimates of the State Department of Education indicate enrollments will increase from present 4,000 level to well over 20,000 in the early 1970's.
2. **Local tax sources**—The tremendous and sudden surge in enrollments, with attendant building requirements, is outstripping the ability of local districts to pay without substantial state aid.
3. **Cost estimates**—Building estimates made in 1961 are subject to pressure as construction costs continue to rise and as building projections for some individual plants prove modest. Money beyond that available from local property tax and federal funds is needed. Bonding now would permit later appropriations of the Legislature to supplement the building program.
4. **Federal Matching Funds**—Passage of the \$30 million Bond measure would provide \$1.3 million for community colleges this biennium—remainder of \$5 million available after June, 1965. These amounts should qualify the colleges for maximum federal aid. Community colleges do receive part of their support from local taxpayers and could expect some federal money even if the Bond issue were defeated—however, funds are so tight and needs so great that the Bond relief is badly needed.

VI. Arguments Against the Measure

There is no organized opposition to this measure. Although House Joint Resolution No. 20 provides for opposition arguments to be presented in the official pamphlet containing the proposed constitutional amendment, your Committee has been advised that no arguments against the measure have been received for printing. However, your Committee presents the following arguments as those which will probably be generally advanced.

1. **Shifting the cost**—Future generations will have to assume much of the cost. In the past Oregon has not authorized bonding for other than self-liquidating buildings. Bonding should not be resorted to now, but the traditional approach of pay-as-you-go should be used as money is available from the general fund.
2. **Interest burden**—Bonding costs money in interest charges. It would cost close to \$1,650,000 annually in interest and principal, to retire a \$30 million issue spread over 30 years. This interest money would be better used for current construction needs.

VII. Summary of Discussion and Conclusion

The general arguments against the measure, although having some validity, are not as persuasive as they might be under different circumstances.

The proposed building program will result in construction suitable for a fifty-year life—providing for the war baby surge and generations beyond. The need for the vast expansion of facilities comes at a time when the present taxpayer group is numerically small in relation to tax demands.

There has been a recent voter revolt against tax increases, and even though no one can identify with any exactitude all the reasons for the voters' action, certainly it would be difficult to escape the conclusion that a large part of the vote was against higher taxes as such.

The building needs of the state, both four-year and two-year institutions, are going to continue for some time and cost large sums—far beyond the amount authorized or contemplated in the pending Bond measure.

Where there is increased construction there will be increased operational costs, including maintenance, salary and supplies. Even with the money that would be available if the Bond measure should pass, it should be expected that the 1965 Legislature will receive requests for additional funds for capital construction authorized from the general fund.

Conservative estimates indicate \$10 million annually required for at least six years for the State System of Higher Education alone to meet immediate building needs. Furthermore this would still represent only about sixty per cent of the amounts required as estimated by the Board of Higher Education. Funds for community colleges would be in addition and consist of money required from the general fund of the state as well as levies against local district taxpayers.

The total picture dictates that for Oregon's present over-all situation the bonding measure makes sense. The Legislators agreed in the majority even though most of them deplored, as voters do generally, the additional cost of bond servicing. It is the immediate need and the absence of practical alternatives that favor the bonding measure.

The requirements of the State System have been conscientiously documented by space utilization studies, building planning standards and enrollment projections. The Ways and Means Committee of the Legislature, following its study of fund requests from the Board of Higher Education, concluded that a sound case had been made for substantially increased funds.

The October tax defeat was a crushing blow to Oregon education. The building program, including desperately needed funds for science classrooms and laboratories, was crippled before it was barely started. Even some construction funds authorized in 1961 were blocked.

There are many arguments that can be raised as to exact amounts needed for construction: the effect of community colleges on estimated enrollments in other institutions; need for a particular facility at a particular location; and on and on—but, there is no persuasive argument that your Committee has heard that refutes the tremendous immediate need for building funds—regardless of whether you add a little here or take a little away there.

If the bonding measure should fail, Oregon education would suffer another defeat that could well have repercussions for years to come. The possible loss of staff, the overcrowding in classrooms, the general feeling of disappointment would be felt throughout the state and would lower our stature in other states as well. In the absence of bond money it would be difficult to generate enough funds to do other than a hit-or-miss job. For the State System of Higher Education, some money would be available from the Emergency Board; possibly some small sums could be obtained

from Federal sources. Community colleges would stagnate unless local districts picked up almost all the check for short-term building needs. The Legislature could be expected to interpret another rejection as a sign that voters would expect a bare bones program when appropriations were made in the 1965 session—anything more might run the risk of another voter revolt.

In conclusion, your Committee has been most favorably impressed in interviews by the cooperation, candid responses and evident high quality of those men contacted serving in the State System of Higher Education, State Department of Education and in the Legislature. The over-all impression that we received was of capable workmanship and sincere dedication to their respective jobs—the fact that there was general agreement on the need for passing the Bonding measure, from men representing differing view, lends weight to the recommendation.

Your Committee therefore concludes that:

1. The building needs of both the State System of Higher Education and the Community Colleges are immediate and demanding.
2. The total tax situation in the State is such that an attempt to meet immediate building needs by a pay-as-you-go plan is impractical.
3. Passage of the proposed constitutional amendment permitting bonding in the amount of \$30 million dollars would make immediate aid available this biennium.

VIII. Recommendation

Your Committee therefore recommends that the City Club of Portland support the passage of State Ballot Measure No. 1 by urging a “Yes” vote thereon.

Respectfully submitted,

Ross H. Coppock
Frank M. Potter, Jr.
Ronald G. Schmidt
Frank T. Koehler, Jr., *Chairman*

Approved April 22, 1964 by the Research Board for transmittal to the Board of Governors.

Received April 27, 1964 by the Board of Governors and ordered printed and submitted to the membership for discussion and action.

**REPORT
ON
SCHOOL DISTRICT NUMBER ONE, MULTNOMAH
COUNTY, BUILDING FUND SERIAL TAX LEVIES**

(Ballot Measure No. 3)

Shall School District No. 1, Multnomah County, Oregon, in order to provide funds for the purpose of financing the cost of necessary property and equipment at the elementary and secondary levels and for vocational, technical and other Portland Community College programs, which said District has lawful power to construct or to acquire, and of repairs and improvements thereto, and of maintenance and replacement thereof, make special levies, which levies shall be outside the limitation imposed by Article XI, Section 11, of the Oregon Constitution, in each of the following fiscal years, in the amount set opposite each of said fiscal years:

Fiscal year beginning July 1, 1964	\$1,600,000;
Fiscal year beginning July 1, 1965	1,600,000;
Fiscal year beginning July 1, 1966	1,600,000;
Fiscal year beginning July 1, 1967	1,600,000;
Fiscal year beginning July 1, 1968	1,600,000?

Be it further resolved that the officers of this School District be and they hereby are authorized and directed to do and perform all acts and things necessary or proper to carry out the within and foregoing resolution and the matters and things therein provided.

To the Board of Governors,
The City Club of Portland:

I. Introduction

Your Committee was appointed to study and report on the foregoing ballot measure to be submitted to the voters of Portland at the primary election May 15, 1964. Specifically, the monies requested by School District No. 1 are to be expended for land acquisitions and buildings for certain high schools, elementary school and the Portland Community College. The details of these expenditures are:

Land Acquisition

Washington High School Area	\$ 200,000	
Northeast High School	400,000	
Community College	600,000	
Site Development	300,000	\$1,500,000

Buildings

Northeast High School—including engineering and architects' fees	\$3,800,000	
Jefferson High School Library	150,000	
Community College—First Unit	1,700,000	
Equipment	450,000	\$6,100,000

Make up for increased cost of projects in present building program

Jefferson High School Gymnasium	100,000	
Grant High School Cafeteria and Science Facilities	60,000	
Whitaker Elementary School	40,000	200,000

Total		\$7,800,000
\$1,600,000 Levy for five years		8,000,000
Less 2.5 per cent discount for early payment of taxes		200,000
Total		\$7,800,000

II. Research and Bibliography

During its study and investigation, the Committee as a group and in subcommittees interviewed the following:

Dr. Melvin W. Barnes, Superintendent of Schools, School District No. 1;
Dr. Amo deBernardis, Assistant Superintendent of Schools and Administrator for Portland Community College;
Mr. George Henriksen, Director, Portland Community College;
Mr. Cecil W. Posey, Executive Director, Oregon Education Association;
Mr. Lloyd T. Keefe, Director, Portland City Planning Commission;
Mr. Charles D. Hoffman, Director of Apprenticeship, Oregon Bureau of Labor and Executive Secretary, Oregon Apprenticeship Council;
Mr. John K. Griffith, President, Multnomah College;
Mr. Ralph G. Coan, Portland Realty Board;
Mr. George Annala, Executive Secretary, Oregon Tax Research;
Mr. Frank White, Multnomah County Assessor's Office;
Dr. Branford Millar, President, Portland State College.

The Committee or its representatives also interviewed informally several students and faculty members of the Portland Community College and made an extensive tour of Failing School, present site of Portland Community College. Representatives of other private commercial colleges were also contacted.

In addition, the Committee reviewed several City Club reports on previous tax levy measures; a number of newspaper articles on the subject of community colleges; a report of the City Planning Commission relating to eastside high schools; and pamphlets issued by the Portland School District No. 1 on the subject of Portland Community College.

The Committee is appreciative of the consultative assistance given by Dr. Branford P. Millar, President, Portland State College.

III. Explanation and General Background

A. Introduction

If the voters approve the levy on May 15, the principal use of the money voted would be to provide an expanded Portland Community College and a proposed new northeast high school. Also, needed additional land would be acquired contiguous to Washington high school; a library would be built at Jefferson high school; enlarged cafeteria and a science hall provided at Grant high school; and burned-out Whitaker elementary school would be rebuilt. The money for Whitaker School is the difference in the cost of rebuilding the school and the insurance coverage.

B. The Role of the Portland Community College

Portland Community College is the state's largest community college in enrollment and, having developed out of the local adult education program, is the state's oldest. It is accredited by the State Department of Education.

At present there is a modest tuition cost to the student, in order to assist in making the community college program as self-supporting as possible. Some states, notably California which has an extensive community college program, have tuition-free systems. Your Committee was told that local school authorities expressed a hope that in the future these educational services would also be tuition-free here.

The title "Community College" has caused some confusion. The designation "Portland Community College" was given by the 1961 Oregon State Legislature, and as such, it receives its major financial support from the state. Its primary goal still remains education for those over sixteen years of age. It has a program of vocational-technical education; adult general education; a comprehensive guidance and counseling program. Also, starting this year, it will provide college transfer courses in general subjects for those unable or unwilling to attend other established schools of higher education because of financial or academic restrictions. Some 500 full-time students are now enrolled in the present programs. District

No. 1 expects 500 more will be enrolled this year in the division for college transfer courses.

The basic purpose of Portland Community College is to provide education to persons sixteen years of age and older, where the need is not otherwise met. Programs range from short term courses to two-year curricula for persons of approximate college level ability. Associate degrees of arts and sciences are conferred for successful completion of the two-year courses. Sixty-two Portland high and elementary schools are used for evening classes, adult family life courses, apprenticeship and trade divisions. Failing School, at 049 S.W. Porter Street, has been converted to use for classes in the technical and business fields. Classes in commercial power sewing machine operation and practical nursing are conducted, and counseling and guidance programs also are operating at the facility. Students enrolled in all phases of the Portland Community College program today number 13,000—or a total of 1,171 full-time student equivalents. Shattuck Elementary School, on S.W. Park Avenue, will be utilized this fall to accommodate, as well as possible, the college transfer program.

At the present time School District No. 1 has budgeted \$600,000 for the purchase of an initial site of approximately thirty acres and the construction of the initial buildings for a more consolidated Portland Community College facility. Also (based on the financial assistance for school building provided by Chapter 601, Oregon Laws of 1961), it has requested state funds of \$838,176 in the normal matching funds grant system. School District No. 1 believes that, in order to meet expanding needs of the community, the community college site should be approximately 100 acres. Since the planned construction program will not be completed until the fall of 1966, the District believes that the school building construction program must be expanded to meet estimates of future community college enrollments. Therefore, \$1,700,000 for a school building program, and \$600,000 for site expansion, have been requested in this tax levy measure. The School Board has also requested \$2,609,300 in matching funds, contingent upon passage of this measure. These funds are matched on an approximately 65 (state) to 35 (local district) percentage basis.

If this measure is passed and School District No. 1 is able to purchase a site of 100 acres, there is strong likelihood that the School District will also centralize administration, maintenance and storage facilities for the district at this site. The Committee is aware of the continuing need for more tri-county cooperation in the planning of finances, facilities and curricula for the Community College's program. The Committee is also aware that School District No. 1 administrators have made attempts in that direction.

C. Northeast High School

The Portland City Planning Commission strongly recommends a new northeast high school be built now. The Planning Commission forecasts a serious space shortage will exist in several eastside high schools by 1967-68. The elementary enrollment reached its maximum in 1959-60 due to the high post-war birth rate. It is expected this expanding school population will reach a peak in Portland's North Section in 1965-66. At the present time, school district authorities state, approximately 1,400 students could be moved from overcrowded Grant, Jefferson and Madison high schools into the new high school. The following statistics prepared by the City Planning Commission, illustrate the overcrowded conditions in high schools in the North and Northeast areas:

	Practical Capacity 1963-64	Average Daily Membership October 1963-64
High School		
Roosevelt	1600	1860
Jefferson	2200	2320
Grant	2250	3041
Madison	2250	2524
	8300	9745
TOTALS		

To alleviate these badly overcrowded conditions and absorb the current or future surplus of students at Grant, Jefferson and Madison, School District No. 1 is requesting \$400,000 to acquire an appropriately located site of approximately 22 acres. It is also requesting \$3,800,000 for the initial construction of the central buildings for a 2,400-student high school. The latter figure includes the architects' and engineers' fees required for the project. Additional funds of just under \$500,000 are needed for site development and equipment for the finished buildings.

D. Miscellaneous Projects

School District No. 1 has requested \$200,000 to acquire land contiguous to the east or south of the present 5-acre Washington High School site, for the expansion of the school's athletic fields. The selection of the exact site will depend on the cost of development. If the land to the east of the school is purchased, it will add approximately one and one-half acres to the existing site which would then total six and one-half acres.⁽¹⁾

The sum of \$150,000 has been requested for remodeling the old Jefferson High School gymnasium into a library and for completion of engineering requirements for the conversion of the remainder of the building to additional classrooms when they are needed. In addition, the sum of \$100,000 has been requested to make up for increased costs of the current Jefferson gymnasium project. After architectural and engineering analysis of the old Jefferson high school gymnasium to determine the exact costs of previous voter-authorized remodeling, it was discovered that it would cost \$100,000 more to build a new gymnasium instead, and land was available on the current property site of the school. The School Board recognized the definite advantages of a modern gymnasium and the possibility of using the older facility as a library and basis for future classroom expansion.

Architectural analyses also indicated that the remodeling costs of Grant High School cafeteria and science facilities would be so high that it would be far more practical and economical to expend an additional \$60,000 and build a new addition to the original structure. This would supply additional space for the over-crowded science facilities of the school.

School District No. 1 has been forced to request \$40,000 to cover costs not covered by insurance to rebuild Whitaker School. The school burned down just prior to coming under the control of School District No. 1 and was not adequately insured at the time of the fire to provide compensation sufficient to meet present day replacement costs. The present site of Whitaker Elementary School has 22 developed acres and 6 usable classrooms. Necessary rebuilding costs would be cut if this site is retained.

IV. Discussion

No organized opposition to the School District's proposal was discovered by the Committee. Indeed, certain organizations now resisting any type of tax escalation would not flatly state opposition to the school measure.

According to the Multnomah County Assessor's office, the passage of Ballot Measure No. 3 would increase annual taxes on a dwelling of \$10,000 market value by \$6.39 each of the next five years—an increase of 2.4 per cent in property taxes over 1963.

The additional need for either technical or lower division liberal arts colleges in the Portland area has been questioned, in view of the number of private commercial and technical colleges in the vicinity as well as the large number of institutions of higher learning within a fifty-mile radius of Portland. Your Committee, after interviewing representatives of

⁽¹⁾Current state standards for the size of a high school campus with a student body equivalent to the present enrollment of Washington High School is 24 acres. Contrary to some public opinion, the enrollment of Washington High School will not decline. School authorities predict it will not only "hold its own" but will increase in the future.

the private business and technical colleges in the area, believes that the community college facility is definitely needed to meet the expanding requirements of public education beyond high school in the area, and that enlargement of these private facilities cannot be relied upon as a solution. Other institutions of higher education, both private and state-owned, are often closed to those just completing secondary schools because of high academic entrance requirements or expenses.

In reference to College Transfer Courses, some opinions have been voiced that because of them, the Portland Community College is being developed into a preparatory school for the institutions of higher education and that this will ultimately be the major emphasis. Your Committee, however, feels that the Portland Community College has been developed and will continue to develop to serve, primarily:

1. Qualified high school graduates interested in technical pursuits, but who are unable to attend college.
2. High school graduates who are interested in further education of a vocational-technical nature, but who do not meet the standards of either the regular technical education program or a regular four-year college program.
3. Young men who wish to become journeymen; employed workers who wish to advance their skills and knowledge; and foremen and supervisors interested in improving themselves in industrial supervision.
4. Persons needing a high school diploma or desiring further education of a general nature.
5. Parents and homemakers who wish to improve their effectiveness.
6. Foreign-born persons who are striving to become American citizens or who wish to improve their English communication skills.
7. Individuals who need assistance in identifying their aptitudes and abilities and who desire help in choosing an education program.
8. Adults who need training for employment.

The need is recognized for a curriculum geared to available jobs and to meet changing industrial needs. We are assured this is in the Portland School District plans. A metropolitan manpower resources study is now under way to determine labor market needs. It is hoped such comprehensive surveys will be continued for guidance in planning the curriculum of our expanding post-high school systems.

V. Conclusions

The Committee finds that the proposed levy is essential to provide additional education facilities for Portland School District No. 1. It finds there is a need for a well-rounded system of education which will meet the needs of all citizens, young and old. Such a school system brings the greatest returns in trained manpower, increased earning capacity, higher standards of living, greater cultural advantages, greater wisdom and effectiveness in democratic government, fewer unemployables, fewer people on relief and in penal or mental institutions.

We believe the affairs of School District No. 1 have been well and intelligently administered on a pay-as-you-go basis and that these necessary expenditures cannot be met by reallocation of current available funds. We think the recommendations of the School Board and its administrators are entitled to great weight. No criticism of any kind was heard of the Board or its administration.

Your Committee believes an enlarged and improved Portland Community College is necessary to give educational opportunities to the great numbers of young and old who should have at least two years of post-high school education. It believes this should be afforded on the same free, universal basis as high school education now provides. Portland Community College is not now free, but it is hoped a free tuition program may soon

become a reality. A responsible authority stated to your Committee that as many as 1,000 Portland students will be denied post-high school education next fall if the Portland Community College program is not expanded.

Portland Community College will relieve the pressure of large numbers of students who do not possess the academic standards for admission to other institutions of higher learning. The Committee would like to emphasize that monies for the community college are for clearly needed and anticipated future expansion. However, unless the monies are voted now, the facilities will not be available when they are needed.

The Committee finds it is imperative that a new high school be built in northeast Portland to relieve congestion at overcrowded Jefferson, Grant and Madison high schools and to provide for projected population increases. We believe that every section of School District No. 1 is entitled to equal modern school facilities and that there should be no "second class school children". The proposed improvements at Washington, Jefferson and Grant high schools will fulfill these principles.

When Whitaker Elementary School was annexed to School District No. 1, the administration found it must rebuild the burned-out school. The Committee concurs and suggests that further consideration should be given to relocating the school to best meet the needs of the area it served.

VI. Recommendation

This Committee unanimously recommends that the City Club favor the building fund serial tax levies measures submitted by School District No. 1, and urges a vote of "Yes" on Measure No. 3,

Respectfully submitted,

Robert I. Downey
George S. Gearhart
William L. Josslin
Richard H. Kosterlitz, M.D.
Rev. Joseph L. Powers, C.S.C.
Ralph Cleland Scott
Jack Urner, Ph.D.
Paul F. Mielly, *Chairman*

Approved April 22, 1964 by the Research Board for transmittal to the Board of Governors.

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**REPORT
ON
MULTNOMAH COUNTY SPECIAL BOND ELECTION
(Multnomah County Measure No. 2)**

Shall Multnomah County, Oregon issue and sell \$25,000,000 in general obligation bonds to finance the cost of acquiring land and constructing and equipping thereon an athletic stadium and facilities therefore at a site in Multnomah County, bounded on the east by the center line of Denver Avenue, on the south by Columbia Slough, on the west by the center line of N. Force Avenue, extended south-westernly to Columbia Slough, and on the north by Oregon Slough?

YES	I vote for the Bond Issue
NO	I vote against the Bond Issue

To the Board of Governors,
The City Club of Portland:

I. Introduction

Your Committee was asked to study and report upon a proposed bond issue to be submitted to the voters of Multnomah County on Friday, May 15, 1964. By this measure the County Commissioners propose to raise \$25 million to finance the construction of an athletic stadium in the Delta Park (West Vanport) area.

A. The Proposal

This stadium would be the first phase of the creation of a multi-purpose sports and recreation development serving the Metropolitan Area and located on the present Delta Park site and adjacent areas. Construction would be financed by sale of General Obligation Bonds. Revenues from the operation of the stadium in excess of operating and maintenance costs would be used to develop the area adjacent to it.

B. The Stadium

The stadium would be constructed in the Delta Park (West Vanport) area, between the Oregon and Columbia Sloughs, east of Denver Avenue and west of North Force Avenue projected southerly. It would be a "U"-shaped, multi-purpose facility, designed to accommodate baseball, football, track, field and special events of various kinds. It would seat approximately 46,000 people in fixed seats, and an additional 15,000 in movable bleachers. Temporary seating would enlarge capacity to 80,000. The entire structure, including the field, would be covered by a dome-shaped roof structure. Parking for approximately 17,000 automobiles would ultimately be available.

II. Scope of Research

Your Committee, jointly in some instances and individually in others, interviewed Mr. Edward G. Welch, Ebasco Services Incorporated; Mayor Terry D. Schrunk; Mr. Irving E. Olsen, Dames and Moore, Engineers; Mr. David A. Pugh and Mr. Stephen Johnston, Skidmore, Owings & Merrill, Architects; Mr. John W. Storrs, Architect; Mr. Harry B. Buckley, Superintendent of Parks of the City of Portland; Mr. Lloyd T. Keefe, Director, Portland City Planning Commission; Mr. Harry Glickman, Oregon Sports

Attractions; Mr. George A. Kingsley, Portland Beavers Baseball Club; Mr. Phil Hunt, Executive Secretary, Delta Park Commission; Mr. R. Anthony Dubay, Exposition-Recreation Commission; Mr. George Annala, Oregon Tax Research; Mr. Ralph Walstrom, Property Counselors, Inc., Chairman Multnomah Athletic Club Building Committee and member, Multnomah Athletic Stadium Board, and Mr. Jack B. Urner, Director, Metropolitan Planning Commission.

Your Committee also reviewed the 1954 City Club report on the Exposition-Recreation Center bond proposal, the 1963 report of the Metropolitan Planning Commission entitled "Recreation Outlook—1962-1975", the 1962 report of the Portland City Planning Commission and Multnomah County Planning Commission entitled "Stadium Recommendations," and the 1964 report of Ebasco Services Incorporated entitled "Delta Park Stadium—Economic Feasibility and Planning Studies." In addition your Committee reviewed current newspaper articles and editorial opinion.

III. Background

Metropolitan Portland's present stadium facility is the privately owned and operated Multnomah Athletic Club Stadium, situated on S.W. 18th Avenue. In the past several years much uncertainty has developed as to the future of that stadium. Currently the Club has under construction "Phase One" of its new clubhouse. As of this writing, the membership of the Club is on record as favoring retention of the stadium. There is presently some disagreement whether Multnomah Stadium should be retained or destroyed. Such a situation is inherently unstable.

Further, the Multnomah Club stadium was not designed nor is it generally thought satisfactory for baseball, and in the opinion of many, it is not adequate to the stadium needs of the Metropolitan Area. It is for these reasons that there has been in recent years much public interest in and discussion of proposals for a new stadium structure.

The immediate antecedents of the ballot proposal are to be found in the activities of Portland Metropolitan Futures Unlimited, a private, non-profit organization, which first advanced the proposal of a new stadium to be constructed in the Delta Park area. Certain exploratory studies by Ebasco Services, Inc. of this proposal were initiated by that group. Subsequently, additional studies were completed under the auspices of the Delta Park Recreation Commission, constituted jointly by the City and County and financed by the County. These studies were also made by Ebasco under contract, with certain technical studies being made by Dames & Moore, Engineers, and Skidmore, Owings & Merrill, Architects, acting as Ebasco's subcontractors. It was on the basis of these studies that the present proposal was submitted to the voters.

IV. Research and Findings

In your Committee's estimation, there were at least five elements of the proposal which merited consideration and analysis, as follows:

- A. — Financing Methods
- B. — Stadium Design
- C. — Economic and Psychological Impact of Stadium
- D. — Site Choice
- E. — Proposed use of stadium:
Prospects of profitable operation.

Your Committee's findings on these points are as follows:

A. Financing Methods

The proposed \$25 million issue of general obligation bonds is to be retired at the rate of \$1 million principal amount per annum. The bonds would be marketed at an effective rate of interest between 3 per cent and

3½ per cent. Total interest charges at 3 percent would equal \$9.75 million, and at 3½ per cent would equal \$11.375 million. Total cost to the taxpayer would therefore be between \$35.750 million and \$36.375 million. On a \$10 thousand property (fair market value), the tax burden would range between \$5.72 and \$6.18 in the first year, depending upon the interest rate representing about 2 per cent increase and would diminish to approximately \$3.40 in the final year. These figures assume a stable tax base. Taxpayers within the Metropolitan Area but outside Multnomah County do not share this burden. No relief is to be expected from stadium operation, since excess of stadium revenues over stadium expenses is to be applied to further development of the Delta Park recreational area. This bond issue will raise the total bonded indebtedness of the County to \$35 million, which represents approximately 57 per cent of its bonding capacity.

The majority of your committee approves the proposed method of financing construction of the stadium. The proposal has been criticized on the ground that all property owners within the Metropolitan Area should be required to support the measure, since all such persons will be benefited at least as much as Multnomah County taxpayers. The criticism is not well taken, since it is legally or at least politically impossible to spread the tax burden in the manner suggested. All things considered, Multnomah County is the logical governmental agency to sponsor the measure.

The majority of your committee has no criticism of the announced policy of applying stadium net revenues to the development of the Delta Park complex. Full utilization of the Stadium probably cannot be achieved until Delta Park is more fully developed. Thus, application of these revenues to this purpose is a logical consequence of approval of the Stadium itself.

B. Stadium Design

It is obvious that this community cannot afford separate stadiums for football, track, baseball and other sporting events. For this reason, the proposed Delta Park Stadium is designed to serve as a theater for all such events. This necessarily fixes the minimum size of the structure at a point adequate to accommodate attendance at the most popular events. It is anticipated that football and track will draw the biggest crowds and that those crowds will approach 45,000 spectators. Within the economic life of the stadium, special events may draw still bigger crowds. Seating in the proposed stadium is to be provided accordingly.

Perhaps the most striking feature of the Stadium is the roof or dome, which will cover both the spectators and the field. It is to be constructed as a separate structure, unconnected with the grandstands. The dome is in the nature of a shelter or "umbrella" rather than a roof, since it will cover but not enclose the grandstands. Translucent plastic materials in the roof will serve to admit light sufficient to illuminate daytime events, and sustain turf life.

Construction of the roof is justified on the basis of our prevailing climatic conditions, which are not favorable to outdoor sports. For example, weather statistics indicate a 40 per cent chance of rain in any given day in the period of April through September. During the football season, the probability of rain is 56 per cent. These conditions have seriously detracted from sporting events in this community in the past. The roof structure is regarded by proponents of the Stadium as indispensable to its successful operation.

Your Committee believes that the design of the proposed Stadium is good from the point of view of size, practicality of construction and operation, and is imaginative in the matter of protection from our weather.

C. Economic and Psychological Impact of the Stadium

Proponents of the Delta Park Stadium have estimated its economic value to the County at \$91 million, a figure representing "net income"

to the people of the County during an assumed 50-year life of the structure. This figure is constructed by considering factors such as labor payments during construction, projected attendance, percentage of projected attendance representing nonresidents of Multnomah County, and average expenditures—other than admissions—by those nonresidents per day of attendance at stadium events. The so-called “income multiplier effect” is applied to the foregoing factors, and offsets are made for payments by Multnomah County residents for “imported” goods and services, including payments to entertainers and performers at stadium events. Additionally, so-called “primary” (indirect) benefits are calculated to be worth \$130 million during the same assumed 50-year period, which value is assigned to items such as the cost to Multnomah County residents of attending stadium events in other cities.

Your Committee recognized the difficulties inherent in making economic projections and estimates and is willing to believe that the procedures adopted are reasonably conservative and are in keeping with accepted economic theory. Notwithstanding, these estimates of economic value appear speculative and are considerably less tangible than the tax bill which will confront the Multnomah County property owner following approval of this measure. Your Committee does concede, however, that construction and operation of the stadium will create payroll and generate economic activity, that there will be a multiplier effect and at least some of this activity will bring in “outside” or “new” money, and that these factors will be of real value, not only to Multnomah County, but to the entire Metropolitan Area.

In the long run, your Committee thinks it possible that the psychological impact of construction of the stadium may be even more significant than its purely economic effects. If the measure is approved, we think the community will attract interest and admiration from people who would otherwise be ignorant of or indifferent to it and such interest and admiration may ultimately bring about tangible economic benefits. We think further that the community’s own view of itself could well change materially for the better. The combination of self-approval and approval of the outside world could well give a dramatic impetus to the development of the community.

D. Site Choice

Following are considerations in the choice of Delta Park as the site of the stadium and sport and recreation center:

(1) **Property Acquisition Costs:** The site of the proposed structure consists of parcels presently owned by the Pacific International Livestock Exposition, the City of Portland, Pioneer Broadcasting Company (KGW), Peninsula Terminal Railroad Company, and one private individual. Other than for some railroad trackage, the PI buildings and the KGW towers, the property is unimproved. It cannot be used industrially or be privately developed by reason of prohibitive site development costs. These factors tend to keep the market value of the property relatively low. The County is authorized to condemn properties needed for this project under a 1963 statute. Acquisition costs should not exceed present relatively low fair market value.

Special considerations apply to property owned by the PI and the City. There have been exploratory negotiations looking to a relocation of the PI to the East Vanport area, in conjunction with development of the relocated County Fair. This may result in an exchange of properties with resultant savings in cash resources. Also, the City is committed⁽¹⁾ to cooperate in the stadium project, a commitment which could result in donation of city property to the extent property in that ownership is required for the project.

⁽¹⁾Resolution No. 29271, dated April 1, 1964.

(2) **Soil Conditions:** In 1946, the firm of Dames & Moore, Engineers, conducted a study of the West Vanport site for the Port of Portland, to determine whether that site was suitable for industrial building development. The findings on that occasion were that development costs which would be required because of poor subsoil conditions were such that this site was not economically competitive with other available areas. It was partly on the basis of this report, and also on the basis of a City Planning Commission report dated 1954 concerning the East Vanport site, that the City Club Committee reporting on the initial Exposition-Recreation Center bond issue in 1954 found West Vanport an unacceptable site for the coliseum.

However, a study was undertaken last year by Dames & Moore on the same site, to determine whether that site was suitable for a stadium structure. That study disclosed bearing strata at a depth of approximately 85 feet, which strata can support pilings on which a stadium can be built. It has been estimated that these pilings will cost approximately \$940,000. It is thought that this is not an undue proportion of the total expenditure for the stadium, and that it is counterbalanced to some extent by low land acquisition costs. Dames & Moore also indicated that the soil is suitable for light exposition-type structures but remains of the opinion that this property cannot economically be developed for heavy industrial use.

A further study was conducted by Dames & Moore to determine the availability of fill material requirements for the stadium site, estimated to be 1¼ million cubic yards. This study indicated sand in sufficient quantities was available in North Portland Harbor, between the SP&S Railway and the Interstate Highway bridges. This material is owned by the State of Oregon, and reportedly can be had without payment of royalties. Experience since 1946 has indicated to Dames & Moore that soil settlement and stabilization will take place more rapidly than was believed at that time. For this reason it is not anticipated that compaction of fill material will be required. These factors lead to an estimated cost of fill in place of about 40 cents per cubic yard, which is generally regarded as a favorable cost.

(3) **Flood Protection:** The Delta Park flood protection facilities will have to be improved in advance of construction of the stadium. This work involves cooperation of the U. S. Army Corps of Engineers and Peninsula Drainage District No. 1. Your Committee was advised that the Corps of Engineers has authority to extend and make improvements on the dikes serving this District, and can proceed with that work at such time as the District is prepared to furnish the matching funds required under applicable legislation. To a considerable extent, these matching "funds" can take the form of contributions of easements and property rights necessary to accommodate the improved and newly constructed levees.

The attitude of the Drainage District authorities in large part reflects the views of the property owners in the District, including the City, which has the largest ownership within the District. The City is on record⁽²⁾ as being willing to convey to the Federal Government all necessary easements in and over its property within the District, without cost to either the District or the Government, and has at the same time urged the District to negotiate appropriate agreements with the Corps of Engineers. By Resolution dated April 20, 1964, the Drainage District has undertaken to "use its best efforts to cooperate and assist in the development of plans to meet new conditions."

It should be noted that flood damage is a somewhat less acute risk than in 1948, by reason of construction of upstream dams on the Columbia and its major tributaries. Future construction, including that north of the Canadian border, will increase storage and flood control potential. Again, the fill material will raise the proposed stadium structure to a point at

(2) Resolution No. 29211, dated December 26, 1963.

which flooding, if any occurs, would not be seriously damaging to either the stadium structure or its furnishings.

(4) **Access:** The proposed stadium is intended to accommodate between 45,000 and 60,000 spectators within the foreseeable future and ultimately to as many as 80,000 for extraordinary events. It is anticipated that crowds of this size will arrive in 17,000 private vehicles and 200 buses, and parking will be provided accordingly.

This concentration of traffic will be handled via a road network consisting of Denver and Union Avenues, North Marine Drive, North Portland Road, the Minnesota Freeway, and eventually a new road extending in a southerly direction over the Columbia Slough to a connection with the proposed Columbia Expressway. Access to this network from the parking area will require construction of new ramps and interchanges, together with undercrossing structures beneath Denver Avenue, Union Avenue and the Minnesota Freeway. Your Committee is advised that arrangements have now been concluded for construction of the necessary undercrossings beneath Denver Avenue and the Minnesota Freeway, which undercrossings will serve to expedite movements between West and East Vanport. The roadway to be accommodated by these undercrossings will be constructed without median strips, so as to supply reversible traffic lanes. Highway engineers anticipate that upon completion of the projected roadway net, including accesses to and from the parking areas, crowds of the anticipated size can be cleared within 55 to 60 minutes, which is considered to be adequate.

(5) **Peripheral vs. Central Location:** In 1962, the Portland City Planning Commission and the Multnomah County Planning Commission wrote a report entitled "Stadium Recommendations." That report indicated a need for a stadium facility with seating capacity of 50,000 to serve the Metropolitan Area. While acknowledging high initial land costs and possible disagreement with the County Commissioners, the Planning Commissions expressed a preference for a centrally located stadium. This preference was based in the main on ease of access and possible multiple use of parking and concession areas, all of which were thought necessary to assure an excess of revenue over expense of operation. The Delta Park site was thought by those Commissions preferable to other possible sites on the periphery of the Metropolitan Area, subject to reservations on the score of foundation stability and flooding problems. Among the core area sites suggested and found acceptable in that study were the Multnomah Stadium, the South Auditorium Urban Renewal Area and the Memorial Coliseum area.

Your Committee believes that the views stated in this joint study have much to commend them. However, we think the proponents of the present measure have satisfactorily dealt with questions of access, foundation stability and flood control. We do not think that multiple use of parking areas or concession areas is likely to be a critical factor in the success of the project. Developments in the past two years have probably made all three suggested core area sites unavailable for stadium designs proposed in that study. For these reasons, your Committee was not persuaded that the core area offers advantages in themselves of such weight as to warrant a "No" vote on the present proposal.

We believe that the choice of Delta Park as a site for the proposed stadium is appropriate, even if nothing else were to be done to develop that area. The majority of your Committee therefore approved the choice of Delta Park as the site for the proposed stadium.

E. Proposed Use of Stadium: Prospects of Profitable Operation

A stadium such as is proposed by this measure is obviously a "big league" facility. Its proponents anticipate that it will be used for professional football, major league baseball, track and other events of regional, national and possibly international scope. They further anticipate that

these events will be well attended, and that receipts from these events will substantially exceed costs of operation. Whether these expectations are reasonable is obviously critical to this proposal.

Your Committee heard arguments on this issue at some length. The projections of the proponents of the measure, as well as the doubts of those who do not endorse the proposal, were presented to the Committee in an argumentative form generally as follows:

1. Profitable Operation – Arguments in Favor

The Portland Metropolitan Area had a population of approximately 844,000 as of 1962, a figure which can reasonably be expected to reach 1.1 million by 1970, and 1.4 million by 1980. Further, within an hour's driving time, there will be, by 1975, a population of 1.74 million, and within two hours' driving time, a population of 2.1 million. Per capita income of this group by 1975 should be \$2,670, compared with today's \$2,260. The portion of this population group living within the Portland area will probably spend in the neighborhood of \$2.7 million on spectator sports. Therefore, this community could reasonably be expected to provide a population and economic base adequate to support major league sports.

It is true that competition from other, more populous areas makes the prospect of major league baseball uncertain. However, Portland has advantages which could weigh heavily in its favor in that competition. Its climate is more favorable to baseball than that of cities which are subject to extreme heat and humidity, such as Atlanta, Dallas-Fort Worth, Miami and New Orleans. Further, major league baseball in Portland would not present market competition problems, such as are likely to arise between Buffalo and Toronto, and such as presently cloud the prospects of San Diego and Oakland. Again, Portland has a better economic base than such potential competitors as Seattle, dependent as it is on defense expenditures and employment.

Portland has a reputation for being a good sports town, as demonstrated by its support of collegiate and exhibition professional football and professional hockey. Support of minor league baseball has not been enthusiastic, but this is not a reliable indicator. Thus, San Francisco yearly attendance at Giants games since 1958 has never been less than approximately 1.3 million, while attendance at Seals games in the final years of Pacific Coast baseball averaged 252,000. Voter approval of the present measure will, of course, enhance Portland's reputation as a sports center.

Portland's prospect for obtaining an American Football League professional football franchise is quite bright, assuming the stadium is constructed as proposed. Expansion of professional football is to be anticipated, particularly in view of recent developments which have assured TV revenue to each pro football team, even in advance of gate sales. Further, nine cities which might otherwise be competitive with Portland already have football franchises, and are therefore not competitive.

Attendance at major league baseball games in this community will depend to a considerable extent on factors such as league standing and community response. Assuming a reasonably favorable performance by both the team and the community, it is a fair projection to estimate average attendance at 10,000 to 12,500 per game, for a season total of 800,000 to 1,000,000. Experience in Cincinnati, Milwaukee and Kansas City bears this out. Attendance at professional football games would similarly depend upon league standing and community interest. However, in the year 1958 to 1963, exhibition football in this community had an average attendance of 25,000 per game, despite off-season play in an inadequate facility by teams not identified with the community. It is therefore reasonable to project an attendance of 40,000 per game within five years after the franchise is established (1973 or later).

Major league baseball and football would, of course, be the major tenants in the proposed stadium. It would, however, be available for other

uses, including collegiate football. Based on past experience, there should be an average of four collegiate games per year played in the Portland area, and an attendance of 37,000 to 40,000 per game is probable. Additionally, the Shrine All-Star Game and the State High School Championship games could be played in this stadium for an additional aggregate attendance of 50,000. Regional, national and perhaps international track and field events would also contribute to utilization of the stadium, as would circuses, meetings, heavy equipment shows, exhibitions and other events such as opportunity and a resourceful management might develop. Thus, in the years 1972 to 1976 it would be reasonable to expect an annual attendance at stadium events approaching 1.8 million, resulting in a gross stadium revenue (including rental and concessions) of over \$1 million annually, or a net over expenses of approximately \$700,000.

In the earlier years of stadium operation, before major league baseball is franchised and while pro football is establishing its roots, we can fairly anticipate an average annual attendance of 1.1 million, with a gross income of approximately \$700,000 and net stadium revenue of \$400,000. Even if full development of stadium potential is delayed for several years, the structure can easily carry its operating costs. Its mere availability makes this community competitive for sports franchises and activities. Without it, the community will not have even the opportunity to attract these events.

2. Profitable Operation — Arguments Against

Portland simply hasn't the population to support a major league facility, and for this reason is unlikely to be franchised within the foreseeable future, particularly in baseball. There are 14 cities which are potential competitors with Portland for major league baseball, 11 of which have populations ranging from 25 per cent to 250 per cent larger than that of Portland. Nine of these 11 cities have population growth rates which exceed that of Portland. Thus, Portland is not only unfavorably situated in the matter of a population base; its situation in this regard will tend to deteriorate vis-a-vis its competitors.

The matter of an adequate population is of critical importance to support of such a stadium. While a winning team may inspire a community to turn out in large numbers, consistent winners are rare in any sport. After the novelty of a big league franchise has worn off, attendance can be sustained only by drawing on a large market. Portland cannot supply such a market in the foreseeable future.

Further, interest in spectator sports is declining. Between 1950 and 1962, expenditures on spectator sports throughout the nation declined from two per cent of total recreation expenditures to 1.4 per cent. This tendency is evidenced in this community by Beaver baseball attendance figures which, in this same period, declined from 349,000 to 116,000. The problem is particularly acute in the Pacific Northwest, where spectator sports have to compete with participation sports and other recreational activities which are available in great profusion. Even a quality sports attraction would have stiff competition; an ordinary sports event would probably draw badly.

It is not correct to say that Portland is a good sports town. Recent support of professional hockey has been good and seems likely to continue. However, this is a departure from the historical pattern, which has been unfavorable to the entertainment industry as a whole and to sports in particular. No one who is acquainted with this community could describe it as "free spending", and it cannot reasonably be expected to contract baseball or football "fever".

The attendance and revenue prospects of the proposed stadium are extravagantly optimistic. For instance, in the initial years, attendance at Beaver baseball is assumed by Ebasco to be 170,000, resulting in a concession revenue of \$59,500 and a rental revenue of \$35,000. Last year, Beaver baseball drew 89,000. On that, gate concession revenues would not exceed \$18,000, and rental income would be nil, as it was at the Multnomah

Stadium in 1963. Since major league baseball probably will not materialize at the proposed stadium, and since projected attendance at unidentified and unspecified events must be discounted, the conclusion is that the facility cannot even carry the cost of operation. The community is not justified in making an investment of this size on such a speculative proposition.

3. Prospects of Profitable Operation — Majority Opinion

Your Committee considered these arguments at some length. The Committee as a whole did not agree with either argument in full; however, the majority concluded that while there is no assurance that this community can be franchised for big league sports, nor that the proposed stadium can be operated as successfully as its proponents assert, nevertheless the prospects are favorable enough to warrant endorsement of the project. With good management the stadium should attract events of a quality and in a sufficient quantity to defray its costs of operation. More can be reasonably hoped for; to anticipate less would be unreasonably pessimistic.

The majority of your Committee was particularly impressed with the proposed roof which is to cover the stadium structure. We think this feature of the proposal renders invalid most of the unfavorable attendance projections. No one can know the percentage effect of this feature on attendance at stadium events, but even skeptics have acknowledged that it will be substantial. Much of the optimism of the proponents of this measure may be justified by this feature.

V. Majority Conclusions

In summary, the majority of your Committee believes:

(a) That the community should be able to count on the availability of a stadium;

(b) That the Metropolitan Portland Area has a population and economic base sufficient to justify a stadium capable of handling major sports events;

(c) That the proposed Delta Park stadium is properly designed from the points of view of access, parking, weather protection and service of community needs, present and prospective;

(d) That the proposal is satisfactory or better than satisfactory in the matter of financing and choice of site.

(e) That stadium operations are likely to generate revenues at least in excess of operating costs;

(f) That a favorable vote on this measure would make Portland competitive for major league franchises and other sports events;

(g) That the economic impetus supplied by construction and operation of the proposed stadium would be beneficial to the community, both directly and as a result of an altered "image" for our community;

(h) That rejection of this measure will leave the stadium problem unresolved and will compromise our chances for obtaining major league franchises.

VI. Majority Recommendation

In view of the foregoing, the majority of your Committee recommends that the City Club favor the special bond issue to build the Delta Park stadium and urges a vote of "Yes" on Multnomah County Measure No. 2.

Respectfully submitted,

Ralph Appleman

Ray C. Chewning

Leon Gabinet

Allen B. Hatfield

James C. Ingwersen, *Chairman*

For the Majority

VII. Minority Discussion

This minority report is being submitted in view of the fact that although either a new or an improved stadium and parking facility is a definite need in Portland, it is felt that the proposed Delta Park complex is not the answer to the problem as it is being submitted to the voters in the May 15, 1964 election.

The Port of Portland in 1946 considered the purchase of this site for eventual development as industrial property and, based on the Dames & Moore report which detailed exceedingly poor subsoil conditions as well as relatively long periods of time required for fill settlement and stabilization, the Port discarded the site for future industrial development.

In a City Club report—Vol. 34, No. 46—pertaining to the E-R Center Bond Issue of 1954, reference was made to the 1946 Dames & Moore Report for industrial use in which it is stated very definitely that the flood danger in the Vanport area is very real unless a strong dike system were constructed. The 1954 City Club report cites Corps of Engineers estimates that a flood of the 1948 type is considered possible of recurrence each twenty years. The City Club report also refers to a City Planning Commission report which points out the possible excess costs for fill and the unstable nature of the subsoil which might create building foundation problems.

With Dames & Moore having been so positive as to the undesirability of the site in 1946, it leaves considerable doubt as to how the firm can today recommend the same location as a desirable stadium site.

In the recent study prepared by Ebasco Services, under "Flood and Other Hazards" on page 118, it states that the "hazard of flood presents a recognizable risk." The report further states that one of the general conditions of the study was that the dike and drainage systems in the Delta Park area would be improved at no cost to the stadium project—which means the cost is being shifted to the Corps of Engineers and the City of Portland Peninsula Drainage District No. 1. A recent newspaper article stated that the drainage district approved a resolution for flood protection and that the final planning will lead to a request for funds from Congress and the construction of a \$1½ million project.

Furthermore, the report states as follows regarding the other aspects of the stadium site:

"The proposed development area is sometimes exposed to the effects of smog, certain unpleasant odors, and high noise levels under varying atmospheric conditions. Smoke-generating, manufacturing and processing operations border the property to the northwest, south and southeast. Railroading activity to the west also contributes to this problem.

"Immediately adjoining property and nearby areas contain stockyards, packing and rendering businesses as well as pulp and paper operations which develop noxious odors. High noise levels of jet and propeller aircraft and diesel locomotives are sources of some minor irritation at the site. These irritants, although a source of annoyance, do not appear to be serious enough to jeopardize development and enjoyment of proposed stadium and recreational activities at Delta Park."

The foregoing in itself might be sufficient to reject the entire proposition without any further argument against. However, other points do exist.

The projected cost of \$25 million would entail a 2 per cent increase in real estate taxes based on present assessed valuations and would entail the retirement of bonds at the rate of \$1 million per year for twenty-five years according to the Ebasco study. The interest for the initial year would be in excess of \$750,000, depending on the rate of interest required in order to float the bond issue, in addition to a \$1 million annual redemption of the bonds. None of the interest on the bonds is to be liquidated from

any of the proposed income from the project. In other words, if the stadium were ever to show a profit over annual operating expenses, any profits would be devoted to the development of the balance of the complex, with no guarantee that there will be actual profits to develop the complex. If the proposed "future" golf courses, fish ponds, bridle paths, and other items projected as window dressings for the bond proposal were to come to pass, any amounts over contemplated profits would have to come from special tax levies or additional bond issues and could create a never ending drain on the taxpayer to initiate and maintain the balance of the complex.

The Ebasco report quotes figures of \$5.72 to \$6.18 of added taxes on a \$10,000 full value home. With a considerable percentage of Portland homes valued at an excess of \$10,000 on the current market, it would mean that the tax increase per year would be considerably more than this figure. For example, on a home that is assessed at \$10,000 (\$25,000 fair market value), the tax would be some \$14.30 to \$15.45.

The projected costs of the stadium are broken down into several parts, making the cost look somewhat smaller than the over-all picture. But the completion of a stadium all ready to walk into for an athletic event is projected at \$23½ million. Based on a 46,000 seat stadium, this means that the initial expense for each individual seat to be occupied is \$543 per seat based on the bond issue, but \$575 per seat including the flood control costs. A 1962 joint "Stadium Recommendations Report" by the Portland City Planning Commission and the Multnomah County Planning Commission projected a stadium at Delta Park for \$240 per seat, with the figures being \$248 if Portland Meadows and the County Fair were added to the complex. The report further stated that the stadium could be constructed adjacent to the Coliseum site at \$286 per seat and in the South Auditorium area at \$292.

It was also reported that Multnomah Stadium, with adjacent parking provided, could be developed into a first class stadium at a cost of \$394 per seat including a cantilevered roof.

In the Ebasco report, there were many sets of figures and exhibits made which are most difficult to match up from table to table and page to page. The report also comes up with different figures from those of the business community and governmental agencies. The Ebasco report quotes from a Bureau of Census report made for the Committee of Natural Water Resources, stating that in 1980, 2,800,000 people will be residing in the State of Oregon. Our Oregon State Board of Census says that in 1980 the population will be 2,370,000. This represents a 12 per cent differential—and one group or the other is in error by almost one half a million people.

The April 26, 1964 *Oregonian* carried an item stating that from 1953 to 1962, the Oregon birth rate dropped from 24.4 per thousand to 20.3. Death rate increased from 8.6 per thousand to 9.4. Inasmuch as births dropped 16.8 per cent and deaths increased 9.3 per cent, where is the big population surge to come from? Further, a story on poverty in the same issue of the *Oregonian* states that one family in six has under \$3,000 annual income, that the median income is \$6,000, and that any family with less than \$6,200 annual income is deprived of a modest but adequate standard of living.

In its abbreviated preliminary booklet prepared by Ebasco, Exhibit X shows an estimate of 170,000 persons attending Beaver baseball games each year for the next four years. This, in spite of the fact that Beaver baseball attendance has been almost 100,000 under this estimate in the last four or five years. Exhibit XX of the report shows \$1.50 average admission, ten per cent of which goes to the stadium, for a minimum annual income of \$35,000 to the stadium from this source. Ten per cent of 170,000 admissions of \$1.50 each is \$25,500, which is \$9,500 per year less income than the \$35,000 projected in Exhibit XX. Therefore it is assumed the ball club would be subject to payment of the \$9,500 deficit.

Exhibit XXI gives an estimate of \$95,000 income per year from the Beavers from "rental and concession revenue." If \$35,000 is to come from

the Beavers from the hoped-for 170,000 admissions per year, then the concession income will need to net \$60,000 to the stadium. Ebasco reports that the Beavers would have 77 dates per year; in 1964, the schedule shows only 72 dates. If we accept the Beaver schedule as correct, then the 72 days of baseball would have an average attendance of 2,361. Part of the concession income would come from the stadium's share of the 75c-per-car parking fee which is proposed. The report assumes one car for each three attendees. This will mean that the 2,361 attendees will each, of necessity, have to consume a tremendous amount of peanuts and hot dogs in order to make up the balance of the estimated \$69,500 concessions income. If we assume that 85 per cent of the 75c parking fee (approximately 64c) from every third attendee going to the stadium, the 2,361 fans would need to consume enough food, etc., to show a 20c profit per fan to net the stadium its \$60,000 per year from Beaver baseball use.

A sub-committee report to this research committee indicates that presently Beaver baseball has a concession income of 17½c per attendee which is only 25 per cent of the gross and includes the sale of beer which is assumed not to be available at the new site. This indicates a per capita expenditure of 70c per patron. Based on a 27½ per cent stadium percentage of gross sales, each fan would need to spend 75c on concessions to be "average".

If we assume the new stadium would have 20c per attendee profit, this would only bring in \$34,000 on 170,000 paid admissions. Added to the 10 per cent of the gate, or the \$35,000 minimum guarantee, would mean the total income from the Beavers would only be \$69,000 per year, NOT \$95,000 as projected by Ebasco. Furthermore, the sub-committee indicated that the average admission price at Beaver baseball is \$1.25 not \$1.50 as projected by Ebasco.

A Delta Park Recreation Commission "Fact Sheet", page 3 revised, shows the following: Q: What will be done with the net revenue? Ans.: The County Commission net revenues would be used for further development of the complex. "It is estimated that during the first ten years the stadium will earn a total net revenue of over \$6,000,000, and thereafter will return annual net revenues of \$653,000." The *Oregonian* on April 21, 1964 reported that Mr. E. G. Welch of Ebasco told an April 20th meeting of the Committee members of Portland Metropolitan Futures Unlimited, "A profit of more than \$800,000 in the first seven years was predicted". Does this mean that the 8th, 9th and 10th year profits will total \$5,200,000?

Regarding Major League Baseball, a sub-committee reported to this Committee that one Beaver baseball official is most certain that Portland is a long way from obtaining a Major League Baseball franchise—if it ever gets it. Another major sports promoter stated that it is extremely unlikely in the foreseeable future that Portland will have Major League Baseball. This individual felt that it might be unwise for the Beavers to attempt to play their games in the "Big Dome" as 2,300 people in a 46,000 seat stadium would not be conducive to the fans enjoying the game, and could, in turn, have an adverse effect upon the players themselves.

Portland is eleventh in size of cities without major league baseball, and the number of cities with a greater potential than we have would be an adverse factor in our obtaining major league baseball.

In fact, on page 55 of the Ebasco report, it is quite frankly stated that major league baseball would not come into a city of less than 500,000 nor into a metropolitan area of less than one million. Also, that the area must have supported sports in general in the past.

With a present city population of 375,000, a metropolitan area population of approximately 850,000 and a past record of unspectacular growth, major league baseball for Portland in the next four years as projected by Ebasco is an utter impossibility and reflects futile and wishful thinking.

The subcommittee also reported that American League football was pretty certain once a stadium is available. However, Portland will most

certainly not have National League football. Portland stands seventh in size of cities without professional football, so the competition here is also quite keen.

Regarding pro football, the Ebasco projection in Exhibit X is for an average attendance of 32,775 per game on a nine game schedule. The report assumes an average admission of \$3.00 per ticket, with 10 per cent going to the stadium for rental, and bringing a profit of \$88,500. Ebasco exhibit XXI shows \$192,000 annual rental and concession revenue. The concessions, including parking at 75c per car, with fifteen per cent going to the concessionaire, would bring in \$103,500. It apparently is hoped that each person would come in his own car and bring along a hearty appetite.

Regarding college football, Ebasco's report apparently assumes that the University of Oregon and Oregon State University games will continue to be held in Portland. There is a strong indication that the University of Oregon is going ahead with its own 40,000 seat stadium and the school will discontinue having any games in Portland once this campus stadium is available. Oregon State University also has plans under way for the enlargement of Parker Field to much the same size as the facilities at the University of Oregon. This means that Oregon State might also not have use of a Portland stadium in their future plans. If this proves to be true, then another \$40,000 to \$50,000 annual income from the proposed stadium is down the drain.

Finally, much has been publicized about the impact of "new" money on the Portland economy; yet the Ebasco report states that only thirty per cent of the attendees will come from outside the metropolitan area. The report quotes an average daily expenditure per person travelling is about \$4.21. Thus, thirty per cent times 2361 average attendees at a baseball game, times \$4.21, is \$215,000 per year averages over 72 playing dates. With another forty days of events scheduled in the report, it is again difficult to conjecture the source of the impact on the economy which the report implies.

VIII. Minority Conclusion

In view of the conflicting reports regarding the feasibility of the Delta Park Stadium site, the lower costs at alternate sites, the differences in figures between Ebasco and government agencies, and the fact that professional sports executives maintain that Portland will not have major league baseball, it would appear that the Delta Park bond issue is not sound and should be opposed.

IX. Minority Recommendation

Therefore, the minority of your Committee recommends that the City Club oppose the special bond issue to build Delta Park Stadium, and urges a vote of "No" on Multnomah County Measure No. 2.

Respectfully submitted,

Donald H. Comfort, *For the Minority*

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