

ANNOTATED MINUTES

Tuesday, June 1, 1993 - 9:30 AM
Multnomah County Courthouse, Room 602

AGENDA REVIEW

- B-1 Review of Agenda for Regular Meeting of June 3, 1993.
- C-3 COMMISSIONER COLLIER ADVISED SHE LOOKS FORWARD TO WORKING WITH RATIO REVIEW BOARD MEMBERS.
- C-9/C-10 STAFF RESPONSE TO BOARD QUESTIONS AND EXPLANATION REGARDING RETROACTIVE CONTRACTS. STAFF DIRECTED TO CONTINUE WORKING WITH OREGON HEALTH SCIENCES UNIVERSITY PERSONNEL TO EXPEDITE CONTRACT PROCESS.
- C-12/C-15 CHAIR MIGGINS ADVISED THESE ITEMS RESULT FROM THE RECENT AUDIT ON TAX FORECLOSED PROPERTY.
- R-2 VICE-CHAIR HANSEN REQUESTED A BOARD BRIEFING UPDATE ON THE DISTRICT ATTORNEY SPACE NEEDS.
- R-3 COMMISSIONER COLLIER REQUESTED AN UPDATE ON THE COMMUNITY CORRECTIONS PLAN AT THE LEGISLATURE AND INFORMATION ON WHEN THE BOARD WILL BE REVIEWING THE DEPARTMENT OF COMMUNITY CORRECTIONS BUDGET.
- R-5 DWAYNE McNANNAY AND CHIP LAZENBY RESPONSE TO BOARD QUESTIONS. MR. LAZENBY EXPLANATION, DISCUSSION AND REQUEST FOR CONTINUATION TO THURSDAY, JUNE 10, 1993 PENDING CONTRACT LANGUAGE NEGOTIATIONS WITH PORTLAND PUBLIC SCHOOLS. PRESENTATION AND RESPONSE TO BOARD QUESTIONS BY RANCE SPRUILL AND GREG TALTON OF THE ALBINA YOUTH OPPORTUNITY SCHOOL GENESIS PROGRAM, AND SUBMITTAL OF BUDGET INFORMATION BY GENESIS ACCOUNTANT ROBIN DUNCAN. BOARD COMMENTS AND CONSENSUS DIRECTION FOR SPECIFIC CONTRACT LANGUAGE CHANGES, TO BE PREPARED IN TIME FOR BOARD CONSIDERATION ON THURSDAY, JUNE 3, 1993.
- R-6 COMMISSIONER KELLEY REQUESTED COSTS AND COMPARISONS INFORMATION ON ELECTRONIC MONITORING SERVICES PROGRAM BY CONTRACT END.

R-9

CURTIS SMITH PRESENTATION AND RESPONSE TO BOARD QUESTIONS RELATING TO PROPOSED ORDINANCE AND TIMELINE FOR RECOMMENDATIONS OF THE ADVISORY COMMITTEE LOOKING INTO ALTERNATIVE PAY SYSTEM FOR UPPER LEVEL EXEMPT EMPLOYEES. FOLLOWING DISCUSSION, BOARD CONSENSUS DIRECTING STAFF TO DELETE REFERENCES TO EXEMPT EMPLOYEES WITH ANNUAL SALARY OF \$60,000 OR MORE FOR PROPOSED ORDINANCE READING THURSDAY, JUNE 3, 1993.

*Tuesday, June 1, 1993 - 10:30 AM
Multnomah County Courthouse, Room 602*

BOARD BRIEFING

- B-2 *Briefing on Cooperative Reference Activities with Washington County Cooperative Library System and Proposed Intergovernmental Agreement with Library Information Network of Clackamas County (LINCC). Presented by Ginnie Cooper and Jeanne Goodrich.*

GINNIE COOPER AND JEANNE GOODRICH PRESENTATION AND RESPONSE TO BOARD QUESTIONS AND DISCUSSION.

*Tuesday, June 1, 1993 - 1:30 PM
Multnomah County Courthouse, Room 602*

BOARD BRIEFINGS

- B-3 *Update on the Status of Policies and Programs Associated with the Columbia River Gorge National Scenic Area. Presented by Sharon Timko, Kris Olsen Rogers, Greg Satchell and Gorge Commission and Forest Service Representatives.*

PRESENTATION, DISCUSSION AND RESPONSE TO BOARD QUESTIONS WITH SHARON TIMKO, JONATHAN DOUGHERTY, CHRIS OLSEN ROGERS, ART CARROLL AND GREG SACHELL.

- B-4 *Board Discussion Concerning Agenda Content and Order. Presented by Delma Farrell, Carrie Parkerson and Deb Bogstad.*

BOARD CONSENSUS THAT FOR A THREE MONTH TRIAL PERIOD, TUESDAY AGENDA REVIEW SESSIONS WILL BE ELIMINATED IN LIEU OF STAFF EXPLANATION AND RESPONSE TO BOARD QUESTIONS AT THE THURSDAY REGULAR MEETINGS, IN ORDER TO ALLOW THE VIEWING PUBLIC TO OBSERVE THE DELIBERATIVE PROCESS AND TO REDUCE THE AMOUNT OF TIME STAFF

SPENDS IN THE BOARD ROOM.

BOARD DISCUSSION ON NEED FOR PRIORITIZING BRIEFING SCHEDULE AND ESTABLISHING BRIEFING STANDARDS. BOARD CONSENSUS THAT FUTURE (NOT YET SCHEDULED) BRIEFINGS/POLICY DISCUSSIONS BE SCHEDULED FOR TUESDAY MORNINGS ONLY, AND THAT PLANNING ITEMS ONLY WILL BE SCHEDULED FOR THE SECOND AND FOURTH TUESDAY AFTERNOONS OF EACH MONTH.

BOARD DISCUSSION ON CRITERIA USED FOR AGENDA ITEM PLACEMENT ON THE CONSENT CALENDAR, MOVING CONSENT CALENDAR ITEMS TO THE REGULAR AGENDA, AND MOVING REGULAR AGENDA ITEMS TO THE CONSENT CALENDAR IN ORDER TO EXPEDITE THURSDAY MEETINGS.

BOARD DISCUSSION AND CONSENSUS ON TIME CERTAIN REQUESTS AND NEED FOR COMPELLING ADHERENCE TO BOARD AGENDA SCHEDULE.

CHAIR WILL DIRECT ORIGINATING DEPARTMENTS TO SUBMIT AGENDA PLACEMENT FORMS CONTAINING EXECUTIVE SUMMARIES WITH CONCISE EXPLANATIONS SUITABLE FOR AGENDA PUBLICATION, FOR ALL BRIEFINGS AND AGENDA ITEMS; AND TO IMPROVE DEPARTMENT ESTIMATION OF THE AMOUNT OF TIME NEEDED FOR BRIEFINGS.

B-5 *Audit: Managing County Properties - Improve Policies and Practices. Presented by Multnomah County Auditor Gary Blackmer.*

GARY BLACKMER AND STEPHEN MARCH PRESENTATION, RECOMMENDATIONS AND RESPONSE TO BOARD QUESTIONS AND DISCUSSION. BETSY WILLIAM AND WAYNE GEORGE PRESENTATION AND RESPONSE TO BOARD QUESTIONS AND COMMENTS. DES AND COUNTY COUNSEL STAFF DIRECTED TO LOOK INTO STATE LAW PERTAINING TO TAX FORECLOSURES AND TO PREPARE ORDINANCE ADDRESSING COUNTY RESPONSIBILITY AND LIABILITY ISSUES RELATING TO TAX FORECLOSED PROPERTIES.

Wednesday, June 2, 1993 - 9:30 AM
Multnomah County Courthouse, Room 602

BOARD BRIEFING

B-6 Briefing by Emergency Medical Services Staff on EMS System Design, Current System Characteristics, Ambulance Service Area Plan Elements and Requirements and Process for ASA Plan Adoption. Discussion on Process and Timelines. Presented by Bill Collins.

PRESENTATION AND RESPONSE TO BOARD QUESTIONS WITH BILL COLLINS AND DR. GARY OXMAN. FUTURE EMS/ASA BOARD SESSIONS SCHEDULED FOR 1:30 PM, WEDNESDAY, JUNE 23, 1993, 1:30 PM, TUESDAY, JUNE 29, 1993, 9:30 AM, WEDNESDAY, JUNE 30, 1993, 1:30 PM, THURSDAY, JULY 1, 1993, AND 2:00 PM, TUESDAY, JULY 6, 1993; WITH PROPOSED ORDINANCE READINGS SCHEDULED FOR 9:30 AM, THURSDAY, JULY 8, 1993 AND JULY 15, 1993. COMMISSIONER KELLEY REQUESTED COMMENTS FROM ADJACENT COUNTIES SERVICE PROVIDERS ON RURAL SERVICE DELIVERY PLAN. COMMISSIONER COLLIER REQUESTED FUTURE DISCUSSION REGARDING WORK FORCE TRAINING. CHAIR MIGGINS DIRECTED STAFF TO PROVIDE SERVICE LEVEL COMPARISONS OF SIMILARLY POPULATED COUNTIES.

Thursday, June 3, 1993 - 9:30 AM
Multnomah County Courthouse; Room 602

REGULAR MEETING

Acting Chair Henry C. Miggins convened the meeting at 9:32 a.m., with Vice-Chair Gary Hansen, Commissioners Sharron Kelley and Tanya Collier present, and Commissioner Dan Saltzman excused.

REGULAR AGENDA

JUSTICE SERVICES

DISTRICT ATTORNEY

R-2 Budget Modification DA #13 Requesting Authorization to Transfer \$2,500 from Repair and Maintenance to Capital Improvements - Buildings, Within the Support Enforcement Division Budget, for Conference Room and Reception Area Remodel

COMMISSIONER KELLEY MOVED, SECONDED BY COMMISSIONER COLLIER, APPROVAL OF R-2. MICHAEL SCHRUNK ALERTED THE BOARD OF A DISTRICT ATTORNEY SPACE/REMODEL PROJECTS BRIEFING SCHEDULED FOR TUESDAY, JUNE 8, 1993. BUDGET MODIFICATION UNANIMOUSLY APPROVED.

CONSENT CALENDAR

**UPON MOTION OF COMMISSIONER KELLEY, SECONDED
BY COMMISSIONER COLLIER, THE CONSENT CALENDAR
(C-1 THROUGH C-15) WAS UNANIMOUSLY APPROVED.**

NON-DEPARTMENTAL

- C-1 *In the Matter of the Reappointment of Carla Floyd to the MERIT SYSTEM CIVIL SERVICE COUNCIL*
- C-2 *In the Matter of the Appointments of Rebecca J. Rodgers and Eleanor Matthews to the MULTNOMAH COUNCIL ON CHEMICAL DEPENDENCY*
- C-3 *In the Matter of the Appointments of E. John Rumpakis - Chair, Sarah Mahler, Donna M. Kelly, Basil N. Panaretos, Jr., Robert V. Luce and Thomas D. Cowley - Alternate, to the MULTNOMAH COUNTY BOARD OF RATIO REVIEW*
- C-4 *In the Matter of the Appointments of William Fritz, Peter Fry, Karin Hunt, Neisha A. Saxena, Dave Kunkel and Christopher H. Foster to the MULTNOMAH COUNTY PLANNING COMMISSION*

DEPARTMENT OF HEALTH

- C-5 *Ratification of Intergovernmental Agreement Contract #200254, Between Multnomah County and the Metropolitan Service District (Metro), Providing Bloodborne Pathogen Program Services to Certain Metro Employees, for the Period Upon Execution through May 1, 1994*
- C-6 *Ratification of Intergovernmental Agreement Contract #200034, Between Multnomah County and the City of Portland, Whereas the County Provides Bacteriologic Tests of Finished Water, for the Period July 1, 1993 through June 30, 1994*

DEPARTMENT OF SOCIAL SERVICES

- C-7 *Ratification of Intergovernmental Agreement Contract #100083-R, Between Multnomah County Mental Health, Youth and Family Services Division, Office of Child and Adolescent Mental Health and Oregon Health Sciences University, University Hospital, Providing Outpatient Services and Psychiatric, Psychological and Medical Evaluations for Partners Project Clients, for the Period July 1, 1992 through June 30, 1993*
- C-8 *Ratification of Intergovernmental Agreement Contract #104613, Between Multnomah County Mental Health, Youth and Family Services Division, Office of Child and Adolescent Mental Health Services and Portland Public Schools, Providing Educational Assistance Services for Partners Project Clients, for the Period November 1, 1992 through June 30, 1993*
- C-9 *Ratification of Amendment No. 6 to Intergovernmental Agreement Contract #100183, Between Multnomah County Mental Health, Youth and Family Services Division, Office of Child and Adolescent Mental Health Services and Oregon Health Sciences University, School of Nursing, Adding \$40,000 in Medicaid Funds to Provide Child*

and Adolescent Mental Health Services, for the Period April 1, 1993 through June 30, 1993

- C-10 *Ratification of Intergovernmental Agreement Contract #104543, Between Multnomah County Mental Health, Youth and Family Services Division, Mental and Emotional Disabilities Program and Oregon Health Sciences University, University Hospital, Providing Emergency Hold Services for MED Clients at Pre-Set Rates, for the Period July 1, 1992 through June 30, 1993*
- C-11 *Ratification of Intergovernmental Agreement Contract 104623, Between Multnomah County and Oregon Community Children and Youth Services Commission, Allocating Oregon Youth Conservation Corps Funds, for the Period Upon Execution through June 30, 1994*

DEPARTMENT OF ENVIRONMENTAL SERVICES

- C-12 *ORDER in the Matter of Cancellation of Land Sale Contract 15458 Between Multnomah County, Oregon and George Christian Upon Default of Payments and Performance of Covenants*

ORDER 93-196.

- C-13 *ORDER in the Matter of Cancellation of Land Sale Contract 15526 Between Multnomah County, Oregon and Barbara Alatarre Upon Default of Payments and Performance of Covenants*

ORDER 93-197.

- C-14 *ORDER in the Matter of Cancellation of Land Sale Contract 15529 Between Multnomah County, Oregon and Josephine Guiso David Cook, Conservator Upon Default of Payments and Performance of Covenants*

ORDER 93-198.

- C-15 *ORDER in the Matter of the Execution of Quitclaim Deed D930886 to Correct an Historical Error in Title Precipitated by Tax Foreclosure*

ORDER 93-199.

REGULAR AGENDA

JUSTICE SERVICES

SHERIFF'S OFFICE

- R-1 *Ratification of Intergovernmental Agreement Contract #800663 Between Multnomah County and Clackamas County, to Connect XImage Corporation "Forcefield II" Video Imaging Systems to Share and Transfer Data Between Their Respective Correctional Facilities*

UPON MOTION OF COMMISSIONER KELLEY, SECONDED

BY COMMISSIONER COLLIER, R-1 WAS UNANIMOUSLY APPROVED.

COMMUNITY CORRECTIONS

- R-3 *Second Reading and Possible Adoption of an ORDINANCE to Amend MCC 5.10.430 to Allow Collection of a Fee for Mandatory Child Custody Evaluations Provided by Department of Community Corrections Family Services Division for Multnomah County Circuit Court*

PROPOSED ORDINANCE READ BY TITLE ONLY. COPIES AVAILABLE. HEARING HELD, NO ONE WISHED TO TESTIFY. UPON MOTION OF COMMISSIONER KELLEY, SECONDED BY COMMISSIONER COLLIER, ORDINANCE 766 WAS UNANIMOUSLY APPROVED.

DEPARTMENT OF HEALTH

- R-4 *Request for Approval of a Notice of Intent to Apply for a Grant from the Metropolitan Service District (Metro) Providing Reimbursement of the Costs of the Purchase of Preventive Measures at Illegal Dump Sites*

UPON MOTION OF COMMISSIONER KELLEY, SECONDED BY COMMISSIONER HANSEN, R-4 WAS UNANIMOUSLY APPROVED.

DEPARTMENT OF SOCIAL SERVICES

- R-5 *Ratification of Intergovernmental Agreement Contract #100084, Between Multnomah County and Portland Public School District #1J, Providing Educational Services for Up to 30 High-Risk Juvenile Offenders Served Through a Subcontractor, for the Period July 1, 1993 through June 30, 1994*

COMMISSIONER COLLIER MOVED, SECONDED BY COMMISSIONER KELLEY, TO SET R-5 OVER FOR ONE WEEK. COMMISSIONER COLLIER ADVISED COUNTY COUNSEL IS STILL WORKING WITH SCHOOL DISTRICT ON CONTRACT LANGUAGE CHANGES. BOARD COMMENTS. IT WAS UNANIMOUSLY APPROVED THAT R-5 BE CONTINUED TO JUNE 10, 1993.

- R-6 *Ratification of Intergovernmental Agreement Contract #100134, Between Clackamas County and Multnomah County, Providing the Juvenile Justice Division with Electronic Monitoring Services for Use as an Alternative to Detention, for the Period July 1, 1993 through June 30, 1994*

UPON MOTION OF COMMISSIONER KELLEY, SECONDED BY COMMISSIONER COLLIER, R-6 WAS UNANIMOUSLY APPROVED.

R-7 *Ratification of Intergovernmental Agreement Contract #100744, Between the State of Oregon, Department of Human Resources, Children's Services Division and Multnomah County, Juvenile Justice Division, Providing Diagnostic and Evaluation Services, Dispositional Services to Parole Violators, Community Services, and Detention Back-Up Services, for the Period July 1, 1993 through June 30, 1994*

UPON MOTION OF COMMISSIONER KELLEY, SECONDED BY COMMISSIONER COLLIER, R-7 WAS UNANIMOUSLY APPROVED.

LIBRARY SERVICES

R-8 *Ratification of an Intergovernmental Revenue Agreement, Contract #600203, between the Library Information Network of Clackamas County (LINCC) and Multnomah County Library to Provide Housing of the LINCC Reference Staff at the Central Library, for the Period July 1, 1993 through June 30, 1996 (Continued From May 27, 1993)*

COMMISSIONER COLLIER MOVED, SECONDED BY COMMISSIONER KELLEY, APPROVAL OF R-8. AT THE REQUEST OF VICE-CHAIR HANSEN, CHAIR MIGGINS DIRECTED LIBRARY AND BUDGET STAFF TO SCHEDULE THIS ITEM FOR BOARD DISCUSSION AND REVIEW DURING THE NEXT BUDGET PROCESS. AGREEMENT UNANIMOUSLY APPROVED.

NON-DEPARTMENTAL
MANAGEMENT SUPPORT

R-9 *First Reading of a Proposed ORDINANCE Relating to the Pay Ranges and COLA Increases for Exempt Employees and Repealing Ordinance Nos. 733, 737 and 755*

PROPOSED ORDINANCE READ BY TITLE ONLY. COPIES AVAILABLE. COMMISSIONER HANSEN MOVED, SECONDED BY COMMISSIONER KELLEY, APPROVAL OF FIRST READING. COMMISSIONER KELLEY MOVED, SECONDED BY COMMISSIONER COLLIER, TO AMEND PROPOSED ORDINANCE DELETING FIRST SENTENCE OF SECTION II AND REPLACING IT WITH "EACH PAY RANGE OF THE EXEMPT COMPENSATION PLAN SHALL BE INCREASED BY 3.0%, EFFECTIVE JULY 1, 1993; PROVIDED, HOWEVER, THAT ANY RANGE WHOSE ANNUAL MAXIMUM IS \$60,000 OR MORE SHALL NOT BE INCREASED, AND ANY RANGE WHOSE ANNUAL MAXIMUM IS BELOW \$60,000 SHALL NOT BE INCREASED HIGHER THAN \$60,000."; AND AMENDING SECTION III B BY DELETING "EXCEPT AS PROVIDED IN ORDINANCE 742, SECTION VII PAY ADMINISTRATION, PARAGRAPH (A) TO BRING AFFECTED EMPLOYEES TO THE MINIMUM OF THE PAY RANGES ADOPTED IN EXHIBIT A."; AND

INCORPORATING JUNE 2, 1993 EXHIBIT REVISION. CURTIS SMITH EXPLANATION AND RESPONSE TO BOARD QUESTIONS. COMMISSIONER COLLIER REPORTED SHE IS PLEASED WITH PRIVATE AND PUBLIC SECTOR MIX OF ADVISORY COMMITTEE AND LOOKS FORWARD TO WORKING WITH THEM. AMENDMENTS UNANIMOUSLY APPROVED. FIRST READING OF PROPOSED ORDINANCE AS AMENDED APPROVED, WITH COMMISSIONERS HANSEN, KELLEY AND COLLIER VOTING AYE AND CHAIR MIGGINS VOTING NO. SECOND READING SCHEDULED FOR 9:30 AM, THURSDAY, JUNE 10, 1993.

UPON MOTION OF COMMISSIONER HANSEN, SECONDED BY COMMISSIONER KELLEY, CONSIDERATION OF THE FOLLOWING ITEM WAS UNANIMOUSLY APPROVED.

UC-1 **PROCLAMATION in the Matter of Proclaiming the Accomplishments of the Late Dr. O.B. Williams, Founder and Pastor of Vancouver Avenue First Baptist Church**

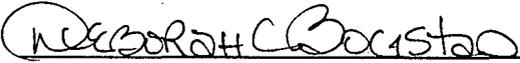
PROCLAMATION READ. COMMISSIONER KELLEY MOVED, COMMISSIONER COLLIER SECONDED, APPROVAL OF UC-1. CHAIR MIGGINS INTRODUCED MRS. WILLIA WILLIAMS, DEACON T.V. MASON AND MS. OTHARYN RAND. COMMENTS FROM MRS. WILLIAMS, CHAIR MIGGINS AND VICE-CHAIR HANSEN. PROCLAMATION 93-200 UNANIMOUSLY APPROVED.

PUBLIC COMMENT

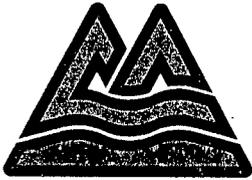
R-10 **Opportunity for Public Comment on Non-Agenda Matters. Testimony Limited to Three Minutes Per Person.**

There being no further business, the meeting was adjourned at 9:55 a.m.

OFFICE OF THE BOARD CLERK
for MULTNOMAH COUNTY, OREGON



Deborah L. Bogstad



MULTNOMAH COUNTY OREGON

OFFICE OF THE BOARD CLERK
SUITE 1510, PORTLAND BUILDING
1120 S.W. FIFTH AVENUE
PORTLAND, OREGON 97204

BOARD OF COUNTY COMMISSIONERS		
GLADYS McCOY •	CHAIR •	248-3308
DAN SALTZMAN •	DISTRICT 1 •	248-5220
GARY HANSEN •	DISTRICT 2 •	248-5219
TANYA COLLIER •	DISTRICT 3 •	248-5217
SHARRON KELLEY •	DISTRICT 4 •	248-5213
CLERK'S OFFICE •	248-3277 •	248-5222

AGENDA

MEETINGS OF THE MULTNOMAH COUNTY BOARD OF COMMISSIONERS

FOR THE WEEK OF

MAY 31, 1993 - JUNE 4, 1993

- Monday, May 31, 1993 - MEMORIAL DAY HOLIDAY - OFFICES CLOSED . . .
- Tuesday, June 1, 1993 - 9:30 AM - Agenda Review.Page 2
- Tuesday, June 1, 1993 - 10:30 AM - Board Briefing.Page 2
- Tuesday, June 1, 1993 - 1:30 PM - Board Briefings.Page 2
- Wednesday, June 2, 1993 - 9:30 AM - Board BriefingPage 2
- Thursday, June 3, 1993 - 9:30 AM - Regular MeetingPage 3

Thursday Meetings of the Multnomah County Board of Commissioners are taped and can be seen at the following times:

- Thursday, 10:00 PM, Channel 11 for East and West side subscribers
- Thursday, 10:00 PM, Channel 49 for Columbia Cable (Vancouver) subscribers
- Friday, 6:00 PM, Channel 22 for Paragon Cable (Multnomah East) subscribers
- Saturday 12:00 PM, Channel 21 for East Portland and East County subscribers

INDIVIDUALS WITH DISABILITIES MAY CALL THE OFFICE OF THE BOARD CLERK AT 248-3277 OR 248-5222 OR MULTNOMAH COUNTY TDD PHONE 248-5040 FOR INFORMATION ON AVAILABLE SERVICES AND ACCESSIBILITY.

Tuesday, June 1, 1993 - 9:30 AM

Multnomah County Courthouse, Room 602

AGENDA REVIEW

B-1 Review of Agenda for Regular Meeting of June 3, 1993.

Tuesday, June 1, 1993 - 10:30 AM

Multnomah County Courthouse, Room 602

BOARD BRIEFING

B-2 Briefing on Cooperative Reference Activities with Washington County Cooperative Library System and Proposed Intergovernmental Agreement with Library Information Network of Clackamas County (LINCC). Presented by Ginnie Cooper and Jeanne Goodrich. 1 HOUR REQUESTED.

Tuesday, June 1, 1993 - 1:30 PM

Multnomah County Courthouse, Room 602

BOARD BRIEFINGS

B-3 Update on the Status of Policies and Programs Associated with the Columbia River Gorge National Scenic Area. Presented by Sharon Timko, Kris Olsen Rogers, Greg Satchell and Gorge Commission and Forest Service Representatives. 1:30 PM TIME CERTAIN, 30 MINUTES REQUESTED.

B-4 Board Discussion Concerning Agenda Content and Order. Presented by Delma Farrell, Carrie Parkerson and Deb Bogstad. 30 MINUTES REQUESTED.

B-5 Audit: Managing County Properties - Improve Policies and Practices. Presented by Multnomah County Auditor Gary Blackmer. 2:30 PM TIME CERTAIN, 30 MINUTES REQUESTED.

Wednesday, June 2, 1993 - 9:30 AM

Multnomah County Courthouse, Room 602

BOARD BRIEFING

B-6 Briefing by Emergency Medical Services Staff on EMS System Design, Current System Characteristics, Ambulance Service Area Plan Elements and Requirements and Process for ASA Plan Adoption. Discussion on Process and Timelines. Presented by Bill Collins. 1 to 1 1/2 HOURS REQUESTED.

Thursday, June 3, 1993 - 9:30 AM

Multnomah County Courthouse, Room 602

REGULAR MEETING

CONSENT CALENDAR

NON-DEPARTMENTAL

- C-1 In the Matter of the Reappointment of Carla Floyd to the MERIT SYSTEM CIVIL SERVICE COUNCIL
- C-2 In the Matter of the Appointments of Rebecca J. Rodgers and Eleanor Matthews to the MULTNOMAH COUNCIL ON CHEMICAL DEPENDENCY
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- C-4 In the Matter of the Appointments of William Fritz, Peter Fry, Karin Hunt, Neisha A. Saxena, Dave Kunkel and Christopher H. Foster to the MULTNOMAH COUNTY PLANNING COMMISSION

DEPARTMENT OF HEALTH

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DEPARTMENT OF ENVIRONMENTAL SERVICES

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DISTRICT ATTORNEY

- R-2 Budget Modification DA #13 Requesting Authorization to Transfer \$2,500 from Repair and Maintenance to Capital

Improvements - Buildings, Within the Support Enforcement Division Budget, for Conference Room and Reception Area Remodel

COMMUNITY CORRECTIONS

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DEPARTMENT OF HEALTH

- R-4 Request for Approval of a Notice of Intent to Apply for a Grant from the Metropolitan Service District (Metro) Providing Reimbursement of the Costs of the Purchase of Preventive Measures at Illegal Dump Sites

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LIBRARY SERVICES

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NON-DEPARTMENTAL

MANAGEMENT SUPPORT

- R-9 First Reading of a Proposed ORDINANCE Relating to the Pay Ranges and COLA Increases for Exempt Employees and Repealing Ordinance Nos. 733, 737 and 755

PUBLIC COMMENT

R-10 Opportunity for Public Comment on Non-Agenda Matters.
Testimony Limited to Three Minutes Per Person.

Meeting Date: JUN 01 1993

Agenda No.: B-2

(Above space for Clerk's Office Use)

AGENDA PLACEMENT FORM
(For Non-Budgetary Items)

SUBJECT: IGA with LINC/Discussion of Cooperative Reference Services

BCC Informal June 1, 1993 BCC Formal _____
(date) (date)

DEPARTMENT Library DIVISION _____

CONTACT Ginnie Cooper TELEPHONE 5403

PERSON(S) MAKING PRESENTATION Ginnie Cooper and Jeanne Goodrich

ACTION REQUESTED:

INFORMATIONAL ONLY POLICY DIRECTION APPROVAL

ESTIMATED TIME NEEDED ON BOARD AGENDA: 1 hour

CHECK IF YOU REQUIRE OFFICIAL WRITTEN NOTICE OF ACTION TAKEN: _____

BRIEF SUMMARY (include statement of rationale for action requested, as well as personnel and fiscal/budgetary impacts, if applicable):

Briefing on cooperative reference activities with Washington County Cooperative Library System and proposed IGA with Library Information Network of Clackamas County.

(If space is inadequate, please use other side)

SIGNATURES:

ELECTED OFFICIAL _____

OR

DEPARTMENT MANAGER Ginnie Cooper

(All accompanying documents must have required signatures)

BOARD OF
COUNTY COMMISSIONERS
1993 MAY 26 PM 2:56
MULTNOMAH COUNTY
OREGON

MULTNOMAH COUNTY LIBRARY



205 N.E. Russell Street • Portland, OR 97212-3708 • PHONE: (503)248-5402 • FAX: (503)248-5441

Ginnie Cooper, Director of Libraries

FAX COVER SHEET

TO: Deb - Clerk of the Board FROM: Rochele Grey

PHONE: _____

PHONE: _____

FAX: 5262

FAX: (503) 248-5441

Sending total of 2 pages including cover sheet.

Date 5.26.93

MESSAGE:

Original to be sent interoffice
mail. Thanks, Deb.

Rochele "☺"

Meeting Date: _____

Agenda No.: _____

(Above space for Clerk's Office Use)

.....

AGENDA PLACEMENT FORM
(For Non-Budgetary Items)

SUBJECT: IGA with LINC/Discussion of Cooperative Reference Services

BCC Informal June 1, 1993 BCC Formal _____
(date) (date)

DEPARTMENT Library DIVISION _____

CONTACT Ginnie Cooper TELEPHONE 5403

PERSON(S) MAKING PRESENTATION Ginnie Cooper and Jeanne Goodrich

ACTION REQUESTED:

INFORMATIONAL ONLY POLICY DIRECTION APPROVAL

ESTIMATED TIME NEEDED ON BOARD AGENDA: 1 hour

CHECK IF YOU REQUIRE OFFICIAL WRITTEN NOTICE OF ACTION TAKEN: _____

BRIEF SUMMARY (include statement of rationale for action requested, as well as personnel and fiscal/budgetary impacts, if applicable):

Briefing on cooperative reference activities with Washington County Cooperative Library System and proposed IGA with Library Information Network of Clackamas County.

(If space is inadequate, please use other side)

SIGNATURES:

ELECTED OFFICIAL _____

Or

DEPARTMENT MANAGER *Ginnie Cooper*

(All accompanying documents must have required signatures)



MEMORANDUM

TO: Board of County Commissioners

FROM: Ginnie Cooper, Director of Libraries

DATE: May 27, 1993

SUBJECT: Briefing on Intergovernmental Agreements with LINC (Clackamas County) and WCCLS (Washington County)

BOARD OF
COUNTY COMMISSIONERS
1993 JUN - 1 PM 12:13
MULTNOMAH COUNTY
OREGON

You asked for additional information on the proposed agreement with Clackamas County Library Network and the existing agreement with Washington County Cooperative Library Service. This report responds to the questions you raised. In addition, I will be available at the briefing if you would like additional information.

The intergovernmental agreement with LINC of Clackamas County provides for Clackamas County to pay compensation for space at Central Library as well as reimbursement for all direct costs of having a half-time librarian housed at Central Library for the purpose of providing reference assistance to libraries in Clackamas County.

This agreement is like the current agreement between Multnomah County and Washington County which provides for WCCLS (Washington County Cooperative Library Services) to have a librarian housed at Central Library to provide back-up reference service for libraries in Washington County.

Rate of Reimbursement

The rate of reimbursement for both contracts is the same. LINC will pay half the amount paid by WCCLS because LINC will have a half-time librarian at Central. WCCLS has a full-time staff member devoted to this purpose. WCCLS will pay \$8500 plus reimbursement for all direct costs this year.

The agreement with WCCLS has been in place since 1986. The rate paid to Multnomah County has increased from \$5000 in 1990 to \$8500 in 1993.

How do these programs operate?

The WCCLS and LINC librarians are designated to serve libraries in their employing counties. They provide no direct service to individuals. An individual asks a reference question in person or by phone at Lake Oswego Library, Beaverton Library, or another library in Clackamas or Washington Counties. If the question can not be answered at the library where it is received, it is transferred to the librarian employed by Clackamas or Washington county who uses the resources at Central to provide the answer to the question.

The information then is sent to the library where the question was posed. This library gets the answer to the individual with the question. FAX, phone, and computer connections often help this process be quite rapid. Clackamas and Washington counties fully cover costs related to the use of the telecommunications equipment.

Relationship between MIX and these contracts

The MIX agreement provides for individuals to borrow books from member libraries. As you know, there is currently no payment for use made of the reference and information resources at Multnomah County Library by residents of Clackamas or Washington County. The intergovernmental agreement you are considering with Clackamas County and the agreement in place with Washington County provide a way for libraries in these counties to serve their residents through their local libraries. We hope this decreases the need for residents of other counties to rely on Multnomah County Library for reference and information services.

Can Multnomah County End these Agreements if Necessary?

Yes, both agreements have termination clauses which require only a 60 day notice. Both agreements are written to be 1 year contracts, with two annual extensions possible. Rates increase for the subsequent years.

MEETING DATE: JUN 01 1993

AGENDA NO: 0-3

(Above Space for Board Clerk's Use ONLY)

AGENDA PLACEMENT FORM

SUBJECT: Briefing - Columbia Gorge Update

AGENDA REVIEW/
BOARD BRIEFING Date Requested: 6/1/93

Amount of Time Needed: 1/2 hour requested

REGULAR MEETING: Date Requested: _____

Amount of Time Needed: _____

DEPARTMENT: Nondepartmental DIVISION: County Chair's Office

CONTACT: Sharon Timko TELEPHONE #: X-3308
BLDG/ROOM #: 106/1410

PERSON(S) MAKING PRESENTATION: Sharon Timko

ACTION REQUESTED:

INFORMATIONAL ONLY POLICY DIRECTION APPROVAL OTHER

SUMMARY (Statement of rationale for action requested, personnel and fiscal/budgetary impacts, if applicable):

Update on Columbia River Gorge

BOARD OF
COUNTY COMMISSIONERS
1993 MAY 28 AM 9:24
MULTNOMAH COUNTY
OREGON

SIGNATURES REQUIRED:

ELECTED OFFICIAL: Dan Miggins

OR

DEPARTMENT MANAGER: _____

ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES

Any Questions: Call the Office of the Board Clerk 248-3277/248-5222



MULTNOMAH COUNTY OREGON

COUNTY CHAIR'S OFFICE
Hank Miggins, County Chair
1120 S.W. 5th, Room 1410
Portland, Oregon 97204
Phone (503) 248-3308

M E M O R A N D U M

TO: Chair Hank Miggins
Vice-Chair Gary Hansen
Commissioner Tanya Collier
Commissioner Sharron Kelley
Commissioner Dan Saltzman

FROM: Sharon Timko *Sharon Timko*
Columbia Gorge Coordinator

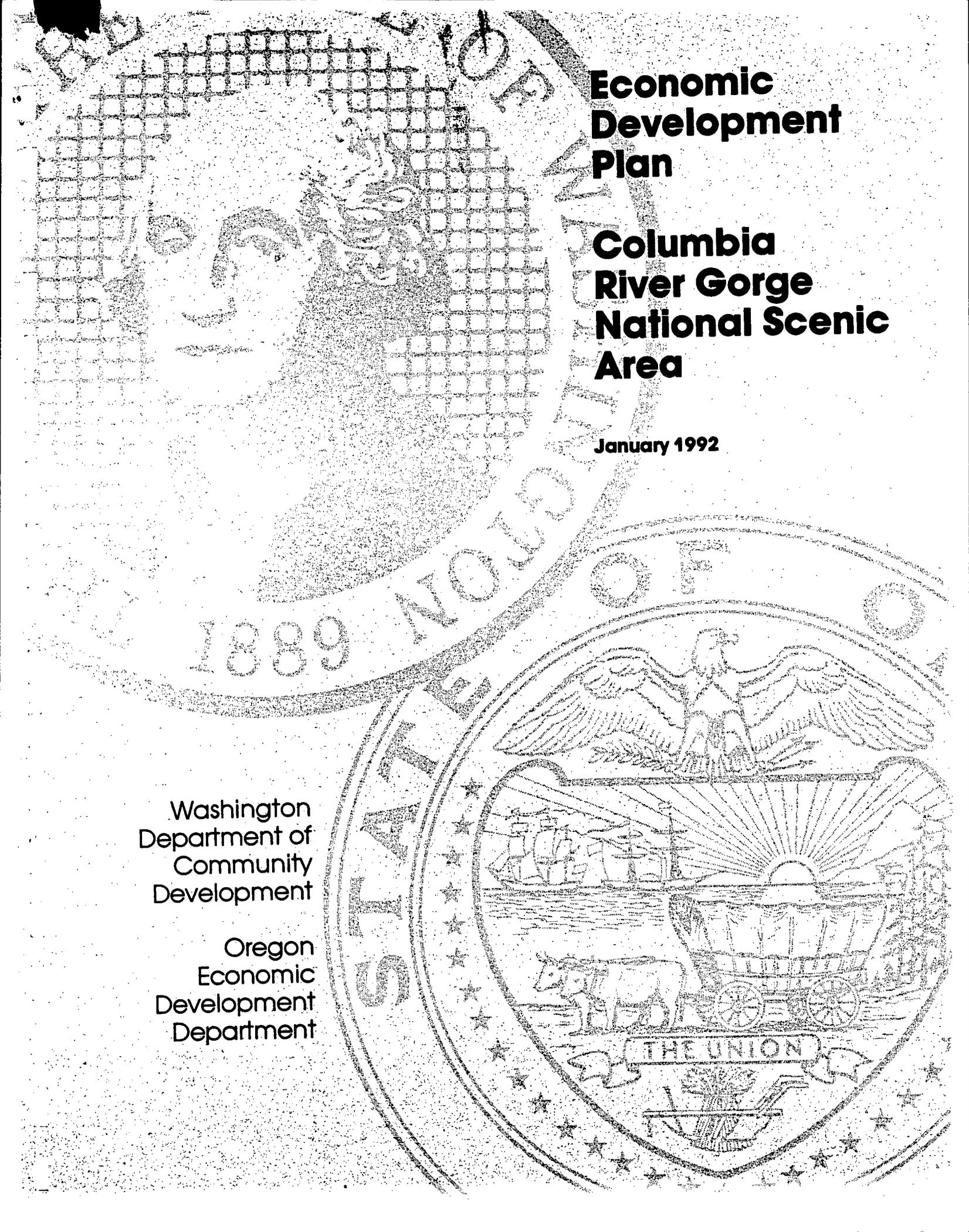
DATE: May 25, 1993

RE: Board Briefing on the Columbia River Gorge National
Scenic Area

Multnomah County is a committed partner in the management of the Columbia River Gorge National Scenic Area (CRGNSA). This partnership involves coordination of County policies and programs with aspects of the CRGNSA affecting land use, economic development, grants and funding, recreational and tourism activities and citizen coordination.

The purpose of the briefing is to update the Board on the status of policies and programs associated with the CRGNSA. Kris Olsen Rogers, Multnomah County Gorge Commissioner; Greg Satchell, Oregon Economic Development Department; and representatives from the Gorge Commission and the Forest Service; have been invited to attend and discuss the various aspects of the management of the CRGNSA.

SET:mrm
0273G



Economic Development Plan

Columbia River Gorge National Scenic Area

January 1992

Washington
Department of
Community
Development

Oregon
Economic
Development
Department

COLUMBIA RIVER GORGE NATIONAL SCENIC AREA

**Economic Development Plan
for
Washington and Oregon**

January 1992



**Washington Department of Community
Development
111 21st Avenue Southwest
Post Office Box 48242
Olympia, Washington 98504-8342**



**Oregon Economic Development
Department
775 Summer Street Northeast
Salem, Oregon 97310**



December 23, 1991

Mr. John F. Butruille
Regional Forester, Region Six
United States Forest Service
Post Office Box 3623
Portland, Oregon 97208

Dear Mr. Butruille:

We are pleased to submit the combined Washington and Oregon Economic Development Plans for the Columbia River Gorge National Scenic Area.

These plans reflect regional strategies to protect and support the area's economy while preserving the environmental quality of life in the National Scenic Area. They are based on the Economic Opportunity Study prepared by the Columbia River Gorge Commission, as well as other appropriate economic information. The plans have been reviewed and endorsed by the Gorge Commission (see enclosure).

The plans are the product of dedicated, intensive involvement by local citizens of both states. Oregon and Washington State economic development staff conferred with Scenic Area Counties, communities, Gorge Commissioners, and Gorge Commission staff in preparing the plans. These plans are in keeping with the intent of the Act, and in keeping with a vision for economic vitality for those who live and work in the National Scenic Area.

Federal economic development funds will be a crucial catalyst for building a strong economy in the Columbia River Gorge. We share the view that securing these economic development funds is a high priority for both states.

We look forward to putting these funds to work as envisioned in the National Scenic Area Act.

Sincerely,

Barbara Roberts
Governor of Oregon

Booth Gardner
Governor of Washington

Enclosure

RESOLUTION

of the Columbia River Gorge Commission
and Memorial to the State Governments of Washington and Oregon

WHEREAS, the Commission accomplished an economic development study and inventory in 1988 and has received and utilized other economic impact studies in its management plan development process in fulfillment of Section 6(2) of the Columbia River Gorge National Scenic Area Act, and

WHEREAS, the Commission has observed the work of Oregon and Washington economic development officials for 2 1/2 years as they prepared economic vitality plans under terms of Section 11(a) of P.L. 99-663 and

WHEREAS, the Commission has noted the contributions of local economic development advisory groups in formulating proposed plans and strategies for each state, and

WHEREAS, each state plans to utilize Gorge-based investment boards to accomplish economic development objectives, and

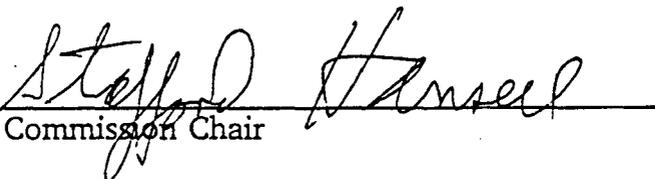
WHEREAS, the regional collaboration and tourism/retail development options are balanced with those oriented to local capacity-building, local business development and retention, and job training, and

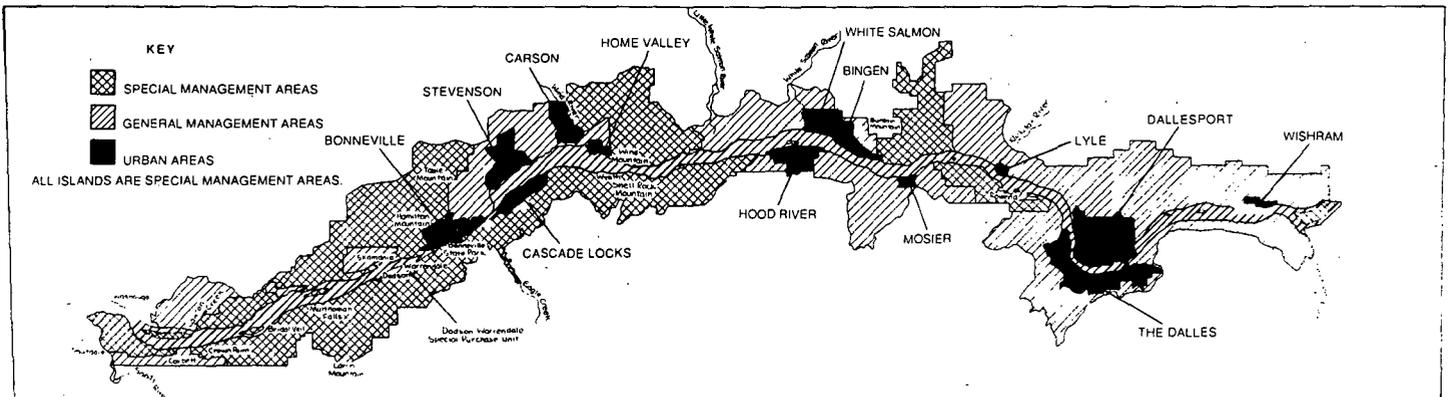
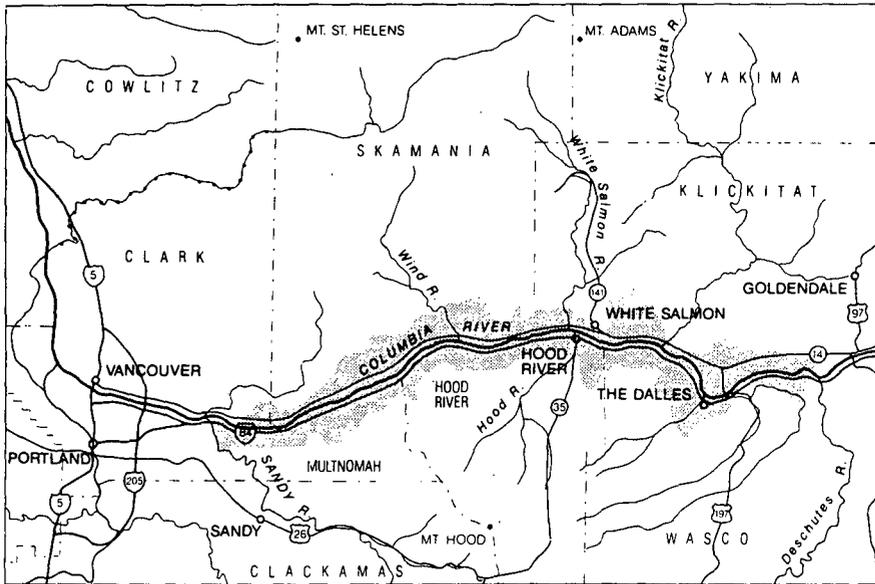
WHEREAS, the states propose the economic development funds under the Act be in a mix of loans and grants designed to keep funds in circulation for several years,

NOW, THEREFORE, BE IT RESOLVED;

The Columbia River Gorge Commission endorses the Washington and Oregon economic vitality plans and strategies and commits itself to cooperating with the two states in a projects certification program which will help effect protection and support of the Gorge economy in accordance with Sections 3(2) and 11(c) of the Columbia River Gorge National Scenic Area Act.

Signed and dated this 19th day of November, 1991.


Commission Chair



Columbia River Gorge National Scenic Area

Columbia River Gorge National Scenic Area
Washington and Oregon Economic Development Plans

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Economic Assessment of Oregon Counties	

Columbia River Gorge National Scenic Area
Washington and Oregon Economic Development Plans

EXECUTIVE SUMMARY

The Charge

The Columbia River Gorge was designated as a National Scenic Area by the U.S. Congress in 1986. The enabling legislation includes far-reaching provisions that affect land and water resources within the National Scenic Area. The Act combines restrictions with incentives to counties for adopting ordinances to implement the Act. These incentives include:

- \$10 million for recreation development;
- \$5 million for an Oregon interpretive center;
- \$5 million for a Washington conference center;
- \$2.8 million to restore the Oregon scenic highway; and
- \$5 million each to Oregon and Washington for the purpose of making economic development loans and grants.

To protect and support the economy of the area, the Columbia River Gorge National Scenic Area Act directs the states of Oregon and Washington to submit economic development plans to the U.S. Secretary of Agriculture. These plans are required for the states to be eligible for \$5 million each for the purpose of making loans and grants for economic development projects.

The Challenges

Despite offering spectacular environmental quality, the economy of the Gorge is distressed. Gorge communities have struggled to emerge from the recession years of the 1980s. Changes in the timber industry and lower harvests on federal land have added to Gorge economic woes and caused many workers to lose their jobs. And by their location in a designated National Scenic Area, Gorge communities face special constraints and challenges in their efforts to achieve economic prosperity.

The Mission

Both states adopted this shared mission for economic development in the National Scenic Area:

"Strengthen and diversify the economy of the National Scenic Area to increase economic prosperity and job opportunities, while protecting and enhancing the quality of life."

The plans take a regional approach that considers the unique needs and opportunities within communities while encouraging communities to work together to build a strong regional economy.

The plans draw upon information from previous studies, as well as current data. They were developed by the Oregon Economic Development Department and the Washington Departments of Community Development and Trade and Economic Development, in consultation with local governments, economic development specialists, the Gorge Commission, and regional advisory committees representing civic and business leaders.

Bi-State Economic Development Plan Administration

A joint Oregon/Washington administrative structure will encourage innovative approaches to economic development that emphasize strategic thinking, partnerships and regional participation.

- **Investment Boards**

An Investment Board will be created in each state to provide policy direction, establish funding criteria, and make funding decisions. The Investment Boards will meet jointly and collaborate on decisions, although voting will be separate for each state.

- **Bi-State Advisory Council**

A Bi-State Advisory Council will advise the Investment Boards on economic development issues and potential projects. The Bi-State Council is to initiate ideas for economic development that emphasize creative thinking, partnerships and linkages among Gorge communities. The Advisory Council may call together special task forces on specific issues and project ideas, drawing upon broad local participation from citizens and business representatives.

Advisory Council members will include two members from each county, plus non-voting representatives of the Gorge Commission, the U.S. Forest Service, and the Mid-Columbia Economic Development District. The Oregon Economic Development Department and Washington Department of Community Development and Department of Trade and Economic Development also will be represented. The Council will include members-at-large appointed by each state.

- **Administration of Funds**

The states, in cooperation with the region, have responsibility for all aspects of their plans, including the administration of funds. Initially, the states will manage the funds, analyze and evaluate project proposals, and advise the Boards. The programs

also have been designed to allow for local administration, through a development corporation or other entity, as appropriate.

Economic Development Plans

The purpose of the Economic Development Plans is to set forth a vision and strategy for enhancing the economy and quality of life of Washington and Oregon communities located within the Columbia River Gorge National Scenic Area. It also describes the plan for using the \$5 million grant from the federal government to each state to fund economic development grants and loans within the National Scenic Area.

The Economic Development Plans have been based upon extensive input from local officials and residents obtained through public hearings and meetings; research sponsored by the Columbia River Gorge Commission and the states of Washington and Oregon; and the knowledge and experience of local, federal, and state economic development programs that have been used to meet the needs of businesses, local governments, and individuals both in the Gorge and other areas of Washington and Oregon.

Washington Strategies for Economic Development

The Washington Economic Vitality Plan incorporates five core strategies:

- **Business Development and Retention.** Maintaining and developing new job and business opportunities in the Gorge is the number one priority of the Economic Vitality Plan. A stronger, more diversified economic base will be fostered through entrepreneurial training, business consulting services, and improved access to financing. Other activities will include improvement of facilities, information and support for businesses seeking to locate in the Gorge, and employee recruitment and training assistance.
- **Tourism and Retail Development.** Activities include development of visitor attractions, facilities, and services; revitalization of downtowns; developing and improving recreational facilities and river access; and a bi-state marketing program.
- **Human Resource Development.** Objectives include enabling local workers, particularly those displaced from traditional industry employment, to gain the skills needed for emerging employment opportunities; encouraging residents to take advantage of entrepreneurial and self-employment opportunities; and improving access to adult and other higher education programs.
- **Local Capacity.** The need to increase local capacity to plan and deliver a comprehensive development program will be met by encouraging communities to create plans for future development, as well as by providing economic

assistance to local governments and local development organizations to meet economic needs.

- **Regional Cooperation.** Regional cooperation and collaboration are encouraged. The Investment Fund explicitly provides for funding of joint projects that are of benefit to both states.

Washington Investment Fund

The majority of funds initially allocated, or \$4,750,000, will be dedicated to providing below-market rate financing for eligible projects. All investments made from this pool will be required to be repaid to the fund. The loan funds will be distributed among three major categories of use. The remaining \$250,000 of the federal economic development grant will be used for matching grants to local governments and non-profit organizations to supplement public and private investment. Specific uses include:

- **Private Investment** **\$2,550,000**
Resources allocated to this category will be used to assist business development. Eligible uses of the funds would typically include:
 - Fixed asset financing;
 - Working capital;
 - Facility development; and
 - Engineering and feasibility studies.
- **Small Development** **\$ 200,000**
Designed to respond to business investment needs of new and existing businesses, investments would be small, ranging between \$5,000 and \$30,000.
- **Public Improvement Investments** **\$2,000,000**
Funds available for public improvements may be accessed by local governments or non-profit organizations for downtown revitalization, commercial district improvements, waterfront development, farmers' or artisans' market, infrastructure improvements, historic preservation, or facility development.
- **Local Capacity Matching Grants** **\$ 250,000**
Matching grants to local governments or non-profit organizations would provide funds for activities such as downtown revitalization, community development, worker training, tourism marketing, business recruitment, or business and worker training.

Total **\$5,000,000**

Oregon Strategies for Economic Development

The Oregon Economic Development Plan incorporates these core strategies:

- **Assist Existing and Emerging Businesses.** Focus on stabilizing and diversifying the economy, retaining and creating jobs, and work force training by helping existing and emerging small and mid-size businesses.
- **Focus on Comparative Advantages.** Capitalize on the existing comparative advantages and economic strengths of the National Scenic Area, such as tourism potential, newly added industrial land, and waterfront opportunities.
- **Promote Economically Healthy National Scenic Area Communities.** Revitalize communities and provide gap-financing for expanding infrastructure capacity.
- **Regional Cooperation.** Provide a Gorge-wide planning process for improving economic vitality in the entire National Scenic Area.

Economic Development Funding Priorities for Oregon

Funds will be awarded within the geographic boundary of the National Scenic Area on the competitive basis of project feasibility and lasting economic benefit to the National Scenic Area. Investments must be consistent with the National Scenic Area Act and the Gorge Commission's management plan. Wide geographic distribution of funds, leverage of other funds and stimulation of private investment will be considerations for all investment decisions. Specific priorities include:

- **Business Investments** **\$2,250,000**

Assist small and mid-size businesses to diversify, expand, retain and/or start new enterprises to create employment opportunities and encourage private capital investment in the Gorge. Funds include \$2,200,000 for business loans and \$50,000 for work force training grants.
- **Community Development and Revitalization** **\$1,750,000**

Provide for pre-development planning and implementation of community development and revitalization projects. Projects will be encouraged to link Gorge communities to their waterfronts and to each other. Funds include \$200,000 for community planning and pre-development grants and \$1,550,000 for community development investments.

- **Infrastructure Improvements** **\$ 850,000**

Provide gap-financing loans for infrastructure improvements to facilitate economic development and/or open up developable land in National Scenic Area communities. Funds include \$100,000 for infrastructure planning and pre-development and \$750,000 for infrastructure loans.
 - **Regional Tourism Marketing** **\$ 150,000**

Create a bi-state tourism marketing organization to promote the Gorge as a spectacular place to visit. A regional tourism organization is high on the agenda in both states. \$150,000 in grant funds, to be matched by Washington, would be allocated over several years.
- Total** **\$5,000,000**

Relationship to the Management Plan

The management plan for General Management Areas of the National Scenic Area is a separate document prepared by the Gorge Commission. It outlines goals, policies and guidelines for recreational, commercial, residential, agricultural and forest land use. It identifies land use guidelines and boundaries, and describes the role of the Gorge Commission in economic development project decisions. The plan outlines a process by which the Gorge Commission is to certify that economic development activities undertaken under the grant are consistent with the National Scenic Act and the management plan.

Next Steps*

- | | |
|------------------|-----------------------------------------------------------------------------------------------------|
| November 1, 1992 | Governors appoint Investment Boards. |
| November 1, 1992 | Form Bi-State Advisory Council. |
| March 1, 1993 | Issue proposed funding guidelines, criteria, policies and procedures for public review and comment. |
| April 1, 1993 | Investment Boards adopt guidelines, criteria, policies and procedures. |
| April 1, 1993 | Begin operation of the programs. |

* Assumes that counties will incorporate the management plan in local land use plans on schedule. Also assumes federal appropriation of funds in the fall of 1992. This schedule may be adjusted as needed.

Columbia River Gorge National Scenic Area

Washington and Oregon Economic Development Plans

BACKGROUND

The 1986 National Scenic Area Act established the Columbia River Gorge National Scenic Area, a bi-state, six-county region shared by the states of Oregon and Washington. The purpose of the Act is:

- "to establish a national scenic area to protect and provide for the enhancement of the scenic, cultural, recreational, and natural resources of the Columbia River Gorge; and
- "to protect and support the economy of the area by encouraging growth to occur in existing urban areas, and by allowing future economic development in a manner that is consistent with paragraph (1)."

Among its provisions, the Act provides for a \$5 million federal grant to each state for economic development purposes. The states of Washington and Oregon are required to prepare economic development plans which are based on an economic opportunity study completed by the Columbia River Gorge Commission and other appropriate information. The purpose of these plans is to identify the economic needs of the region; establish strategies for utilizing grant funds to meet these needs; and provide guidelines for managing the funds.

THE PLANNING PROCESS

The plans for Washington and Oregon were developed in a partnership with the citizens of the National Scenic Area and in consultation with the counties, communities, and the Gorge Commission. The plans also are based upon the Economic Opportunities Study (EOS), published by Economic Research Associates in July 1988.

Washington. The state of Washington began development of the Economic Vitality Plan in late 1989. The Washington planning process has included a number of key steps.

- A state National Scenic Area coordinator was appointed to develop and carry out the planning process.
- A number of widely publicized open forums were sponsored to seek broad based input on local needs and priorities for the use of federal funds.

- A Regional Economic Development Advisory Committee, consisting of local government, business, community representatives from Clark, Klickitat, and Skamania Counties, and a representative of Oregon, was formed and held a series of meetings to provide advice and direction. The proposed plan for the Investment Fund was reviewed and approved by the Advisory Committee on February 14, 1991.
- Findings of the Economic Opportunity Study (completed for the Gorge Commission), a regional diversification study commissioned by the state, and other relevant research were reviewed and incorporated in the plan.
- The state consulted with the Gorge Commission, local governments, and the state of Oregon to facilitate coordination between the states and consistency with the proposed management plan for the National Scenic Area.
- Regional Advisory Committees from both states met together to identify a bi-state strategy for cooperative economic development planning.

Oregon. Oregon's plan is founded upon a local participation process that sought to identify the region's opportunities and challenges, as best understood by local citizens and officials. In addition to the strong involvement of the local communities, the partnership between the two states was an important part of the process of crafting the plan. Although each community in the Gorge is distinct in its own way, the Gorge is a regional economy. A synergistic approach, characterized by counties and communities working together, is required to build a strong Gorge economy.

In Oregon, four community meetings were held in the National Scenic Area in December 1989 and January 1990. The purpose of these meetings was to explore public sentiment and to catalog project ideas. County and regional economic development planners then met with Gorge Commission staff and Oregon Economic Development Department staff to consider economic development needs, funding strategies, and potential administration structures.

Counties were involved in reviewing economic assessments of the Gorge economy prepared by the Oregon Economic Development Department. Federal congressional staff, the Governor's office, local legislators, Native American tribes and Gorge Commissioners were consulted regarding their economic development ideas, leadership and expectations to help shape the direction of the plan.

Oregon and Washington maintained close ties throughout the process of developing the plans, and together created a joint newsletter on economic development plan issues and progress. This newsletter was mailed periodically to over 700 contacts to keep Gorge citizens involved and informed.

In November 1990, Oregon appointed a special advisory committee comprised of representatives of local businesses, financial experts, and three elected officials. The committee also included a member of Washington's advisory committee. The Oregon advisory committee was charged with developing recommendations to the state on a vision for economic development in the National Scenic Area; strategies to address economic development needs, opportunities, and priorities; funding mechanisms; and an administrative structure.

VISION FOR ECONOMIC DEVELOPMENT

Washington and Oregon share the same vision for economic vitality in the National Scenic Area. The vision for economic development in the National Scenic Area is to:

"Strengthen and diversify the economy of the National Scenic Area to increase economic prosperity and job opportunities, while protecting and enhancing quality of life."

INSERT #1

THE WASHINGTON ECONOMIC
VITALITY PLAN

THE WASHINGTON ECONOMIC VITALITY PLAN

VISION AND GOALS

The purpose of the Economic Vitality Plan is to strengthen and diversify the economy of the National Scenic Area to increase economic prosperity and job opportunities while protecting and enhancing the quality of life. The proposed Economic Vitality Plan embodies the following key values and goals.

Program Vision

- Encourage new investment to stabilize and diversify the regional economy, based on an opportunity-driven, business and community development strategy, by providing the physical, human, and financial resource capacity needed to develop and sustain balanced economic growth.
- Build sustainable local capacity to determine community and regional visions for development, and to carry out priority development strategies and projects.
- Support new investment and local development activities through integrated and coordinated delivery of state and federally funded resources, flexibly managed and leveraged by private and community investments.

Goals of Economic Vitality Plan

The primary goal of the Economic Vitality Plan is to increase employment opportunities and achieve greater economic diversity. Driven by the strengths and opportunities found in the natural and human resources of the Gorge region, the program will work to:

- Maintain the competitiveness of the resource-based industries in the region.
- Strengthen the region's ability to capture tourism and local retail dollars.
- Promote new industries and enterprises compatible with area's strengths and weaknesses, and vision for future development.
- Develop local capacity for diversification.

ECONOMIC ASSESSMENT*

General Description

The National Scenic Area encompasses 169,401 acres located in three Washington counties: Clark, Klickitat, and Skamania. The most populous of the three, Clark County, has a total population of 228,700. Ninety-five percent of the Scenic Area's land mass is found in Klickitat and Skamania Counties, which have populations of 16,800 and 8,100 respectively. The overall population in the region has been growing slowly with natural increases offset by out-migration, particularly of job seeking and college age youth. Residents of the region have among the lowest per capita incomes in the state.

The economy is based largely on natural resources and dominated by four principal industries: agriculture (15% of total employment); manufacturing, primarily wood products and aluminum reduction (27%); services and government (37%); and trade (12%). Unemployment is historically higher than the state average; while 1989's regional rate of 14.5% is 20% lower than the 1987 level, it is more than twice the state average of 6.2% for the same year.

Key Economic Trends

- With its high dependence on the timber industry, the region is expected to be impacted substantially by reductions in harvest levels on National Forest lands.

Planned harvest reductions from Gifford Pinchot of 57% are expected to result in job losses ranging from nearly 1,000 to over 2,000 direct and indirect jobs.

*NOTE: The majority of data used in this section is based on figures for Skamania and Klickitat Counties since Clark has relatively few enterprises and residents within its Scenic Area boundaries. However, the close proximity of the Vancouver-Portland metropolitan area and communities of Camas and Washougal, which sit on the western border of the Scenic Area, will have an impact on development potential within the Gorge.

The wood products industry employs one of every five workers in Skamania and Klickitat Counties. The industry is less dominant in Clark County, which has approximately 2.5% of its workforce employed in lumber and wood products manufacturing; however, many of these positions are located in the nearby communities of Camas and Washougal which sit on the western edge of the National Scenic Area.

Production within the industry is based largely on harvesting timber for export to other domestic and international markets, and on primary wood products manufacturing. Primary manufacturing includes plywood, lumber, veneer, wood chips, pulp, and paper. A limited amount of secondary manufacturing, accounting for about 20% of total industry employment, occurs at a handful of local companies, largely located adjacent to the Scenic Area.

The Gorge region is one of the most highly timber dependent in the state, with a level of employment in the industry over ten times the state average. Measures to insure the survival of the northern spotted owl, listed by the U. S. Fish and Wildlife Service as a threatened species in 1990, are expected to have drastic consequences on the forest products industry in areas of Washington and Oregon. Data produced by the Washington State Employment Security Department project that Klickitat and Skamania Counties will lose 1,500 to 1,800 jobs due to reduced harvest levels and the multiplier effect of reduced direct logging and manufacturing employment on the retail and service sectors. Public services and related government employment also is expected to be affected; declines in income from federal timber receipts, which account for as much as 44% of operating revenue (as is the case for Skamania County government), could result in significant reductions in public sector services and employment.

Major economic disruptions and related social impacts will need to be addressed at several levels. The recovery plan for the spotted owl, expected to be completed in 1992, and recovery in market demand for forest products, will define the future of the industry in the region. Efforts being initiated at the state and federal levels also will be key in aiding the industry to become more diversified through increased value-added production, as well as helping to stabilize local economies and meet human service needs.

- Agriculture and fishing, while less significant in terms of total employment, continue to be relatively stable segments within the overall Gorge economy. Export markets, specialty food production, and commercial fishing and fish processing, are all believed to have potential for growth.

Agricultural production, while largely occurring on land outside the boundaries of the National Scenic Area, provides the resource base for a variety of food processing industries located within the Gorge. The Columbia River, historically one of the most productive fisheries in the world, shows some signs of resource recovery as a result of efforts to increase salmon populations through hatcheries and alternative transportation methods. However, the decline of several key wild species is a source of significant concern and future decisions regarding efforts to support the recovery of these species could have wide-ranging implications for both the immediate and larger Northwest regional economies. Such actions would need to be closely assessed both for the nature and extent of the impact they might have, and what measures might be needed to address the effect on business and employment.

Specialty agriculture, commercial fishing, and food and fish processing are believed to offer strong potential for growth. Native American fishing, as guaranteed under the treaty of 1855, is of particular significance. A key issue impacting development of this sector is the status of the "in-lieu" sites promised to the tribes by the federal government. Four hundred acres of land within the Gorge area have been committed to replace traditional fishing grounds destroyed by the damming of the Columbia River. Negotiations on the designation of these sites have been continuing for many years; to date, only about 40 acres have been secured. The U. S. Army Corps of Engineers is responsible for developing infrastructure at these sites.

- A varied assortment of niche manufacturing is emerging in the region. Many businesses are associated with the popularity of sailboarding, but others are being attracted by the region's recreational and scenic amenities.

Growth in the number of small, entrepreneurial manufacturing firms which produce specialized products for highly targeted or "niche" markets offers significant opportunity for economic recovery. The popularity of sailboarding has spawned an entirely new manufacturing sector in the region, with over 20 new firms located in the area in less than ten years. Manufacturers of other recreational-oriented equipment, furniture, food products, and marine equipment are among the many different types of firms that have located or sought to locate in the Gorge. Untapped potential for use of byproducts from wood and fish exists, and could be the basis for new business formation.

- Tourism is becoming a major industry in the region and will only increase as a result of the Scenic Area designation, and development of a destination conference center and other visitor attractions. Washington counties have opportunities to capture a larger share of visitor spending with development of new lodging and retail opportunities.

The Economic Opportunity Study estimated that approximately 3.8 million non-resident visitors travelled in or through the National Scenic Area in 1987. These visitors spent nearly \$62 million in local communities during the same time period. The vast majority of these visitors come for day-use activities: sightseeing and photography; recreation including sailboarding and hiking; picnicking; and touring historic sites.

The National Scenic Area is blessed with a wide array of natural and man-made attractions. These include sailboarding; boating and white water rafting; fishing and hunting; hiking; golfing; nearby cross-country skiing; natural hot springs; scenic viewpoints; wildlife observation; museums and interpretive centers; tours of the Bonneville Dam; and cultural events such as the Bluegrass Festival.

Much of the tourism serving industry, such as lodging, food and other services, and retail stores, is located on the Oregon side of the Gorge. As a result, Washington communities are estimated to capture only \$3.5 million of the total non-visitor expenditures (Washington Department of Trade and Economic Development, 1988). The industry accounts for about 5% of total employment in Skamania and Klickitat Counties. However, development of the Scenic Area conference center in Stevenson is projected to generate as many as 380 direct and indirect jobs, which would double total industry employment in Washington, and produce additional visitor spending approaching \$19 million annually. Projected "market" increases of three to four percent annually, as suggested in the Economic Opportunity Study, indicate that tourism will be a growing industry in the region for the foreseeable future.

- Retail trade leakage is a major concern; an estimated annual total of \$33.1 million in retail sales is believed to be lost, primarily to nearby Oregon counties.

Despite increases in sales and employment during the past decade, Washington loses an estimated 82% of retail sales to Oregon. The vast majority of retail stores are located on the Oregon side of the Gorge; Klickitat and Skamania Counties are believed to lose estimated potential retail sales of over \$23 million annually. Sales per capita in the region total only \$1,897 as compared to a state average of \$6,081.

While leakage is largely believed to be a function of the absence of a sales tax in Oregon, and price competition and variety offered by larger retail centers and "super stores", efforts to capture increased retail sales are a necessary component of an overall economic development strategy for Washington. The growing tourism market and new overnight visitor accommodations are expected to offer opportunities for expanding and strengthening the retail sector. Locally driven downtown revitalization activities being initiated by area merchants will be one tool that positions the industry for future growth.

Capacity for Development

- Lack of infrastructure and available buildings will retard economic growth. Improvements to telecommunications systems and State Route 14, the major link between Gorge communities in Washington, will be important to development of both tourism and industry.

Limited privately owned real estate, suitable for light industrial or commercial activity, is available for lease or purchase. Port districts own much of the remaining land developable for new industry. The Port of Klickitat owns nearly 850 acres within the National Scenic Area; the Port of Skamania 90 acres. Major constraints to the full utilization of this property include inadequate infrastructure and lack of readiness to occupy buildings available for lease. At the western edge of the Scenic Area, the Port of Camas-Washougal owns 315 acres, which include an airport, marina, and industrial park. Lacking an adequate revenue base and debt capacity, Gorge area ports must overcome significant hurdles to realize their development potential.

In the 1990s, information infrastructure will be as critical to supporting a healthy business community as basic infrastructure. Gorge communities currently rely on a telecommunications infrastructure described as inadequate and undependable. More detailed study and a long range improvement strategy is needed to develop a telecommunications system that supports economic growth.

SR-14, the only continuous east-west roadway through the region on the Washington side, was determined in the Commission's Economic Opportunity Study to be one of two major constraints facing the Gorge. Relied upon by users ranging from out-of-area visitors to the logging industry, the road lacks sufficient passing lanes and turnouts, and does not take full advantage of historic, scenic, and recreation attractions. An evaluation of the road, supported by the state Department of Transportation, has provided specific recommendations for addressing improvement needs and is being used as a basis for decisions regarding allocation of state and possible federal funds available for highways. Improvements to the system would encourage tourist use of the roadway and ease the flow of otherwise conflicting uses by visitors, commuters, and commercial trucking.

- Implementation of the National Scenic Area management plan is expected to affect area development trends. Limited locations for siting new industrial and commercial development will impact future growth. Careful planning will be required to maximize economic potential of available business sites in the urban areas while preserving or enhancing the quality of life.

New business development will be concentrated largely in nine designated urban areas in Washington, which combined with Oregon's four urban areas, comprise about 10% of the total Scenic Area. Planning in the region, therefore, must concentrate on making the highest and best use of a very small percentage of the region's total land. However, local government planning resources are being strained by the planning requirements for non-commercial areas. On the one hand, additional support will be needed to focus on planning in those areas outside of the Scenic Act's jurisdiction, where economic activity faces less constraints. On the other hand, with planning and technical assistance, the Scenic Area has the potential to be a very attractive business environment.

- While numerous development organizations serve Washington communities, there are gaps in the types of business assistance services locally available. Capital availability is a major obstacle for Gorge business development.

Financing, a pro-business environment, and access to varied business support services are all key components required to nurture a healthy and diversified economy. However, few private firms and public business programs are located on the Washington side of the Gorge. Private financing is perceived to be virtually non-existent due to the lack of facilities or major institutions, the types of businesses in operation, and the poor overall economic conditions. Restricted capital availability impairs the region's economic performance, particularly for small and mid-sized firms which offer the greatest potential for economic growth, diversification, and new employment. Public sector financing programs have frequently been critical to major investments which have kept larger area employers competitive, particularly in the manufacturing sector. The federal economic development grant, to be made available following adoption of the management plan, will, in part, help to address gaps in private financing and existing public funding program capacity.

- The Gorge region is served by 12 local organizations, excluding local governments, with responsibilities for economic development. While most have limited capacity, their participation in implementing the Economic Vitality Plan will be critical. The ability of these organizations to positively impact their local economies will be inextricably tied to actions taken to address planning, infrastructure, and business financing needs.

Economic development councils, ports, chambers of commerce, and business associations all play roles in developing and delivering economic and community development services. Most of these entities have few staff and minimal budgets. A quick comparison of the combined annual operating budgets of the two major Washington port districts, the Port of Skamania County and Port of Klickitat (\$829,000) to their Oregon counterparts (\$9.2 million), is indicative of the need to enhance organizational capacity to facilitate economic revitalization.

Local development organizations are the primary provider of business development and retention services in the region, and have attained a fair degree of success in establishing a coordinated service delivery structure which involves many stakeholders. Over the past few years, they have shown increasing capacity to carry out projects which have significant potential for enhancing the local economy, utilizing state and federal resources where needed. The Economic Vitality Plan outlines key roles for these groups, and its long-term success will be reliant upon their continual involvement. Increasing capacity through additional financial and technical resources will enable development organizations to have more of an impact in fostering greater economic stability and maintaining the quality of life.

Capacity issues identified above concerning planning, infrastructure, and business financing, all affect the "product" that local development organizations are able to offer in their efforts to improve the performance of the local economy. Planning that articulates a clear, consensus-based vision for future growth can provide needed direction for the development efforts of these groups. As demonstrated by full tenancy of the Port of Skamania's "industrial incubator," when the community is able to offer local businesses the facilities needed, new employment and income opportunities will be realized. Available business financing, which has been instrumental to help modernize wood product manufacturing operations and expand other businesses, is an important tool that local development organizations need to be positioned to offer. Actions taken to address these needs will complement efforts to enhance organizational capacity.

- A large part of the work force is unprepared for jobs in higher technology manufacturing firms and other emerging employment opportunities. Greater access to adult literacy and other education programs will be needed to support economic diversification and stabilization.

Like other largely rural areas, formal educational attainment of local residents is lower than that of urban populations. While the high school graduation rate of residents is only 5% to 10% lower than that found in urban areas, the proportion with college diplomas is closer to half the urban rate. Local residents make good use of basic education services offered through Clark College and the local state Job Service Center offices, but the area needs an expanded range of programs, including community college courses. Satellite technology offers potential to provide a range of educational programming, but faces limitations in delivering technical training needed by area employers.

STRATEGY FOR ECONOMIC DEVELOPMENT

Key opportunities and critical needs have been suggested in the section analyzing present conditions in the Gorge. A summary of these issues is provided to introduce the proposed strategies to be employed in the Economic Vitality Plan.

Opportunities

- **New business development, driven by competitive advantages and emerging economic opportunities:** increased value added production within the wood products industry; light manufacturing; fish and food processing; recreation equipment; retail and tourism related; and building trades.
- **Growth in tourism:** development of the National Scenic Area Conference Center; continued growth in sailboarding; and improved recreation facilities made possible through combined state and federal efforts.
- **Revitalized business districts:** commitment of major stakeholders, including merchants, land owners, and local governments, to enhance appearance and performance of downtown and commercial areas.
- **Investments related to National Scenic Area:** the conference and interpretive centers; recreational facility funds; and capitalization of the Investment Fund through the federal grant.
- **Proximity to Portland-Vancouver and local quality of life:** ability to create linkages to urban economy; scenic, cultural, and recreational resources; and opportunities for small town, rural, and recreation-based lifestyles.

Needs

- **More diversified economic base:** increasing business and employment opportunities to stabilize the economy, and foster greater economic and social well-being.
- **Enhanced business capital and services availability:** improving access to capital for both new and existing businesses; developing capacity for delivering technical assistance services through local economic development organizations.
- **Developing workforce skills:** defining a long range strategy for addressing resident education and training needs; utilizing existing resources for preparing workers for emerging jobs, particularly those displaced from other occupations.

- **Planning and infrastructure:** comprehensive development plan setting priorities for future development; addressing inadequacies of existing infrastructure systems; preparing sites for new and growing businesses; and improving appearance of urban commercial districts.
- **Affordable housing:** increasing availability of affordable, attractive homes to meet needs of local residents and potential employers.
- **Increased capacity:** improving service delivery and financial resources of local development organizations and governments.

Development Strategies

Five core development strategies will be incorporated in the Economic Vitality Plan. These strategies have been selected based on a careful review of the Gorge region's characteristics, needs, and vision for the future.

Strategy 1: Business Development and Retention

Maintaining and developing new job and business opportunities in the Gorge region is the number one priority of the Economic Vitality Plan.

- Resource based industries are the mainstay of the local economy; the Gorge program will support these industries as they work to develop new products and markets to help preserve family wage jobs.
- A stronger and more diversified economic base will be fostered through entrepreneurial training, business consulting services, and improved access to financing to allow local companies to grow. Activities will be targeted to areas where local economic trends and advantages suggest key opportunities for growth: forest products, diversified light manufacturing, back office operations, construction trades, fish and food processing, vineyards and wineries, environmental research, high quality arts and crafts, tourism, retail and services, and cottage industries/home-based businesses.
- The amenities and resources of the Gorge will attract businesses seeking to expand their operations. Improved facilities, information and support for businesses assessing potential Gorge locations, and employee recruitment and training assistance will promote economic diversity and new job opportunities.

The Columbia Gorge Economic Vitality Plan leverages new and existing local, state, and federal programs to address business development and retention needs in a comprehensive way.

Local economic development organizations offer an array of business assistance services designed to support start-up and expanding companies. These should be encouraged to include:

- Technical assistance to prepare business and financing plans, identify new products and markets, and achieve greater productivity and efficiency. Delivery of these services is supported by a number of state programs which offer both grants to help sustain local service delivery and targeted state services designed to enhance local businesses.
- Working with local businesses to explore and develop new strategies for expanding markets and enhancing productivity. Flexible manufacturing networks, farmers' markets, and use of computer technology to identify sales opportunities are strategies which could be developed to help strengthen local firms. State and local organizations will work together with Gorge businesses to identify and facilitate new ways of increasing sales and improving business operations.
- Information and siting support for companies considering location in the Gorge. State and local programs working in partnership will develop and carry out a regional targeted marketing strategy which will seek to attract industries that are compatible with the region's comparative advantages. Local organizations will develop and maintain a comprehensive inventory of developable land, buildings, and other information sought by companies making siting decisions. Businesses starting new operations in the Gorge will be offered hands-on assistance to obtain suitable facilities, recruit and train workers, and other resources as may be needed to support their operation.
- Building economic linkages with urban economies. Sharing growth between rural and urban areas has been determined to be an important interest of the state. Local development organizations serving the National Scenic Area have begun to establish collaborative working arrangements designed to increase access to urban markets and undertake more regionally oriented

development strategies. Maintaining and enhancing these cooperative efforts will be a key feature of the Economic Vitality Plan.

The **Washington Economic Development Investment Fund** will address one of the major obstacles to business development: capital availability. Targeted to small and mid-sized firms which offer the greatest potential for diversification and new employment, the Investment Fund will provide financing for facilities, fixed assets, working capital, and engineering or feasibility studies. The Fund will also be available to assist in the implementation of other development strategies designed to foster business growth, such as farmers' markets or flexible manufacturing networks. Projects supported by the fund will be structured to leverage other public and private sources for each investment made. The Fund will be a long-term resource, capitalized by the federal grant for economic development and eventually augmented by funds obtained through other resources.

Port districts and local governments will be encouraged and assisted to meet key infrastructure needs designed to support economic growth. The Investment Fund will offer one source of financing to address critical public works, industrial and commercial, and transportation facility needs of new and expanding businesses. Other state and federal programs, which provide both technical assistance, grants, and low interest loans, will be leveraged to enable local entities to analyze infrastructure needs; develop and implement a comprehensive capital improvements plan; and obtain financing to improve basic infrastructure and make available ready-to-occupy buildings in areas capable of supporting new business activity.

Entrepreneurial training is designed to aid individuals seeking new income opportunities through business ownership and self-employment. Coupled with locally provided technical assistance, access to financing, and other efforts intended to nurture small and home based businesses, entrepreneurial training will round out the overall business development strategy by encouraging new business formation which will help stimulate job creation over the long term. Resources to provide entrepreneurial training services will be obtained via existing state and federal programs, and locally developed resources.

Strategy 2: Tourism and Retail Development

Visitors drawn to the Gorge for the scenic beauty, recreational opportunities, special events, and proximity to major metropolitan areas

are expected to grow in number. And, while Washington communities experience a very high degree of trade leakage to retail stores located in Oregon, retail and service businesses represent the only employment sector which has grown since 1980. Greater economic benefits can be realized from these growing industries by offering visitors and local residents more high quality attractions, services, and merchandise. Visitor attraction and tourism development activities also can be a key component of the area's business development strategy; entrepreneurs and business owners visiting the area may become interested in locating operations in the Gorge based on the recreational opportunities, natural amenities, and quality of life. The tourism and retail development strategy targets improvements in visitor accommodations and activities; revitalizing Gorge commercial centers; increasing off-season tourism; and informing prospective visitors about what the Gorge has to offer.

Four primary activities will be used to help strengthen the region's ability to capture visitor and local retail dollars.

Developing visitor attractions, facilities, and services: Several key projects will be built in the next few years that will help attract tourists to Gorge communities. Completion of these projects, as well as aiding development of new business opportunities and public facilities, will significantly enhance tourism potential. Elements of the business development and retention strategy, particularly business assistance services and targeted marketing activities, will help stimulate private investment in visitor facilities and services.

Revitalizing downtown centers: Vibrant and attractive commercial centers can be developed through a combination of careful planning, organization of local merchants, and sustained activities designed to improve the appearance, mix, and competitiveness of the retail sector. Local chambers of commerce and merchants associations are currently working together to evaluate needs and develop specific initiatives designed to enhance retail districts. The state's Downtown Revitalization Program, which offers technical assistance and training, will be utilized to support locally driven downtown improvement activities. Matching grants, available under the Investment Fund and several existing state grant programs, may be accessed to help carry out downtown revitalization projects and public improvements to enhance the appearance of designated Urban Areas, such as street and sidewalk improvements, pedestrian linkages to the waterfront and other attractions, and landscaping.

Developing and improving recreational facilities and river access: Recreational activities, particularly sailboarding, draw many visitors to the Gorge. During peak periods, many areas are subject to overcrowding and traffic congestion. Federal funds to be administered by the U. S. Forest Service for the purpose of expanding and enhancing recreational facilities and water access will help the area address the high level of demand and offer a high quality recreation experience. These resources, coupled with direct state investments in key facilities and state financial assistance designed to aid local parks planning and construction, will be used to carry out this priority strategy.

Bi-state regional marketing program: To enhance awareness of the National Scenic Area and increase exposure of all area attractions and accommodations, local tourism development organizations and the states have agreed to help sponsor a regional marketing program. Through a cooperative marketing strategy, prospective visitors can be made aware of the diverse activities and services offered in the Gorge region. As noted in Pacific Power's "Target Industry Study" completed for the Columbia River Gorge,

"Cooperative marketing is especially important for rural resort areas. Tourists are not as likely to travel long distances to participate in a single activity or patronize a single establishment as they are to take advantage of a variety of activities and services. Cooperative marketing can help localities pool resources and better package their tourist attractions."

Funding assistance offered through the Investment Fund will be available over an extended period to design and carry out a comprehensive tourism development program. Additional funding will be accessed through both local contributions and state programs designed to encourage regional marketing efforts.

Strategy 3: Human Resource Development

The human resource development strategy has several important objectives:

- Enable local workers, particularly those displaced from traditional industries, to gain the skills needed for emerging employment opportunities.
- Encourage residents to take advantage of entrepreneurial and self-employment opportunities.

- **Improve access to adult and other higher education programs.**

The first step to supporting human resource development will be the preparation of a long range plan for increasing educational opportunities. While that plan will need to take shape before the strategy can be fully articulated, it is expected to incorporate the following points:

- Increasing the capacity of education delivery systems to provide programs and services within the Gorge. The Portland-Vancouver area is home to a diverse array of higher education institutions, including community colleges, four year institutions, and private vocational schools. The development of a satellite delivery system could be an additional means of increasing access of Gorge residents to both basic and advanced education. Another means of increasing access of local residents to higher education that has been discussed is the development of a resource fund which would offer financial assistance for persons seeking post-secondary training.
- Utilizing targeted job training programs. Workers displaced from the wood products industry and others lacking the skills needed to obtain suitable employment are generally eligible for a wide range of state administered employment and training programs. Presently, these programs are often the only locally available resource for workers seeking to prepare for new careers.
- Linking new employment opportunities to available workers. The state assists employers to hire and train a well-qualified workforce through recruitment, screening, and customized training services. Programs which can be tailored to meet employers' needs are a good means of matching job seekers to emerging employment opportunities.

Strategy 4: Local Capacity

Attaining the goals set forth by the Economic Vitality Plan will depend upon the ability of local community leaders, organizations and residents to define a vision for future development, and undertake the actions necessary to protect and enhance the economic well-being and quality of life of the region. Addressing the need to increase local capacity to plan and deliver a comprehensive development program will be a fundamental element of the Plan. This strategy will have several components.

- Encouraging communities to create a plan for future development. Comprehensive planning, which considers types of development desired, physical and social infrastructure needs, and growth management strategies, is needed to drive economic development activities in a way that is compatible with local perspectives. As needed, state agencies will offer technical assistance, training, and opportunities to obtain financial support to enable residents and local officials of urban areas to determine economic revitalization strategies.
- Providing assistance to local governments to meet economic needs. Aiding local governments to obtain financing needed to improve public facilities and services is a key goal of the Economic Vitality Plan. A significant portion of Investment Fund resources will be made available to help address public financing needs. Specific priorities identified to date which may be aided by the Investment Fund include increased sewer capacity; street and sidewalk improvements; and buildings for light industrial and commercial use. Coupled with increasing local revenue capacity, and leveraging of other public and private funding sources, Investment Fund loans and grants will be used to address critical development capacity issues.
- Increase capacity of local development organizations to deliver business and community development services. A statewide assessment has determined that local development organizations should be the primary deliverer of business assistance services. However, local capacity presently is limited and faces challenges in meeting the increased demand resulting from the National Scenic Area designation and changes in the traditional economic base. The Gorge Economic Vitality Plan envisions a major role for these groups. Direct financial assistance and coordinated technical assistance services from the state and other sources will be key means to enhance locally delivered economic development programs.

Strategy 5: Regional Cooperation

The Columbia River Gorge region, while divided by the border between the states of Washington and Oregon, functions as an interdependent regional economy. Sharing a common interest in strengthening the regional economy and enhancing the quality of life, Gorge communities and organizations have often come together to plan and carry out development initiatives which address their mutual goals. Examples of

successful collaborative efforts have included work by the five ports to obtain dredge spoils from the Bonneville Navigation Lock project; coordinated delivery of business assistance services achieved by the local economic development councils, the regional Economic Development District, and Columbia Gorge Community College; and development and promotion of attractions and events designed to stimulate tourism through groups such as Columbia Gorge Marketing and the Columbia Gorge Arts Council of Washington and Oregon.

The creation of the National Scenic Area clearly reinforces the need for regional cooperation and collaboration to be a significant element of the economic development plans being developed by each state. To build upon and strengthen existing ties in ways compatible with the development goals of individual Gorge communities, the advisory groups and state agencies involved in the development of each state's plan have identified several key methods for facilitating regional coordination.

- Establish the Bi-State Advisory Council. Each state plans to form an advisory committee to help guide and carry out the economic development plan for the National Scenic Area. To help promote communication and development of collaborative strategies, a Bi-State Advisory Council, made up of the membership of both state advisory committees, will be formed. Meeting at least quarterly, the functions of the Bi-State Advisory Council will include:
 - exchanging information about economic development projects and activities;
 - examining regional needs and issues, and developing strategies for addressing shared priorities;
 - identifying and developing joint projects;
 - providing advice on policies and procedures to support coordination of Investment Fund service delivery; and
 - other activities as may be appropriate.
- Utilizing federal and other resources to support projects of common interest. The Investment Fund plan explicitly provides for funding of joint projects that are of interest and will be of benefit to both states. State and local organizations will also be interested in exploring means of sharing resources for projects which help further regional development objectives.
- Encouraging collaboration within the region. The states of Oregon and Washington have worked closely together to formulate the economic development plans being submitted to the Secretary of

Agriculture. These cooperative working relationships are expected to continue as the states move into the implementation phase of this effort. As described in the Investment Fund section of the plan, the two states envision regular information sharing between their respective decision-making bodies and staff on topics including funding criteria, policies, and procedures; projects being considered for funding; and decisions regarding projects to be jointly supported.

In addition, the plan is intended to encourage collaboration between communities and organizations within the region, as has been taking place prior to the designation of the National Scenic Area. Examples of specific projects expected to be developed and implemented include creation of a regional marketing program, as described earlier; organization of shared data bases designed to support regional development activities; and support for enhancing Columbia Gorge Community College's role as a regional education and training provider. In these and many other ways still to be determined, the communities and institutions within the area have made a significant commitment to working together to promote the economic health and social well-being of the region as a whole.

WASHINGTON INVESTMENT FUND

Based on the analysis of needs and prospective strategies for revitalizing the economy of the Columbia River Gorge, the state of Washington has elected to utilize the \$5 million federal grant to establish the Washington Columbia River Gorge Economic Development Investment Fund. The Investment Fund will be designed to offer financial support (principally through loans) and technical assistance to eligible public and private entities. The basis for this decision, and the primary barriers to economic vitality that the Investment Fund is intended to directly address, include:

- Need for stimulating new job creation: During the past decade, the Gorge region has experienced unemployment rates which are among the highest in the state of Washington. The 1989 unemployment rates for Skamania and Klickitat Counties stood at 18.8% and 13.3%, respectively. High unemployment rates are responsible for lagging per capita income and out-migration of residents which perpetuate stagnation of the region's economy. The Investment Fund will address the problem of persistent unemployment by targeting resources to private and public sector investments which result in new job creation, business and job retention, and increased income.

- Lack of capital availability: As noted in the section describing key economic trends, financing for business projects designed to stimulate new economic opportunities has been severely constrained. The Regional Strategies study, funded by the U. S. Economic Development Administration and state of Washington, found that private financing for business projects was "virtually non-existent due to the lack of facilities or major institutions, the types of businesses in operation, and the poor overall economic conditions." One means of assisting firms to meet their financing needs for business start-up or expansion is to create a pool of funds which can help leverage investment capital from private institutions. The formation of an Investment Fund will enable local businesses to overcome what is undoubtedly the principal barrier to developing a sound regional economy and will provide a needed form of leverage to induce increased private investment which enhances the employment and income potential of local residents.
- Need for additional and upgraded public infrastructure: The absence of ready-to-occupy industrial and commercial sites, need to upgrade key public services such as roads, water, sewer, and telecommunications, and enhance downtown and commercial business districts, has been well documented. Use of the Investment Fund to stimulate public investments to improve infrastructure and leverage other sources of infrastructure funding will help address another key impediment to development of the economy in the National Scenic Area.
- Lack of technical assistance and well-funded local economic development expertise: Local capacity needed to assist local businesses and undertake projects designed to support new economic investment is the pivotal element of a successful economic revitalization strategy. The Investment Fund will be designed to help build and sustain local capacity through direct financial assistance, and targeting and coordinating additional aid available through state, federal, and private resources. By creating a solid foundation of strong local organizations and leadership, the Investment Fund will help ensure that financial resources made available for new economic activity are used and managed effectively.

Principles for Investment Fund Structure and Operation

The proposed structure and operation of the Washington Columbia River Gorge Economic Development Fund has been developed around the following general principles:

- Decision-making that reflects local input and expertise.
- Ensuring responsible financial management of the grant resources and other revenue accruing to the Fund.

- Providing for a coordinated bi-state approach which respects the needs and qualities of Washington's communities.
- Supporting continuing development through recapitalization of the original investment.
- Achieving maximum leverage of other funds, both public and private, for each investment made.
- Increasing employment opportunities through investments which create and retain jobs, and which stabilize or enhance income.
- Fostering greater economic diversity as a result of technical and financial assistance services.
- Building local capacity by encouraging local leadership, providing opportunities for Gorge residents to own or manage businesses, and by supporting locally-driven community development initiatives.
- Creating a structure that can accommodate the formation of a locally-based development corporation to manage and administer the Investment Fund.

Goals for the Washington Columbia River Gorge Economic Development Investment Fund

The following goals have been set for the Investment Fund:

To ensure, in general, maximum leverage for loans, grants, and investments;

To provide a diversity of investment by type of industry;

To provide wide geographic distribution of funds within the National Scenic Area of Washington;

To fund projects with the highest potential for providing long-term financial viability and economic benefit to the community; and

To ensure flexibility for investment fund managers in considering investment proposals.

Allocation and Use of Investment Fund Resources

The federal grant will be allocated for two basic types of activities: loans for business investments and public improvement projects related to economic development; and limited matching grants designed to increase local capacity. All investments and grants made by the fund must be consistent with the Scenic Area Act and management plan, local land use plans, and any locally adopted economic development strategies.

The majority of funds initially allocated, or \$4,750,000, will be dedicated to providing below-market rate financing for eligible projects. All investments made from this pool will be required to be repaid to the fund. To ensure a balance between resources committed to private business projects and public improvements, the loan funds will be distributed among three major categories of use:

USE	% OF FUND	INITIAL AMOUNT
Private Investment	51%	\$2,550,000
Small Development	4%	200,000
Public Improvement	40%	2,000,000
Total Investment Fund	95%	\$4,750,000

Private Investment Fund: Resources allocated to this category will be used to assist business development. These funds will be used to make loans and equity investments in the form of warrants or debentures to private businesses, including development corporations and tribal enterprises. The intent of these funds is to encourage major private companies to create new employment and capital investments in the National Scenic Area. The fund also may be used to make investments in start-up companies. Eligible uses of the funds typically would include:

- Fixed asset financing
- Working capital (including inventory and accounts receivable)
- Facility development
- Engineering and feasibility studies

The maximum amount of any one loan made from the Private Investment Fund portion of the Economic Development Investment Fund is \$1,000,000.

Small Development Fund: The Small Development fund is designed to respond to business investment needs of new and existing businesses. It is envisioned that guidelines for these funds would allow for financing designed to meet needs similar to those identified above. Investments made from this portion of the fund typically

would be small, ranging between \$5,000 and \$25,000, and may not require participation by another lender. The maximum amount each entity could borrow is \$30,000.

Public Improvement Investments: Funds available for public improvements may be accessed by local governments or non-profit organizations for the following purposes:

- Downtown revitalization
- Commercial district improvements (e.g., circulation improvements, landscaping, buildings, signage)
- Waterfront development
- Farmers' or artisan market
- Infrastructure improvements to accommodate business development
- Historic preservation to enhance tourism
- Facility development, including business incubators

Loans made for public improvements for any one project are not to exceed \$500,000.

Local Capacity Matching Grants: The remaining \$250,000 of the federal economic development grant will be set aside to provide matching grants to local governments and non-profit organizations for projects designed to supplement public and private investment. Project activities may include:

- Downtown revitalization
- Community development
- Worker training
- Tourism marketing
- Business attraction or recruitment
- Education for skill development and small business management

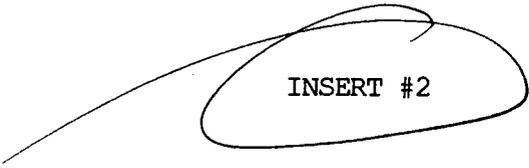
Project Criteria and Funding Guidelines

As discussed below, allocation of Investment Fund resources will be directed by an Investment Board. The Investment Board will be responsible for establishing specific criteria and other guidelines for loans, grants, loan guarantees, and other investments made through the Investment Fund. These criteria and guidelines may be reviewed periodically and updated by the Board. The Investment Board will consult with the Advisory Committee in determining appropriate criteria. These criteria are expected to address:

- maximum loan and grant amounts
- project feasibility and likelihood of success
- expected economic benefit

- consistency with National Scenic Area Management Plan and local development strategies
- other factors as deemed appropriate by the Investment Board and Bi-State Advisory Council

Projects funded from the Washington Economic Development Investment Fund will occur only within the Washington portion of the Columbia River Gorge National Scenic Area, as defined under Public Law 99-663. Portions of the affected counties which do not meet this definition will not be eligible for Investment Funds under this Plan. Joint projects with Oregon will be eligible for funding, provided that the project provides appropriate economic benefit to Washington's portion of the National Scenic Area. Joint projects may be defined as those that both states perceive to be of benefit and have an interest in participating. Each state will be free to determine the level of financial participation desired in a joint project; there will be no set requirements specifying equal levels of participation by both states. In developing its policies and procedures, the Investment Board will work with representatives of Oregon to determine methods of reviewing and discussing projects that might involve participation by both states.



INSERT #2

THE OREGON ECONOMIC
DEVELOPMENT PLAN

THE OREGON ECONOMIC DEVELOPMENT PLAN

PURPOSE AND PRINCIPLES

The purpose of the Economic Development Plan is to present Oregon's plan for National Scenic Area Act funding to strengthen and diversify the economy within the National Scenic Area. It is expected that National Scenic Area Act funds for economic development will act as a catalyst for improving the economic vitality of the National Scenic Area. The plan promotes regional strategic thinking and planning to protect and support the economy of the Columbia River Gorge National Scenic Area as a whole.

Oregon's economic development plan is based on the following guiding principles:

- The plan is consistent with the provisions of the National Scenic Area Act;
- The plan is based upon a regional approach that considers the unique needs and opportunities identified at the local level, and creative, synergistic opportunities afforded by communities working together to build a strong regional economy; and
- The plan proposes an ongoing economic development fund, to the extent that resources are available, consistent with the ongoing designation of the National Scenic Area.

ECONOMIC ASSESSMENT

The Columbia River Gorge is an area rich in historic significance, climatic diversity, and scenic beauty. The overall economy can be broadly described as traditionally resource-based.

The magnitude of economic activity and the population size of the Oregon side tend to overshadow the Washington side of the Gorge. However, there are several economic distress indicators in Oregon.

Population declines experienced by the region in the mid-1980s have been slower to reverse than in many other parts of Oregon. The economy of the Oregon portion of the NSA has yet to recover fully from the recession years of the 1980s.

Unemployment rates experienced by Hood River and Wasco Counties are higher than those of most other Oregon counties. There is a need for additional and upgraded public infrastructure. All of the communities on the Oregon side of the NSA cite the need for refurbishing their deteriorating business districts. There is a lack of affordable housing, particularly in The Dalles, Cascade Locks, and Hood

River. January 1990 Housing and Urban Development (HUD) data show an unmet need for affordable housing for 1,223 families in Wasco and Hood River Counties. And, finally, a lack of available debt or equity funding for businesses was cited in the Economic Opportunity Study and mentioned by NSA residents during community meetings.

Economic Trends

- **Tourism/recreation is a major industry in the region and is expected to continue growing in importance. The Columbia River Gorge will attract an increasing number of visitors from all over the world.**

The Economic Opportunity Study estimated that approximately 3.8 million non-resident visitors travelled in or through the National Scenic Area in 1987. These visitors spent nearly \$62 million in local communities during the same time period. The majority of these visitors came for day-use activities, including sightseeing, photography, picnicking, touring historic sites, and such recreational activities as sailboarding and hiking. Multnomah Falls, the most-visited attraction in the entire state, attracted over 1.8 million visitors in 1989.

The Columbia River Gorge Highway (I-84 and portions of old U.S. 30) was designated in 1990 by the American Automobile Association as one of the ten "Most Beautiful" highways in North America. Highways receiving this distinction must meet special criteria, including quintessential scenery, natural beauty, cultural beauty, and uniqueness. Additional motorists can be expected to tour the highway because of this designation.

I-84 also is the route to Baker City, site of the Oregon Trail Interpretive Center scheduled to open in Spring 1992. This eastern Oregon destination attraction will bring more visitors through the Gorge. An Oregon Trail Center also is scheduled to be built in The Dalles, on the same site as the Gorge Discovery Center and the Wasco County Museum. Although the Oregon Trail Center in The Dalles will not be completed in time for the 1993 Oregon Trail Sesquicentennial Celebration, a living history pageant will be performed throughout the summer of 1993 at the Crate's Point site.

Multnomah and Wasco counties have chosen tourism as their industry development strategy for the state's 1987-89 and 1989-91 Regional Strategies economic development programs. Multnomah County is one of the eight county members of the Oregon Tourism Alliance (OTA). Among recent projects completed for this region, one of the most important to the Gorge area as a whole is the Oregon Convention Center, which opened in September 1990. This Center will attract many new visitors to Oregon. A substantial number of these conventioners can be expected to extend their stay and tour the Gorge. Also important to the area is

OTA's Hospitality Training Program, a video-based program designed to train visitor industry employees. This program has been so successful that it is being implemented statewide.

Wasco County is one of the five counties that comprise the North Central region, a region that adopted tourism as its industry development strategy. One of the key projects that has been completed is The Dalles Riverfront Park. This project provides the region with a highly visible tourist attraction along Interstate 84. The park is an excellent access point to the Columbia River for sailboarding, swimming, and boating, as well as other important day use facilities.

- **Agriculture and fishing will continue as prominent segments of the overall Gorge economy. Agriculture employment is expected to increase.**

The Oregon Employment Division projects that agricultural services employment will grow in Hood River and Wasco Counties at a rate of 2.4 percent a year through the year 2000. While agricultural production takes place largely on land outside the Scenic Area boundaries, it provides the resource base for a variety of food processing industries located within the Gorge. Specialty agriculture, such as vineyards and organically grown fruits and vegetables, offers potential for growth.

Hood River County adopted agriculture as its industry development strategy for the 1987-89 and 1989-91 biennia. This is a longer-term strategy of positioning the agriculture industry to grow profitable fruit products. Toward this end, several established businesses have expanded and research funding has increased. Growers have combined their forces and formed an organization to market the Newton apple variety as "Hood River Pippins." In addition, new partnerships have been established with European institutions and private organizations regarding the breeding selection process on rootstock and cultivar of pears and apples.

Commercial fishing and fish processing also are believed to offer potential for growth. However, concern over the decline of several key wild species and future decisions regarding efforts to support their recovery could have wide-ranging implications for both the Scenic Area and the wider Northwest economies. Another factor affecting development of this economic sector is the status of the "in-lieu" fishing sites promised the tribes by the federal government.

- **Assorted niche manufacturing, much of it recreation-based, is increasingly locating in the National Scenic Area.**

A significant opportunity for continued economic diversification is related to the emergence of a growing number of entrepreneurial manufacturing firms in the Scenic Area. Many small start-up businesses are associated with the popularity of sailboarding. Some sailboard-related businesses have relocated to the area from

California. Others are spin-off businesses related to the sport, such as apparel firms. Manufacturers of other recreation-oriented equipment, marine equipment, and gourmet food products are examples of types of firms that have located in the area. Wineries and breweries also hold potential.

- **Reductions in harvest levels on National Forest lands will result in primary forest products manufacturing job losses in Oregon.**

The forest products industry currently employs nearly six percent of the combined workforce of Hood River and Wasco Counties. The lumber and wood products industry already has experienced job losses resulting from increased mechanization in the mills and reduced market demand for forest products. The industry will see further declines as the new U.S. Forest Service plans are implemented. The new plans call for reductions in the annual allowable harvest. Attempts to increase habitat for the northern spotted owl will further reduce the allowable harvest, although it is too soon to know the extent. In contention is the amount of acreage that will be set aside for owl habitat. The recovery plan for the spotted owl and recovery in market demand for forest products will define the future of the industry in the region. Also at issue is the competitiveness of the region's timber industry in the national arena. There is an opportunity for the industry to become more diversified through increased value-added production.

Key Industries Development

Oregon Shines, the 20-year strategic plan for Oregon developed in 1989, examines Oregon's competitiveness as a place to do business. The plan identifies ten key industries that will provide healthy economic enterprise for the state, and describes strategies for building the competitive strength of each one. The 1991 Legislative Assembly expanded the Oregon Economic Development Department's Key Industries Development Program and added three new key industries. Oregon's key industries include the state's largest base manufacturing companies and several newly emerging fields of enterprise that show growth potential. The thirteen key industries are agriculture, biotechnology, film/video, forest products, high technology, metals, plastics, producer services, software, tourism, fisheries, environmental services, and aerospace.

Oregon's Key Industries Development program is taking action to create a business climate that allows each industry sector and the businesses within it to grow and become more competitive in world markets. Key industries that are particularly well-suited in the Gorge include value-added agriculture, value-added forest products, metals (aluminum), plastics, visitor, and film and video. Development of these key industries will help retain and create jobs to diversify the Gorge economy and improve overall economic stability.

Quality of life, a trained work force, and research and development of new value-added products and markets are among the challenges of building the competitive advantage of key industries. The spectacular environment of the Gorge is a plus in striving to retain and attract jobs in the National Scenic Area.

Pacific Power's Target Industry Study - Columbia River Gorge, produced in 1986, focuses on industrial development appropriate for the Gorge area. This study mentions service, tourism, and retirement developments as holding long-term potential for economic development in the area.

The EOS examined naturally occurring industrial trends and potential areas of economic growth in the NSA and found the most promising sectors to be retail business, tourism/recreation, service, manufacturing, and fisheries. At the time the EOS was published, forest products appeared to be an industry destined for marginal growth, or at least stability. With timber supply now in jeopardy, the secondary or value-added wood products segment of the industry may provide the best opportunity for job retention. Agricultural applications, such as cut flowers and fish farming for restaurant use, also may offer good potential for business development.

Comparative Advantages

The Oregon side of the Columbia River Gorge has a number of comparative advantages that make the Gorge unique and attractive to certain economic development strategies. Consistent with the recommendations of Oregon's Gorge advisory committee, economic development planning needs to capitalize on these existing advantages. They include:

- Wind, and its effect on the Columbia River;
- A complete air-water-highway-railway transportation system;
- Mountains, with skiing, hiking trails, rivers;
- Food processing;
- Fish;
- Timber;
- Scenic vistas;
- Proximity to metropolitan services;
- Available developable land;
- Historic sites;
- Craftspeople;
- Existing and potential visitor attractions;
- Cultural attractions; and
- Competitive electric power rates.

An analysis of Oregon's strengths, weaknesses, opportunities and threats in the National Scenic Area economy yielded the following:

Strengths

- I-84 and the historic Columbia River Highway, together considered one of the nation's most scenic highways;
- Union Pacific Railroad, AMTRAK "Pioneer";
- Spectacular natural scenic beauty;
- Climatic conditions (wind), which has led to sailboarding popularity;
- Retail leakage from Washington is benefitting the Oregon side, particularly The Dalles;
- Only higher education institution in NSA--Columbia Gorge Community College. Mt. Hood CC, located in Gresham, also is a higher education provider. Both colleges serve students from Oregon and Washington (Washington students at Oregon in-district rates);
- Proximity to Portland--goods, services, transportation, higher education, Oregon Convention Center;
- Regional planning experience derived from Regional Strategies program;
- Quality of life--small-town, rural, recreation-based lifestyle;
- Developable land (although there are constraints);
- Strong industries--agriculture, aluminum manufacturing, tourism; and
- Emerging industries--recreation-based (sailboarding apparel and equipment, fishing lures, archery equipment).

Weaknesses

- Economy is neither well-diversified nor recession-proof;
- Infrastructure needs have not been met;
- Downtowns are distressed;
- Downtowns are not well-tied to waterfronts;
- Tourism is seasonal;
- Housing is priced beyond long-time residents' means in some areas and in short supply in others;
- Unemployment in Hood River and Wasco Counties is higher than state average;
- Population growth lags many other parts of state;
- Some towns are not visually attractive; and
- Dramatic reduction in federal timber revenues to Mt. Hood county roads and schools due to new Mt. Hood Forest plan.

Opportunities

- Growing recognition world-wide of the Gorge as a spectacular place to visit;
- Unity -- made possible by bi-state, Gorge-wide, regional thinking and planning for the future;
- Stabilization and enhancement of existing businesses;
- Development of National Scenic Area Interpretive Center in The Dalles will create jobs and spin-off businesses;
- Oregon Trail Interpretive Centers in The Dalles and Baker City (accessed by I-84) will open in 1992-93 and will attract additional tourists;

- Value-added production in areas of agriculture, timber, fish, aluminum;
- Additional tourism and recreation-related development;
- Development of spring and fall seasons to extend tourism;
- Flexible manufacturing networks;
- Downtown revitalization;
- Riverfront, commercial, industrial property development; and
- Specialty agriculture (wineries).

Threats

- Recession;
- Unknown number of lost timber-related jobs because of mill automation, spotted owl set asides, harvest reductions on federal lands;
- Probable endangered species listing of five Columbia River salmon species with wide-ranging economic effects on agriculture, transportation, and power rates;
- Future work force may be migrating, never to return, because of lack of NSA employment opportunities;
- Gasoline price increases;
- Workforce may lack needed skills; and
- Lack of unity--intercounty rivalries.

ECONOMIC DEVELOPMENT NEEDS

The economy of the Gorge is regional in scope. National Scenic Area funds will provide the incentive needed to foster cooperative and imaginative economic development strategies among Gorge communities. The strength and potential of the region is greater than the sum of its parts.

Economic assessments on the Oregon side of the Gorge repeatedly point to shabby downtown business districts and the need to upgrade them. Both Hood River and The Dalles are involved in urban renewal activities but may encounter difficulties in this area because of local property tax limitations. Also needed are transportation links between urban areas and their waterfronts. Pre-development assistance and economic development planning help also are frequently mentioned as necessary components to improve the economic health of Gorge communities.

Capital availability is an obstacle for retention and expansion of Gorge businesses. According to the EOS,

"One of the major problems in Scenic Area business development and a significant contributing factor to periodic economic distress is the problem of credit availability. Even when available, the cost and terms of the financing have prevented many firms from starting up, continuing operation, or expanding. The availability of financing for local Scenic

Area firms in normal times has been limited. Over the past decade, severe economic dislocations, bankruptcies and the general economic climate have adversely impacted the Scenic Area Counties. The availability of credit financing has been severely restricted to almost all sizes of firms. The problem is even more pronounced for local small and mid-sized businesses. These same small and mid-sized firms offer the greatest potential for economic growth, economic diversification and new employment." (EOS, p.VII-8)

Smaller to medium-sized businesses located in rural areas often have difficulty in accessing capital for their expansion efforts. Small businesses face constraints in both the debt and equity markets. The public sector fills these "gaps" by providing support to debt markets through loan guarantees and direct loans, which in many cases are subordinated to private financing.

Public sector financing programs attempt to fill the gap between the cost of a "near bankable" project and resources a borrower may have in the form of equity and bank financing. In most cases, the public lender is providing financing that is unavailable from any other source. In some cases, the public sector may be able to offer financing at a lower rate or longer term than available from a bank. Lower interest rates and longer repayment terms reduce monthly loan repayments and may increase project viability. Public lending programs usually subordinate their lien position(s) to a private lender, thereby making adequate first lien coverage for a bank to make a loan it could not have otherwise made.

Conventional equity or near-equity markets are extremely limited for small to medium-sized businesses. Venture capital programs provide financing for firms either with rapid growth potential or to firms that produce new, innovative products or processes that likely would not be eligible for conventional financing due to product risk or the young age or small size of the investments.

Those familiar with credit availability in the Gorge find that businesses also need assistance in developing workable financial and business plans when applying for credit. Credit availability is expected to decline further because of savings and loan problems and the failure of banks on the East Coast.

The Oregon Columbia River Gorge Advisory Committee believes that a large proportion of the federal economic development funds should be perpetually recycled within the National Scenic Area. The Oregon Economic Development Department concurs. This finding is consistent with the Economic Opportunities Study, published Economic Research Associates in July 1988, which states that,

"The economic development process is a continuing one requiring constant input of public resources to sustain it for the 'public good'. Economic development programs, therefore, must likewise make provision for the continuing allocations of resources at the least cost to the public." (EOS, p. VII-18).

Specific types of National Scenic Area economic development needs are discussed below (in alphabetical order).

Commercial/Retail Development. Mixed use projects are encouraged by the Advisory Committee. Appropriate types of projects include development of a farmers' and/or artisans' market, as well as linking the waterfronts of communities to their downtown areas. Other appropriate projects include cottage industries and home-based businesses.

Community Development. The Advisory Committee favors mixed uses in commercial development. Types of projects to be encouraged include adaptive re-use of buildings, preservation of historic structures, community revitalization, business attraction/recruitment, commercial district improvements, and waterfront development. The Advisory Committee favors projects that stimulate private sources of investment.

Education. Oregon's needs include workforce training, leadership training (for public servants or potential public servants), management training (for small businesses), and hospitality training (for tourism-related businesses). The EOS recognized the need for specialized hospitality training, and states that,

"training of visitor service personnel can improve service quality, visitor length of stay, repeat visitation and the Gorge's reputation." (EOS, p. IV-20)

A Small Business Management Program currently is available through Columbia Gorge Community College.

Industry Needs. In keeping with the focus on National Scenic Area comparative advantages, value-added, natural resource-based industries should be encouraged. Examples include agriculture (food processing, fish processing) and secondary wood products. Other appropriate key industries to be encouraged include the visitor and service industries.

Infrastructure. There are serious infrastructure needs; however, public funds are clearly inadequate to meet these needs. Economic Development funds for the Scenic Area funds should be used for infrastructure purposes only as last-resort

funding to fill modest gaps when other funding sources are unavailable and when the infrastructure improvement is essential to other economic development.

The Economic Opportunity Study

"concur with the local assessment that major infrastructure investments are not a constraint to the Scenic Area economy's development. Existing Scenic Area infrastructure needs are currently being met through efforts of the port districts, local, state, and federal government programs." (EOS, p. VII-26)

In contrast, Oregon's communities have identified many serious infrastructure needs which are not being met. For example, infrastructure funding is needed to allow Cascade Locks to open up its developable industrial land.

Pre-Development Assistance. The Advisory Committee urged that special emphasis be given to pre-development project assistance. This includes planning, market and feasibility studies, and other work required before a project can be implemented.

Recreation. Recreation-associated development should capitalize on the spectacular comparative advantages of the Gorge.

Tourism. A primary opportunity identified by the Advisory Committee is development of facilities that link waterfronts with downtowns and other communities. Tourism-associated development should seek to exploit comparative advantages listed earlier in this Plan. Completion of conference and interpretive centers in the Gorge will enhance tourism potential.

Transportation. The Advisory Committee favors transportation alternatives to enable large groups to travel through the Gorge via a low number of vehicles.

STRATEGY FOR ECONOMIC DEVELOPMENT

The assessment of economic conditions and economic development needs and opportunities has led to the identification of these key strategies for economic development:

- Focus on economic stabilization, diversification, job creation and work force training by helping existing and emerging businesses.
- Capitalize on the existing comparative advantages and economic strengths of the National Scenic Area, such as tourism potential, newly-added industrial land, and waterfront opportunities.

- Revitalize communities and provide gap-financing for expanding infrastructure capacity.
- Provide a Gorge-wide planning framework for improving economic vitality in the entire National Scenic Area.

Guiding Principles

The following guiding principles for the economic development plan were developed by the Oregon Economic Development Department in consultation with the counties and the Advisory Committee:

- Do not limit the program to promoting any one particular industry;
- Increase the quality of job opportunities as well as the number of job opportunities;
- Consider quality of life that makes the Gorge special. "Quality of life" includes scenic beauty, clean air and water, abundant recreational opportunities, good transportation access, and a lifestyle characterized by positive community attitudes and a shared belief that the Gorge is a special treasure.
- Focus on the economic vitality of the entire National Scenic Area, and not just certain geographical areas;
- Take into account existing local economic development plans and strategies;
- Consider findings from the Gorge Commission's Economic Opportunities Study, state and local economic assessments, and other appropriate information;
- Apply sound principles of community and economic development;
- Add to, not replace, other local, state and federal assistance available to the National Scenic Area;
- Provide specific program administration guidelines and criteria; and
- Meet federal timelines and standards of accountability.

THE PLAN FOR MEETING ECONOMIC DEVELOPMENT NEEDS

The majority of the \$5 million in economic development funds promised by Congress under the National Scenic Area Act is designated for business loans and investments,

community development, and infrastructure. Consistent with the recommendation of the Oregon Columbia River Gorge Advisory Committee, not less than 90% of the funds are designated for loans to create an ongoing program for economic development. Since the National Scenic Area is an ongoing designation, it is believed that the economic development funds authorized by Congress should be made available on an ongoing basis to the extent that resources are available. Ongoing investments are needed to mitigate the adverse impact of the many restrictions on human commerce resulting from the Act and the Management Plan.

The remaining ten percent of the funds are designated for grants. Grants are to be made available for regional tourism marketing, planning and pre-development, and business education and training programs.

Funding Decision Criteria

Proposed investments will be evaluated using two types of criteria: mandatory criteria, all of which must be fulfilled, and other criteria that will be applied to individual proposed projects as appropriate.

The mandatory criteria that apply to all proposed investments are that:

- Funds will be awarded only within the geographic boundary of the National Scenic Area;
- Funds will be awarded on a competitive basis of satisfaction of criteria that emphasize project feasibility and lasting economic benefit to the National Scenic Area; and
- Proposed investments must be consistent with the National Scenic Area Act and the Management Plan.

The following other criteria must be considered for all investment decisions and applied to individual proposed projects as appropriate:

- Takes advantage of National Scenic Area comparative advantages;
- Self-sustaining;
- Leverages private and public sources of funds;
- Increases tax base;
- Increases employment opportunities compatible with needs;
- Linkage with other Gorge communities on both sides of the river;
- Environmentally compatible;
- Stimulates private investment;
- Protects and/or enhances scenic, cultural, recreational and natural resources;
- Enhances scale and design of communities;

- Encourages projects that do not contribute to commercial strip development; and
- Wide geographic distribution of funds in the National Scenic Area. The Investment Board shall receive regular reports to monitor success in achieving this criterion.

Economic Development Activities

The economic development activities identified in this plan are guidelines based upon estimated needs and opportunities at the time of the drafting of the plan. They are subject to flexibility and annual revision by the Investment Board based upon economic development needs and opportunities.

Summary of Economic Development Activities

	<u>total</u>	<u>% Funding of</u>
Business Assistance		
• Business investments	\$2,200,000	
• Education/Work force training grants	50,000	
• Regional tourism marketing grants	<u>150,000</u>	
	2,400,000	48%
Community Development		
• Community development investments	1,550,000	
• Community planning and pre-development grants	<u>200,000</u>	
	1,750,000	35%
Infrastructure		
• Infrastructure investments	750,000	
• Infrastructure planning/pre-development grants	<u>100,000</u>	
	850,000	17%
Total		\$5,000,000

Business Assistance

- **Business Investments** **\$2,200,000**

Business investments will be available to small and mid-sized businesses, including those operated by Indian tribes, to diversify, expand, retain, and/or start new enterprises. This includes cottage industries such as bed and breakfast businesses, farmers' markets such as fruit stands, and artisans markets.

The investments will be fixed asset and working capital loans. Working capital loans are to be used for the start-up of new businesses or for the expansion of current business. Such loans cannot be used to relocate businesses.

Eligible activities include:

- 1) Market studies and appraisals;
- 2) Research and development;
- 3) Operations;
- 4) Acquisition and improvement of land, building, plant, and equipment;
- 5) New construction, enhancement or renovation of existing facilities; and
- 6) Demolition and site preparation.

- **Education and Work Force Training Grants** **\$ 50,000**

Funds will be available to local governments or non-profit organizations to provide educational or training programs associated with work force development and business management to support local businesses. Activities eligible for funding include:

- 1) Worker training/employment skills;
- 2) Business planning assistance;
- 3) Community leadership development;
- 4) Hospitality or tourism-related training; and
- 5) Management training.

- **Regional Tourism Marketing Grants** **\$ 150,000**

This is a proposed joint project with the state of Washington. Funds will be available to a new, regional non-profit NSA organization created for the purpose of conducting tourism marketing. Funds would be matched by Washington and other funding sources. Funds would be awarded over several years on condition that a five-year marketing and financial plan be developed with the assistance of

the states' tourism divisions. This funding is intended to be "seed" money, and on condition that the organization becomes self-sufficient within the five-year timeframe. Planning would take into account the fact that tourism can be an effective business attraction tool.

This program is consistent with the EOS recommendation that urged the formation of a Scenic Area Visitors and Convention Bureau. The EOS recommended a Scenic Area tourism marketing program to expand exposure for all Scenic Area attractions and accommodations. Also recommended was adoption of a Scenic Area tourism marketing plan, integrating state policies and programs. The plan would facilitate a Scenic Area-wide plan, creating a consolidated tourism planning area but maintaining county and local level planning and programs.

Eligible activities include:

- 1) Development of a regional tourism strategy;
- 2) Organization of an regional association of tourism-oriented businesses;
- 3) Planning and implementation of a media campaign; and
- 4) Provision of workshops to identify or promote tourism concepts.

Community Development

- **Community Development Investments** **\$1,550,000**

Local governments, non-profit organizations, or tribes would be eligible to apply for community development funds.

Eligible activities include:

- 1) Community and downtown revitalization program;
- 2) Community development projects (e.g., for traffic flow improvements, design standards, signage, landscaping);
- 3) Housing strategy implementation (if clearly tied to economic development);
- 5) Development of waterfront area for purposes of creating a tourist attraction and/or community gathering place; and
- 6) Historic preservation to enhance tourism.

• **Community Planning and Pre-Development Grants** **\$ 200,000**

Activities eligible for funding under this category include:

- 1) Community and downtown revitalization planning;
- 2) Community development planning, feasibility studies and preliminary engineering (e.g., traffic flow, design standards, signage, landscaping);
- 3) Assessment/development strategy that deals with available sites (land and buildings) for commerce or industry;
- 4) Housing assessment and implementation strategy (if clearly tied to economic development);
- 5) Development of waterfront area plan for purposes of creating a tourist attraction and/or community gathering place;
- 6) Historic preservation planning to enhance tourism; and
- 7) Development of strategy to link waterfront with downtown area.

Infrastructure

• **Infrastructure Investments** **\$ 750,000**

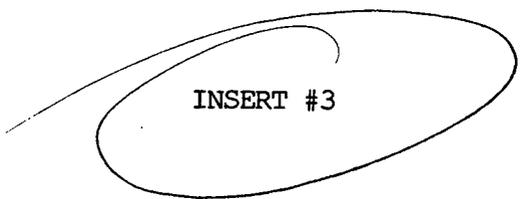
Loans would be available, subject to criteria, to local governments or to non-profit organizations to help finance infrastructure projects that will facilitate economic development in NSA communities. Loan funds should be last-resort funding, to fill gaps, in order to meet needs and opportunities that otherwise would go unfunded. The following types of infrastructure projects, for purposes of improving, and/or constructing, would be eligible:

- 1) Public transportation;
- 2) Streets, including pedestrian and bicycle routes;
- 3) Bridges;
- 4) Water systems;
- 5) Sewer systems;
- 6) Storm drainage; and
- 7) Street lighting.

• **Infrastructure Planning and Pre-Development Grants** **\$ 100,000**

Activities eligible under this category include:

- 1) Infrastructure planning;
- 2) Infrastructure design and preliminary engineering; and
- 3) Infrastructure environmental impact assessments.



INSERT #3

RELATIONSHIP OF THE
ECONOMIC DEVELOPMENT PLANS TO THE
MANAGEMENT PLAN

RELATIONSHIP OF THE ECONOMIC DEVELOPMENT PLANS TO THE MANAGEMENT PLAN

The management plan developed by the Columbia River Gorge Commission identifies four key ways to support and protect the economy of the National Scenic Area:

- stabilizing the land base that supports agriculture and forestry, two of the region's principle industries;
- enhancing the economic viability of Gorge communities by encouraging growth to occur in urban areas and rural centers;
- encouraging commercial development that is compatible with designated land uses outside urban areas; and
- encouraging recreational development.

The Columbia Gorge Economic Development Plans for Washington and Oregon share these values and goals. Strategies and specific activities identified in the Plan have been structured carefully to reinforce the objectives and intent of the National Scenic Area management plan. This is accomplished by:

- Encouraging communities to plan for future development. Gorge communities and the states recognize the importance of approaching planning for land use management and economic development in an integrated manner. Careful planning will be needed to maximize the region's ability to meet its economic potential while preserving or improving the quality of life. State and other resources will continue to be made available to support community efforts to help define and realize both visionary and practical plans for facilitating long-term development.
- Enhancing the physical capacity of communities to accommodate growth. As noted in the management plan, Gorge communities that are now not able to offer a full complement of infrastructure frequently have been frustrated in their efforts to provide the services that would allow them to develop and grow. Communities with limited tax bases have been unable to put in place the services that would support business development and expansion. Increasing local capacity is one of the core strategies of the Columbia Gorge Economic Development Plans.
- Facilitating development of economic opportunities in non-urban areas that are compatible with land use designations. As recognized by the Gorge Commission, the National Scenic Area Act and the management plan do not prohibit economic development outside of urban areas. The management plan allows managed development of new commercial enterprises in rural centers, bed and breakfast establishments, home-based businesses, and cottage industries in

virtually all areas, as well as direct sales outlets for wineries and agricultural producers in most land use designations. New commercial enterprises also are allowed in Commercial Recreation designated areas. The Columbia Gorge Economic Development Plans recognize these types of enterprises as important elements of development strategies. Direct financial resources and technical assistance services will be devoted to helping these types of businesses thrive, thereby providing additional economic opportunities for Gorge residents and workers.

- Developing and improving recreational facilities. Both the management plan and the Columbia Gorge Economic Development Plans emphasize the significance of recreation and tourism to the Gorge economy. Federal investments in recreational facilities authorized by the Scenic Area Act will be complemented by National Scenic Area Act funds and other state and local resources to help increase and enhance visitor facilities, services, and other amenities.

INSERT #4

PROGRAM ADMINISTRATION

PROGRAM ADMINISTRATION

PROGRAM ADMINISTRATION GOALS

Program Administration goals are as follows:

- Create an ongoing, bi-state partnership dedicated to economic development projects and strategies;
- Local and regional participation;
- Creativity and regional thinking that promote communities working together;
- Public accountability;
- Expert investment analysis of proposals;
- Simplicity and quick turnaround on proposals;
- Funding decisions that deliver maximum economic benefits, so that only the best projects receive funding;
- Maximum leverage of other private and public resources;
- Separate funds for Oregon and Washington; and
- Linkage with the Gorge Commission, the U.S. Forest Service, and the states' governors and economic development officials.

REGIONAL APPROACH

A regional approach to economic development in the Gorge is planned to encourage synergistic, creative projects that are not possible under existing conditions. A regional approach will facilitate communities helping other communities, to capitalize on the comparative advantages of the Gorge, while coping with the constraints imposed by the National Scenic Area Act.

Regular consultation and coordination of activities in each state will be accomplished through several means:

- A Bi-State Economic Development Advisory Council for Washington and Oregon will be formed to regularly meet to plan and carry out activities designed to foster

coordination between the respective state programs. Representatives to the Bi-State Economic Development Council will include members of the Washington Advisory Council and the Oregon Advisory Council. The Bi-State Council's roles will encompass identification and development of common goals and joint projects, discussion of policies and strategies, and information sharing to expand opportunities for cooperation.

- The Investment Boards in each state will routinely exchange information with one another about the status of activities and programs.
- Washington and Oregon will participate in and provide support for joint projects to provide technical and financial resources for activities such as regional tourism marketing and promotion, regional business associations, and centralized information services.

BI-STATE ADVISORY COUNCIL

Purpose. The purpose of the Bi-State Advisory Council is to advise the Investment Boards on local, state and federal perspectives on economic development. The Council is to provide the spark for initiating ideas and creative regional opportunities for economic development. Special attention will be given to developing linkages between Gorge communities and to promoting economic recovery and vitality in the National Scenic Area.

Functions of the Bi-State Advisory Council. The Council is to identify, encourage and suggest economic development projects. Creative approaches to economic development that emphasize strategic thinking, partnerships and regional participation will be a high priority. One example of this type of regional thinking is the proposed Bi-State Tourism Marketing Grant Program. During its first year, the Council will focus on economic diversification, regional tourism and value-added manufacturing. In subsequent years, the Council may choose to redirect its attention to other areas.

The Council may suggest proposals for planning and professional expertise and will call together regional and local task forces on specific economic development projects and issues. The Council will be responsible for ensuring broad local participation in economic development issues and projects.

The Council will promote economic vitality by:

- providing an overall economic vision;
- developing linkages between Gorge communities and metropolitan areas in order to expand the resource base;
- identifying additional market and investment opportunities;

- presenting projects and ideas to the Investment Board staff for consideration; and
- providing advice on the hiring of staff or selection of a contractor.

Bi-State Advisory Council Representation. The Advisory Council will comprise 21 members, nine voting members from each state, plus three non-voting members. No individual who holds elective office will serve on the Council. No individual may be a member of both an Investment Board and the Bi-State Advisory Council. In Oregon, each county will give consideration to representation from its urban areas, rural center, and port districts (if applicable). Members appointed from Oregon will include:

- Two representatives designated by Multnomah County;
- Two representatives designated by Hood River County;
- Two representatives designated by Wasco County;
- One representative of the Oregon Economic Development Department; and
- Two members at large, appointed by the Oregon Economic Development Department.

Washington Advisory Council membership will include representatives designated by the following organizations:

- Three representatives designated by associate development organizations for Clark, Skamania, and Klickitat Counties;
- Three representatives designated by Clark, Skamania, and Klickitat Counties;
- One representative of the Washington State Department of Trade and Economic Development;
- One representative of the Washington State Department of Community Development; and
- One member at large, appointed by the State of Washington.

Ex-officio members will include:

- One U.S. Forest Service representative;
- One Columbia River Gorge Commissioner; and
- One member of the Mid-Columbia Economic Development District Board of Directors.

The role of the Advisory Council will include:

- representing local, state, and federal perspectives on economic conditions, resources, and trends;

- providing overall vision and strategy for promoting regional economic vitality;
- developing linkages between Gorge communities and metropolitan areas in order to expand the resource base;
- identifying additional market and investment opportunities;
- presenting projects and ideas to the Investment Boards for consideration; and
- recommending grant criteria and advising Investment Boards on hiring of staff or selecting contractors.

WASHINGTON INVESTMENT BOARD

An Investment Board, consisting of five members appointed by the Governor, will establish fund management policies and performance standards; review and approve all requests for financial assistance; and advise the state on administration and staffing needs. The Board may also approve sales of the Fund's debt or equity positions in the secondary market.

By a simple majority, the Investment Board may approve loans, grants, loan guarantees, and equity investments of up to \$500,000 per transaction. A unanimous vote will be needed to approve any proposals above \$500,000, to the portfolio maximum of \$1,000,000.

The portfolio of the Investment Fund will be reviewed annually by a qualified outside examiner. This review will measure performance against the standards set by the Investment Board, and will be used to guide Board decisions regarding recapitalization and reallocation of Investment Fund resources among the four categories of use. The examination results will be submitted to the Investment Board, the Advisory Council, and the state of Washington.

Appointees to the Investment Board will include one representative each from Clark, Skamania, and Klickitat Counties, and two representatives at large. No individual who holds an elective office will serve on the Board. Board members will be selected to ensure substantial expertise in business, finance, and community development.

The state of Washington will be responsible for the management and administration of the Investment Fund. Based on consultation with the Investment Board and Advisory Council, the state may elect to contract with a development corporation or other appropriate entities to provide all or some of the management, administrative,

or technical assistance services required for the Investment Fund. Key functions to be covered consist of:

- delivery of technical assistance services to business clients, local governments, and others (including preparation of business plans and due diligence standards, economic trend analysis, development of a comprehensive local data base, and support for local economic development planning efforts);
- loan packaging;
- loan administration and maintenance of financial records;
- development of additional resources to invest in projects;
- staffing for the Investment Board and Advisory Council;
- coordination of Investment Fund activities with other local, state, and federal economic development programs;
- provision of annual report to the Secretary of Agriculture regarding the use of Scenic Area funds; and
- other duties as necessary.

Washington anticipates that its Investment Fund will be managed by two investment managers hired by the State or the designated development corporation. One manager would concentrate on the private sector portion of the plan, the other on the public sector portion of the plan. The investment managers will have professional lending and investment experience, including portfolio management. Investment Fund staff will be based in an office location within the Washington portion of the National Scenic Area.

As specified in the National Scenic Area Act, administrative costs cannot be paid from the federal funds provided to capitalize the Investment Fund. Any fees and interest earnings generated from loan repayments and investment of unexpended Fund balances will be made available to augment the Investment Fund. In addition, such program income will be available to support administration of the Fund.

OREGON INVESTMENT BOARD

Purpose. An Oregon Investment Board is created to provide policy direction, as well as to make decisions regarding economic development project proposals.

Functions of the Investment Board. The Oregon Investment Board is to establish funding criteria and policies, and make funding decisions on economic development projects. It is the function of the Investment Board to ensure that only projects having the highest potential for success are funded. The Investment Board is to ensure that projects are financially feasible and deliver lasting economic benefits to the National Scenic Area.

Oregon and Washington funds will be held in separate funds by each state. The Oregon Investment Board members will make funding decisions only on Oregon economic development projects. The Investment Board may approve investments by simple majority.

Investment Board members will:

- approve/disapprove funding proposals;
- determine allocations among fund categories;
- establish capitalization and collateral requirements;
- determine investment policy for idle funds as well as economic development projects;
- establish performance standards and policies for fund management; and
- advise the state on administration and staffing needs.

To prevent conflict of interest, those board members representing an organization submitting a funding proposal will be required to declare that conflict and abstain from voting on those proposals.

Investment Board Representation. The Oregon Investment Board will comprise seven members appointed by the Governor of Oregon. The Governor will give special consideration to geographic representation from the National Scenic Area when making Board appointments. At least four of the seven members shall reside in the National Scenic Area. Board members will be selected based upon their qualifications and expertise in business, finance and community development. None of the appointees will be elected officials. No individual may be a member of both the Investment Board and the Advisory Council.

FUND ADMINISTRATION

The state of Oregon, in cooperation with the region, will be responsible for the management and administration of economic development funds. Based upon consultation with the Investment Board and Advisory Council, the state may rely upon staff or may contract with a development corporation or other appropriate entities to provide administrative, fund management, or technical assistance services as required. Such services may include the following:

- technical assistance to clients, including preparation of business plans and support for local economic development planning efforts;
- grant and loan administration and maintenance of financial records;
- loan packaging;
- development of additional resources to invest in projects;
- coordination of Investment Fund activities with other economic development programs;

- disbursement of funds for loans, loan guarantees, grants and investments at the direction of the Investment Board--as well as providing for administrative costs;
- staffing of the Advisory Council and selecting investment managers; and
- other duties as necessary.

The Oregon Economic Development Department, in cooperation with the region, will manage National Scenic Area funds, analyze and evaluate project proposals, and advise the Investment Board. The fund manager will have professional investment and business proposal evaluation experience, including portfolio management. Staff will be located in an office within the National Scenic Area, preferably a joint office with Washington staff. Combining staff in a single office will help facilitate a regional approach and prevent unnecessary duplication of effort.

Economic development funds will be invested in the National Scenic Area to the extent that competitive rates of return are available. Idle funds will be invested to maximize return in order to build the size of the fund.

Certification by Columbia River Gorge Commission

Both states will work with the Commission in the process of certifying that activities supported with federal funds are consistent with the Act, the management plan, and land use ordinances.

Bi-State Consultation and Coordination

Regular consultation and coordination of activities with Oregon's economic development program for the National Scenic Area will be accomplished through several means.

- A Bi-State Advisory Council for Washington and Oregon will be formed to regularly meet to plan and carry out activities designed to foster coordination between the respective state programs. Representatives to the Bi-State Advisory Council will include members of the Washington Advisory Council and the Oregon Advisory Council. The Bi-State Council's roles will encompass identification and development of common goals and joint projects; discussion of policies and strategies; and information sharing to expand opportunities for regional cooperation.

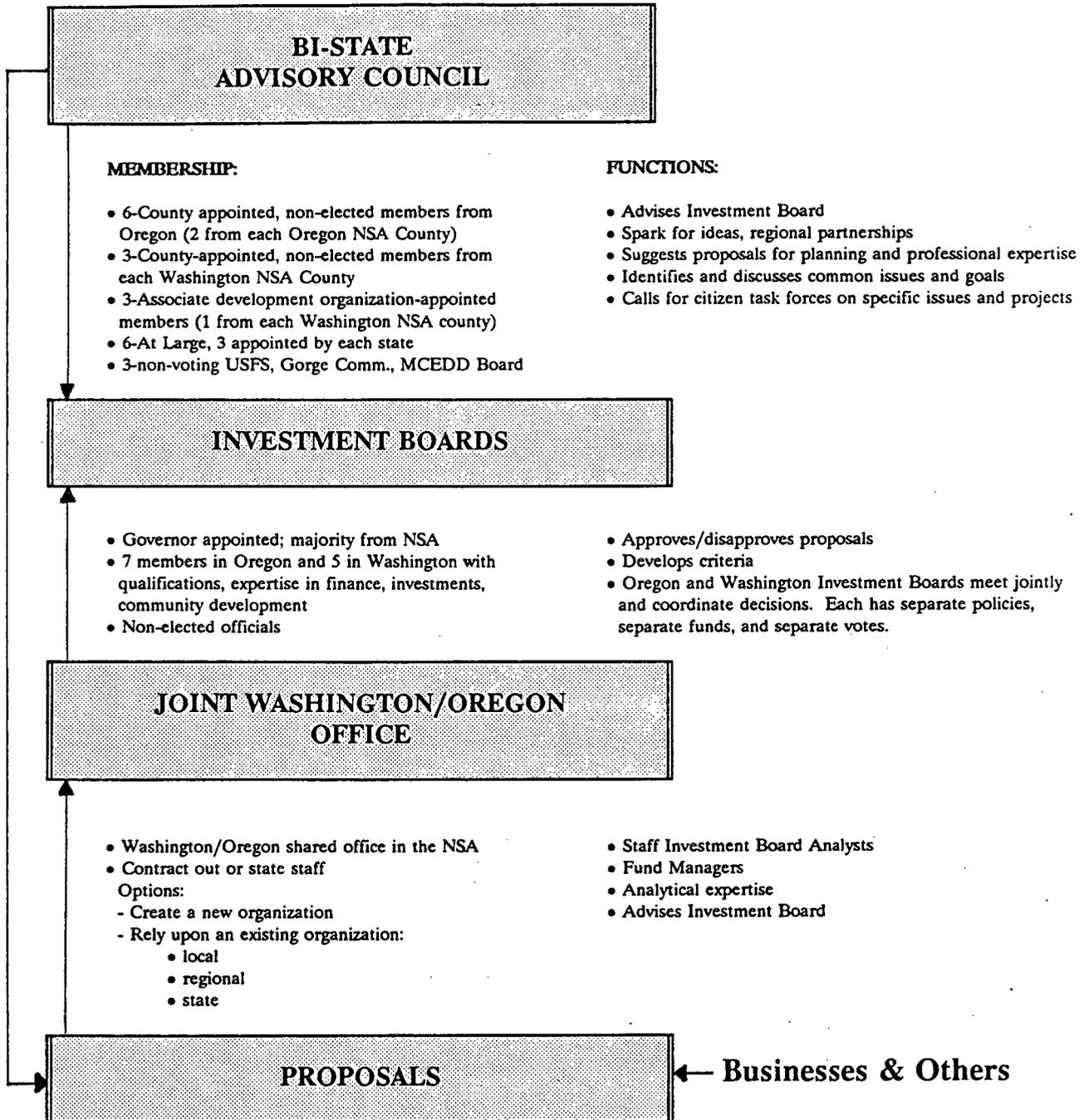
IMPLEMENTATION SCHEDULE

The proposed implementation schedule is based on the assumption that counties will incorporate management plan provisions in local land use plans within the timeframes established by the National Scenic Area Act. The schedule also assumes that an appropriation for the federal economic development grant to the state of Washington will be included in the federal budget for Fiscal Year 1993. This schedule may be adjusted as needed.

Activity	Completion Date
Investment Boards appointed by Governors	November 1, 1992
Bi-State Advisory Council formed	November 1, 1992
Investment Boards and Bi-State Advisory Council formulate proposed Investment Fund guidelines, criteria, policies, procedures	December 1, 1992 to March 1, 1993
Proposed Investment Fund guidelines, criteria, policies, and procedures issued for public review and comment	March 1, 1993
Investment Fund guidelines, criteria, policies, and procedures adopted by Investment Boards	April 1, 1993
Investment Boards begin accepting applications for funding	April 1, 1993

Columbia River Gorge National Scenic Area

Economic Development Investment Fund Washington/Oregon Administrative Structure



- Potential joint Washington/Oregon projects:
- Bi-state tourism marketing
 - Trade associations, networks

INSERT #5

APPENDICES

APPENDICES

The states of Oregon and Washington gratefully acknowledge the guidance of the citizens' advisory committees in crafting the economic development plans for the Columbia River Gorge National Scenic Area.

OREGON ADVISORY COMMITTEE

Bob Cole
Oregon Advisory Committee Chair
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The Dalles

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The Dalles

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Chair, Multnomah County Board of
Commissioners
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The Dalles

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Washington Dept. of Trade & Economic
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Janet Jones, Project Manager
Mary Russell, Research Analyst
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Bob Marley
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The Honorable Edward A. McLarney
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Port of Klickitat County

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Doug Wolford
Klickitat County Development
Organization

Chris & Elaine Woodall
Beacon Rock Trailer Court

APPENDIX

ECONOMIC ASSESSMENT OF WASHINGTON COUNTIES

The following is an economic assessment of the Washington counties contained in the National Scenic Area, in terms of population growth or decline, economy, and other pertinent elements. County-level data are discussed for the most part because there are few sub-county economic data elements available.

Clark County--The fifth largest county in Washington contains Vancouver, the eighth largest city in the state, and six other cities ranging in population size from just under 500 to over 6,000. Total county population as of 1988 was 214,500. Camas and Washougal, which are located on the eastern edge of the county and western border of the National Scenic Area, have a combined population of over 10,000. Clark County's population growth over the past decade has been comparable to the state as a whole, with the number of residents increasing by about 13% between 1980 and 1989 (statewide population growth during the same period was 12.8%). The Clark County portion of the Columbia Gorge NSA is exclusively rural; there are at present no designated Urban Areas within the county.

Principal Clark County industries include manufacturing, wholesale/retail trade, personal/business services, and government. 1987 per capita income for Clark County was \$13,661, placing this county 18th of Washington's 39 counties. The statewide measure was \$15,735. Per capita personal income grew 5.8% between 1987 and 1988 for the state as a whole, compared with a 6% increase for Clark County.

Information on the unemployment rate for east Clark County is difficult to obtain. Total county employment, as of 1990, was 108,400, and the recorded unemployment rate was 4.9%. The comparable figure for the state as a whole in 1990 was 4.9%.

Major east Clark County employers include James River Corporation (1,850 employees), Pendleton Woolen Mills (347), Fibreweb North America (175), and Union Carbide Crystals Division (160). The Port of Washougal, which offers an industrial park, a marina, and an airport, owns a total of 315 acres, 10 of which are located in the NSA.

Clark county offers the only post-secondary educational institutions located in Washington with a close proximity to the National scenic Area. (Yakima Valley College, located about 50 miles north of Klickitat County, is the other major Washington educational institution serving NSA residents.) Clark College, a state-supported community college, offers a variety of academic and technical programs. Vancouver is the site of one of several newly authorized branch campuses of Washington State University which offers a limited number of degree programs. There are also several private business and vocational schools located in the county.

Skamania County--County population as of 1989 was 8,100; total population since 1980 has grown slowly (2.3%), with slight decreases occurring in the mid-1980s. Skamania County is one of the state's smallest, ranking 35th in size. Less than 20% of the county's residents reside within incorporated areas. Populations in North Bonneville and Stevenson, the only two incorporated areas within the county, have remained essentially stable. The county has three unincorporated communities: Carson, Home Valley, and Skamania. 80% of the county's population resides within the NSA boundaries. The majority of the county's residents are white; the largest ethnic group, Native Americans, are about 1.6% of the population. Hispanics comprise about 1.2%.

Skamania County covers 1,672 square miles and is bisected north and south by the Cascade Mountains. Nearly all of the county's land area is contained within the Gifford-Pinchot National Forest of the Mount St. Helens National Volcanic Monument. The county has heavily forested rugged terrain, ranging in elevation from 75 feet along the Columbia River to 8,365 feet at Mount St. Helens. The major roadway is State Route 14, running east-west along the Columbia River.

Total 1990 employment in Skamania County was 1,810, with the majority of workers employed in the manufacturing, wholesale/retail trade, and government sectors. Virtually all of the county's major industrial firms are in the wood products industry. The largest industrial employers in the county are Stevenson Co-Ply, which presently has 177 employees, down from a total of 328 workers in 1988; Wilkins, Kaiser & Olsen, 103 workers presently (140 in 1988); and thermal Laminates, a sailboard manufacturer which has grown from 10 employees in 1989 to 40 at present. The county also has a small, but growing, tourism industry which is expected to benefit from the siting of the NSA conference center in Stevenson. National forest lands provide a range of seasonal activities for outdoor enthusiasts, including cross-country skiing, hunting, hiking, river-rafting, and canoeing. Beacon Rock is also a key attraction located in the county.

The logging and wood products industry has experienced job losses resulting from increased mechanization in the mills and will see further declines as the new U.S. Forest Service plans are implemented/ Under the past USFS Harvest Plans, the Gifford-Pinchot produced 411 million board feet of wood, or 31% of the total harvested statewide. The new plans call for reduction in the annual allowable cut. Attempts to increase habitat for the northern spotted owl will further reduce the allowable cut, although it is too soon to know the extent. Working estimates produced by the state Employment Security Department project a loss of 988 direct and indirect jobs in Skamania and Klickitat Counties combined. The job loss is expected to rock the economic foundation of the region.

The county contains one port district, the Port of Skamania County. The port owns 90 acres, including 10 acres in Stevenson, 70 acres in North Bonneville, and 10 acres

in Carson. The port has recently obtained two grants for the construction of a 40,000 square foot building in Stevenson suitable for light industrial use.

The port also has one boat ramp and one main dock which can be used for commercial purposes and is planning to finish a riverside park, contingent on receipt of dredge spoils from the Bonneville Dam project. The port's annual budget varies from year to year, depending on the amount of loan and grant funding received. Revenue sources include income from leased property, property taxes, and funding from state timber sales receipts. The port's budget for 1990 totalled approximately \$300,000.

The county consistently has one of the highest unemployment rates in the state; for 1990, the average unemployment rate was 16%, over three times the state average. Between 1987 and 1989, the annual county unemployment rate ranged from a low of 17% to a high of 19.4%.

Per capita income for Skamania County in 1988 was \$12,687, which is 76.9% of the national average and 77.0% if the state average. Per capita income as compared with national and state averages has dropped over the past decade. In 1981, county per capita income was 88.6% of the national average and 83.5% if the state average. The state Employment Security Department projected in 1989 that non-agricultural employment in Skamania County would grow by 5.3% between 1987 and 1992, an increase of about 100 jobs. The vast majority of this growth is expected to occur in the retail trade sector.

Klickitat County--Ranked 30th in size, Klickitat County had a total population of 16,700 in 1989. County population has increased by 5.5% in the past decade. About 40% of the county's residents reside in one of three incorporated cities: Bingen, Goldendale, and White Salmon. Several unincorporated areas, including Dallesport, Lyle, Underwood, and Wishram are designated NSA Urban Areas. Klickitat's population is predominately white; the county's two largest ethnic groups are Native Americans and Hispanics which each represent about 3% of the population.

Klickitat County consists of 1,880 square miles. The general topography is one of mountains, plateaus, and narrow valley lowlands. Elevation ranges from 50 to 5,800 feet. Major roadways include U.S. Route 97 and State Routes 14, 141, and 142. A small part of the Yakima Indian Nation reservation extends into north Klickitat County.

Total employment in 1989 was 6,100 with the majority of the workforce employed in manufacturing, government, wholesale/retail trade, and personal/business services. Largest industrial employers include Columbia Aluminum (650 workers), Bingen Plywood (375-425), and SDS Lumber (200). Tourism and recreation are having a growing impact on the local economy; while commercial facilities are limited, there

are numerous public and private parks which attract an increasing number of visitors each year. Four state recreation areas are located in the county: Horsethief Lake, Brooks Memorial, Maryhill, and Goldendale Observatory. Both Klickitat and Skamania Counties draw substantial numbers of visitors for sportsfishing and windsurfing; Klickitat County offers some of the best sites within the Gorge for windsurfing activities.

Agricultural crop production is much more prevalent in Klickitat than it is in Skamania County. Klickitat's agricultural base is comprised of all varieties of wheat as well as orchard crops such as pears, grapes, cherries, and apples.

The county has one port district, the Port of Klickitat. Facilities owned by the port include 740 acres in Dallesport, 102 acres in Bingen, and 5 acres in White Salmon. Port revenues include income from industrial properties, property tax receipts, state timber sales receipts, and investment income. The port's budget in 1989 was about \$500,000. Lack of available buildings and infrastructure are the primary constraints to port development efforts.

Per capita income for Klickitat County was \$13,393 in 1988, which represents 81.3% of the state average and 81.2% of the national average; comparable figures for county per capita income in 1981 were 87.3% and 92.7%, respectively. The county's unemployment rate for 1990 was 11.4%, which is over two times the state average of 4.9% for the same period. As with Skamania County, Klickitat County unemployment levels have fluctuated significantly over the past four years, ranging from a high of 18.4% in 1987 to the current low of 11.4%. The Washington Employment Security Department has projected that Klickitat County will add 500 jobs between 1987 and 1992, an increase of 12.2%. Job growth is expected in the retail, manufacturing (primary metals), and services industries.

APPENDIX

ECONOMIC ASSESSMENT OF OREGON COUNTIES

The following is an economic assessment of the Oregon counties contained in the National Scenic Area, in terms of population growth or decline, economy, and other pertinent elements. County-level data are discussed for the most part because there are few sub-county economic data elements available.

Multnomah County--Oregon's most urban county contains Portland (population 440,000) and Gresham (population 69,000--now Oregon's fastest-growing city). Six smaller cities make up the western portion of the county. Geographically, much of Multnomah county lies outside the Urban Growth Boundary in a sparsely populated rural and forested resource area just east of the Gresham/Troutdale area. Multnomah County's portion of the Columbia River Gorge NSA occupies the northern portion of this rural area from "the Gateway to the Gorge" at Troutdale east to the Hood River County line. Bonneville Dam and its surrounding urban area make up the only designated Urban Area in Multnomah County. Troutdale, just west of the NSA, grew from 5,908 in 1980 to 7,775 in 1990. The population of the NSA portion of Multnomah County, located east of the Sandy River, numbered 3,711 in 1980. By 1989, it had grown to 4,025--an 8.5 percent increase. The Portland metropolitan area is a well-developed center of trade and manufacturing with the highest employment rate in the state. An increase of 500,000 residents is expected within the Portland metropolitan area Urban Growth Boundary over the next 20 years. Metropolitan residents increasingly are expected to look east for recreation and tourism opportunities.

Principal Multnomah County industries include manufacturing, transportation, wholesale and retail trade, and tourism. 1988 per capita personal income for Multnomah County was \$16,827, placing this county 6th of Oregon's 36 counties. The statewide measure was \$14,881 (non-metro was \$13,171). Personal income grew 9.6 percent from 1987 to 1988 for the county as a whole, compared with 8.8 percent for the entire state.

Information on the unemployment rate for east Multnomah County is difficult to obtain. The Portland PMSA, composed of Clackamas, Multnomah, Washington, and Yamhill counties, registered the lowest rate in the state in May 1990--3.8 percent. This compares very favorably with the statewide rate of 4.8 percent, as well as with the national rate of 5.3 percent.

Since late 1986, employment opportunities within the Multnomah County portion of the NSA have declined. A lumber mill at Bridal Veil was moved to Cascade Locks in Hood River County. The mill site buildings still are empty. In December 1990,

Corbett experienced the closure of its hardware store and saw two tool and die shops relocate out of the area. Several buildings are empty or under-used in both Corbett and Springdale.

Hood River County--Population in 1980 was 15,835. Losses occurred in 1981 and 1982, but from 1983 on there has been steady but restrained growth. 1989 population was 17,000. Cascade Locks and Hood River (the only two incorporated cities) have grown, as has the unincorporated area population.

This county covers 533 square miles. The primary natural resource is the fertile Hood River Valley, an area of 68,000 acres of farms, which provides much of the county's economic base. Agriculture and orchards producing apples, pears and peaches are major economic activities in the county. The Mt. Hood National Forest and other forest lands account for 233,000 acres of commercial forest land.

Southern Hood River County supports a lumber and wood products and a ski industry (Mt. Hood is in Hood River County). The lumber and wood products industry has experienced job losses resulting from increased mechanization in the mills and will see further declines as the new US Forest Service plans are implemented. The new plans call for reductions in the annual allowable cut. Attempts to increase habitat for the northern spotted owl will further reduce the allowable cut, although it is too soon to know the extent. In contention is the amount of acreage that will be set aside for owl habitat.

The county contains two port districts, the Port of Hood River and the Port of Cascade Locks, both of which have limited acreage for development. Although each has existing sites for occupancy and some plans for those sites, both have a limit of vacant industrial land that can be developed.

The Port District of Cascade Locks projects a 1990 budget of at least \$3.2 million (this could go as high as \$5 million if revenue estimates are correct). The port's assets include an industrial park (25 acres), a marina, the Sternwheeler (a cruise boat), and The Bridge of the Gods. A portion of the profits from bridge tolls go toward annual maintenance costs of a park on the waterfront.

The City and Port of Cascade Locks are benefitting from the "spoils" resulting from dredging activities currently being conducted by the Army Corps of Engineers. The City reports a need for housing. As of late 1990, five new single-family dwellings (subsidized low-income housing) were under construction. Some construction jobs also will result from a new state maintenance facility. The existing city-owned airport is viewed as a good resource, suitable for expansion. A fixed-base operator has shown interest in building new hangars, as well as lengthening the runway by an additional 800 feet. A new motel soon to open will add 31 family-wage jobs to the local economy.

Cascade Locks' planning efforts dovetail with other planning underway, such as that done by the Mid-Columbia Economic Development District, the state Regional Strategies program, and the Port District. Problems currently facing Cascade Locks include deteriorating sewers and streets (the new motel will just fit into the existing sewer system), a lack of fiscal capacity to fund local infrastructure improvements, and the loss of timber-based jobs. Existing public-private partnerships include those with Pacific Power and Light, United Telephone, and the Hood River Chamber of Commerce and the Tourism Council.

The Port District of Hood River owns a total of 84.88 useable industrial acres (7.3 at the Diamond Complex, 20 at the Odell Business Park, 9 industrial and 11 commercial at the airport, 35.43 at the Waterfront Industrial Park, and 2.15 at the Marina Sailpark). The annual budget of the port for FY 1989-90 was \$6,023,572.

The City of Hood River is the Gorge capital for the sport of sailboarding. Manufacturers of boards, sails, clothing and other gear for the sport have located there. Residential property values have increased rapidly over recent years because many sailboarding enthusiasts have purchased second homes there. Some have moved to the area permanently.

By 1991, Hood River County's permanent population is expected to increase by 650 residents. Average annual employment is expected to increase by 275 jobs from a 1989 level of 9,050. The county's 1980 population was 89.2 percent Caucasian, 6.5 percent Hispanic, 2.3 percent Asian, 1.8 percent American Indian, and 0.2 percent Black. From mid-August through the end of September there are between 1,500 and 2,000 migrant workers in the county. These workers are predominantly Hispanic.

Hood River County (at \$14,227) ranked 14th in the state in 1988 per capita personal income, somewhat under the statewide average of \$14,881. Per capita personal income grew 8.6 percent from 1987 to 1988 in Hood River County, just about on par with the 8.8 percent statewide growth.

Hood River County's unemployment rate stood at 9.9 percent in May 1990 (910 workers). This rate was substantially higher than the statewide rate of 4.8 percent.

Major Hood River County employers include United Telephone Co. of the Northwest (250-499 employees), Hanel Lumber (250-499 employees), and Luhr Jensen (250-499 employees). All sailboard-related businesses are relatively small, with none employing more than 19 individuals.

Wasco County--Population now is less than it was in 1980 (1989 = 21,100; 1980 = 21,732). A small bulge occurred in mid-80's because of the short-lived growth of the religious commune, Rajneeshpuram, but it fell away in 1985. The population decline continued until 1987, but it now appears to be on the upswing. Wasco County's

population is projected to increase by 450 by 1991. This county covers an area of 2,396 square miles or 1,523,840 acres and contains six incorporated cities. Outside the urban area of The Dalles, the communities are rural, and land use is predominately agricultural. Principal industries are agriculture (cereal grains, sweet cherries, apples, livestock), lumber, manufacturing, electric power, transportation, and aluminum. Wheat is the dominant field crop on the 190,000 acres of non-irrigated cropland. Of the 38,000 acres of irrigated land in the county, most are devoted to cherry orchards.

The county contains one port district, the Port District of the Dalles. The Port owns 270 acres, all of which are located next to the water, but only 20 acres are actually termed waterfront property. The industrial park site covers 143 acres. Total budget for 1990 is \$3,034,735.

The Dalles Municipal Airport, located across the Columbia River at Dallesport in Klickitat County, was used by the military in World War II. It was purchased by The Dalles after the war and is used regularly as a refueling stop for military aircraft flying maneuvers in Oregon and Washington. The airport contains three 150' wide runways, NE/SW 4,406', E/W 4,649', and NW/SE 5,097', and can accommodate jet aircraft up to a military C130 in size. The city owns two hangars with rental space available and owns three 10,000 gallon underground fuel tanks that can supply fuel to visiting aircraft. Industrial park acreage totals 400. Although The Dalles Municipal Airport is considered to be too close to Portland International for use as a feeder airport for goods or passengers, it can be used in emergencies or when foul weather conditions prevail in Portland. It is increasingly receiving use by recreationalists and boardsailors.

Economic development planning currently underway in Wasco County includes the Riverfront Plan that addresses 9 miles of riverfront that will tie into the Columbia Gorge Interpretive Center. Taylor Lakes also is being developed as a recreational site (partly with Regional Strategies funding). Squally Point is in the feasibility study stage. Recreational development is occurring in Mosier, but is not Riverfront Plan-related. It consists of developing sailboarding access and transient moorage. These projects currently are in the permitting stage. The new West Interchange is being planned as the gateway to the City of The Dalles, providing access to the Interpretive Center and the Port, as well as to the City itself.

The City of The Dalles currently is working on the Oregon Trail Center (there are to be four Oregon Trail centers in the state). There is a strong push statewide to get these centers going. In The Dalles, The Oregon Trail Center, the Columbia Gorge Interpretive Center, and the Wasco County Museum will share the same site. The Forest Service is predicting about 700,000 visitors annually for the Interpretive Center, which should be an economic development boon to the City. The West Interchange will be done at about the time of the Center's opening. One need

expressed by the City Planner is to make The Dalles (particularly the west entrance) more visually attractive. The Oregon Department of Transportation has completed landscaping plans for that purpose; the estimated cost for the project is about \$1 million. Employment is expected to increase by 90 jobs from the 1989 annual average of 7,190. The Dalles is developing into a regional shopping center. The full service Fred Meyer store located there attracts shoppers from the rural areas of Oregon and Washington and has prompted Bimart and K-Mart to construct stores in The Dalles as well.

Wasco County's 1980 population was 94.6 percent Caucasian, 2.9 percent American Indian, 1.8 percent Hispanic, 0.3 percent Asian, and 0.2 percent Black. In June and July there are 6,000 to 7,000 migrant workers in Wasco County. These workers are predominately Hispanic.

Per capita personal income for Wasco County in 1988 was \$14,788 (9th of Oregon's 36 counties). This was slightly under the statewide average of \$14,881. From 1987 to 1988, Wasco County per capita personal income grew 8.7 percent--on par with the statewide growth rate of 8.8 percent.

Wasco County's unemployment rate was 7.1 percent in May 1990 (670 workers), a good deal higher than the statewide rate of 4.8 percent.

Major Wasco County employers include the Mid-Columbia Medical Center (500+ employees), Northwest Aluminum in The Dalles (250-499 employees) and Oregon Cherry Growers (100-249 employees), also located in The Dalles.

Wasco County has at least one U.S. Environmental Protection Agency (EPA) Superfund site--the Martin Marietta plant now leased by Northwest Aluminum in The Dalles. This site has been placed on the National Priorities List. The second and final phase of the clean-up began in May 1990 and is expected to be complete by late 1991 or early 1992. Another potential site for clean-up is a tie-treating/creosoting plant located at The Dalles. There is a short-term economic advantage for this community that will result from cleanup activities. Between 20-30 percent of the cleanup costs will be wages and materials, most of which will be purchased locally.

Wasco County is the site of the only college located in the NSA, Columbia Gorge Community College (CGCC). In addition to Oregon students, CGCC serves a substantial number of Washington students at in-district Oregon tuition rates, due to the Washington-Oregon Tuition Reciprocity Program. The fact that the bridge at The Dalles is toll-free also aids this bi-state enrollment. In 1989-90, 550 of the institution's 4,450 students were from Washington (12.4%).

CGCC is an accredited college through Portland Community College, offering associate degrees in business programs and one-year certificates in accounting, business technology, and microcomputer information systems. CGCC students also can choose associate of science and associate of arts degree programs which are transferable to four-year colleges. Students may enroll in developmental programs designed to improve reading, writing, and math skills, and, in addition, the college provides the opportunity for students to complete their high school diplomas or to earn their GEDs. Other college services include the Small Business Development Center which provides assistance to local businesses and offers classes, seminars, and customized training to meet the needs of businesses in the Mid-Columbia area.

COLUMBIA RIVER GORGE NATIONAL SCENIC AREA
ECONOMIC DEVELOPMENT PLAN SUMMARY

- o Investment Board - 7 members appointed by the Governor of Oregon. At least 4 member must reside in the NSA. Members selected based on qualifications and expertise in business, finance, and community development. No elected officials, no individual may serve on both the Investment Board and the Advisory Council.

Will determine investment policies, establish funding criteria, and make funding decisions. The Board will ensure projects have a high potential for success, are financially feasible, and deliver lasting economic benefits.

- o Bi-State Advisory Council - 21 members, 9 voting members from each state, plus 3 non-voting members from USFS, CRGC, and Mid-Columbia Economic Development District. 6 members will be appointed by Oregon counties, 2 members appointed by OEDD, 1 OEDD representative. No member can be an elected official.

Advises the Investment Board on economic development issues and potential projects.

- o Columbia River Gorge Commission (CRGC) - Will need to certify that all projects supported with federal funds are consistent with the Act, management plan, and land use ordinances.

- o Administration - The State of Oregon will be responsible for the start-up, and initial management and administration of economic development funds. After consultation with the Board and Council, Oregon may rely upon existing staff, contract with a local or regional development corporation, or contract with other appropriate entities to provide administration, fund management, or technical assistance services as required.

- o Summary of Economic Development Activities -

Business loans	\$2,200,000	
Education/Work force training grants	50,000	
Regional tourism marketing grants	<u>150,000</u>	
		\$2,400,000 48%
Community development loans	1,550,000	
Community planning/predevelopment grants	<u>200,000</u>	
		1,750,000 35%
Infrastructure loans	750,000	
Infrastructure planning/predevelopment grants	<u>100,000</u>	
		<u>850,000 17%</u>
TOTAL		\$5,000,000

- o Eligibility - Counties adopting ordinances implementing the Columbia River Gorge National Scenic Act.

MEETING DATE: JUN 01 1993

AGENDA NO: B-4

(Above Space for Board Clerk's Use ONLY)

AGENDA PLACEMENT FORM

SUBJECT: Briefing-Board Agenda Content and Order

AGENDA REVIEW/
BOARD BRIEFING Date Requested: 6/1/93

Amount of Time Needed: 1/2 Hr. requested

REGULAR MEETING: Date Requested: _____

Amount of Time Needed: _____

DEPARTMENT: Nondepartmental DIVISION: Chair's Office

CONTACT: Delma Farrell TELEPHONE #: X-3308
BLDG/ROOM #: 106/1410

PERSON(S) MAKING PRESENTATION: Deb Bogstad, Carrie Parkerson, Delma Farrell

ACTION REQUESTED:

INFORMATIONAL ONLY, POLICY DIRECTION APPROVAL OTHER

SUMMARY (Statement of rationale for action requested, personnel and fiscal/budgetary impacts, if applicable):

Briefing and discussion concerning Board Agenda Content and Order

*6/2/93 memo to elected officials,
Department Directors, Division
Managers and Board Staff with
FYI copies to annotated list &
others.*

BOARD OF
COUNTY COMMISSIONERS
MULTNOMAH COUNTY
OREGON
1993 MAY 26 AM 9:24

SIGNATURES REQUIRED:

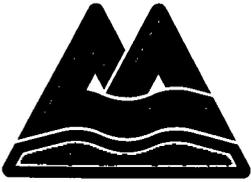
ELECTED OFFICIAL: Hank Higgins

OR

DEPARTMENT MANAGER: _____

ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES

Any Questions: Call the Office of the Board Clerk 248-3277/248-5222



MULTNOMAH COUNTY OREGON

COUNTY CHAIR'S OFFICE
Hank Miggins, County Chair
1120 S.W. 5th, Room 1410
Portland, Oregon 97204
Phone (503) 248-3308

M E M O R A N D U M

TO: Vice-Chair Gary Hansen
Commissioner Sharron Kelley
Commissioner Tanya Collier
Commissioner Dan Saltzman
Office of the Board Clerk

FROM: Hank Miggins
Multnomah County Chair

DATE: May 25, 1993

RE: Criteria for Placement on Board Consent Calendar

This is an update on the guidelines used by my office to determine placement of items on the Board Consent Calendar:

- * Annual renewals and/or amendments to existing intergovernmental agreements that involve minimal or no budget impact
- * Auto wrecker license renewals
- * Budget modifications reflecting routine adjustments to contracts
- * Citizen appointments to boards and commissions
- * Final orders pertaining to decisions of the Planning Commission and/or Hearings Officer
- * Liquor license applications and/or renewals
- * Peace Officer holds resolutions
- * Tax Title orders
- * Unclaimed property transfers

As always, a Board member may remove any consent calendar item for discussion and consideration on the regular agenda.

HCM:mrm
0274G

	Monday	Tuesday	Wednesday	Thursday	Friday	
		152 1 213	153 2 212	154 3 211	155 4 210	156
		<p>9:30 Agenda Review AM - JCC / Library Expt 1:30 Columbia GEORGE BIRKING STEVEN TINKO 30mins 2:00 Board Discussion Agenda Content & Rules 30mins 2:30 Facilities Maint (1st Floor)</p>	<p>9:30 EMS/ASA Background Brief (John) Bill Collins</p>	<p>9:30am Regular SGA - PPS \$300,000 High Risk Offenders (from 5:30-93) LCA - LINDA LIBRARY (1st floor)</p>		
208	158 7 207	159 8 206	160 9 205	161 10 204	162 11 203	163
		<p>9:30 Agenda Review 1:30 Planning Budget Deal Discussion</p>		<p>9:30am Regular</p>		
201	165 14 200	166 15 199	167 16 198	168 17 197	169 18 196	170
	<p>Flag Day 10⁰⁰-12⁰⁰ City/ COUNTY JOINT MTC 2nd Floor, Conf Rm C PORTLAND BLOC</p>	<p>9:30 Agenda Review 4TH QUARTER CONTINGENCY REQUESTS TC 1:30 Dispute Resolution Cont. BFCR (30min) 2:00pm TSCC HEARING 93-94 Multnomah County Budget - Courthouse Rm 202</p>	<p>7:30 - 9:30 Joint Mtg BCC + Library/Board P.B. Conf Rm A-14th fl.</p>	<p>9:30am Regular 4TH QUARTER CONTINGENCY REQUESTS</p>		
194	172 21 193	173 22 192	174 23 191	175 24 190	176 25 189	177
		<p>9:30 Agenda Review 1:30 Planning</p>	<p>1:30 EMS/ASA Briefing & Presentation BY INVITEE GUESTS GAROXMAD 2HRS BILL COLLINS</p>	<p>9:30am Regular DSS CONTRACT RENEWALS</p>		
187	179 28 186	180 29 185	181 30 184			
		<p>9:30 Agenda Review 1:30 EMS/ASA Joint Session (2 hrs)</p>	<p>9:30-11:30 EMS/ASA Joint Session</p>			

BEFORE THE BOARD OF COUNTY COMMISSIONERS

FOR MULTNOMAH COUNTY, OREGON

1
2
3 In the Matter of the Adoption)
of Rules of Procedure for the) RESOLUTION
4 Conduct of Board Meetings) 91-13
and Repealing Prior Rules)

5
6 WHEREAS the Multnomah County Home Rule Charter as amended
7 provides that the Board adopt and publish rules for the conduct of
8 its meetings; and

9 WHEREAS the previously adopted and published rules are in
10 need of revision; now therefore

11 IT IS HEREBY RESOLVED that the Multnomah County Board of
12 Commissioners adopts the following rules for the conduct of its
13 meetings:

14 Section 1. Organization

15 A. The Chair shall be the presiding officer at all
16 Board meetings and shall have a vote on each matter before the
17 Board. The Chair or Vice-Chair when presiding shall not make or
18 second motions unless the position is first relinquished for such
19 purpose.

20 B. The Vice-Chair shall preside when the Chair is
21 absent or incapacitated.

22 C. In the absence or incapacity of the Chair and
23 Vice-Chair, the Commissioner senior in time of service shall
24 become the temporary presiding officer.

25 D. The presiding officer shall sign all documents
26 memorializing Board action following the meeting in which the
action was taken.

1 Section 2. Election of Vice-Chair

2 A. The Board shall elect a Vice-Chair in numerical
3 Commissioner District rotation at the first regular meeting of
4 each calendar year. The Commissioner in rotation may refuse the
5 position, in which case the position shall go to the Commissioner
6 in the next numerical Commissioner District.

7 B. In the event of a vacancy in the Vice-Chair
8 position, the Board shall elect a Vice-Chair from the next
9 numerical Commissioner District at the first regular meeting
10 following the vacancy.

11 Section 3. Minutes

12 A. A designate from the Chair's Office shall be present
13 and shall make a record of all Board meetings.

14 B. Written minutes of all meetings shall be prepared in
15 accordance with the State of Oregon Attorney General's Public
16 Records and Meetings Manual and such records shall be accessible
17 to the public during regular office hours.

18 Section 4. Meetings

19 A. Regular Meetings

20 1. The Board shall meet on the fourth Tuesday of
21 each month and other days as necessary, for the purpose of
22 deciding or deliberating on land use planning items.

23 2. The Board shall meet each Thursday for the
24 purpose of deciding or deliberating on other County business.

25 3. The Board may schedule meetings on other days
26 as deemed appropriate.

1 4. The Board may conduct meetings and hearings at
2 locations other than the courthouse when it determines that the
3 public interest is best served thereby and notice thereof is given
4 in the posted agenda.

5 5. If the date of a regular meeting is a legal
6 holiday, such meeting shall be held prior to the holiday or
7 continued to the next regular meeting day as determined by the
8 Chair.

9 6. All meetings shall be open to the public except
10 when the Board conducts its affairs in executive session pursuant
11 to State law.

12 7. Any meeting of the Board may, by majority vote,
13 be adjourned to any time or to another place when it is deemed in
14 the interest of County business.

15 B. Board Briefings/Work Sessions

16 1. Board briefings and/or work sessions shall be
17 held in Room 602 of the Multnomah County Courthouse each Tuesday
18 and other days as necessary, for the purpose of receiving
19 briefings from staff and invited others on issues not requiring
20 formal legislative action of the Board, and for previewing the
21 agenda of the next regular meeting.

22 2. Board briefings and/or work sessions may be
23 cancelled and/or combined with a regular or special meeting as
24 determined by the Chair.

25 C. Special Meetings

26 1. Special meetings may be called by the Chair or
Page a majority of the Board upon proper notice which shall include an

1 agenda of items to be considered. The notice shall be delivered
2 to each Commissioner personally, if available, or delivered to the
3 Commissioner's courthouse office and residence, at least 24 hours
4 before such meeting.

5 2. Board action taken at a special meeting, except
6 adoption of an emergency ordinance, shall not have effect after
7 the next regular Board meeting unless such action is ratified at
8 the meeting.

9 Section 5. Notice and Agenda

10 A. Notice stating the time and place of all meetings
11 and containing an agenda shall be posted in a conspicuous location
12 on the first floor of the Multnomah County Courthouse.

13 1. Notice shall be posted at least 72 hours before
14 a regularly scheduled meeting.

15 2. Notice shall be posted at least 24 hours before
16 a special meeting.

17 B. The Chair shall supervise preparation of the agenda.

18 C. Agenda items may be taken out of order at the
19 discretion of the presiding officer.

20 Section 6. Agenda Placement/Removal

21 A. Agenda placements shall be submitted as prescribed
22 in the Multnomah County Administrative Procedures Manual.

23 B. Removal of an item from the printed agenda shall
24 require filing a written request to the Chair 24 hours before the
25 meeting.

26 C. Upon receipt of a request for removal the Chair
shall submit written notification to the Board.

1 D. The affirmative concurrence of at least three
2 members is required to remove an item from the agenda.

3 E. The Chair may change agenda submittal deadlines.

4 Section 7. Unanimous Consent

5 The Board may act on an item not on the agenda if, at a
6 meeting:

7 1. At least three members vote in favor of a
8 finding that an emergency requires the action; and

9 2. All members present vote in favor of the action.

10 Section 8. Attendance, Quorum and Voting

11 A. Commissioners shall inform the Chair of anticipated
12 absences from any Board meetings.

13 B. Commissioners absent to conduct County business
14 shall be identified in the Board minutes as excused.

15 C. A Board member who cannot be physically present at a
16 meeting for emergency reasons may attend in order to vote on a
17 specific motion by means of telephonic communication as long as
18 the requirements of State law are satisfied.

19 D. A quorum consists of three Commissioners.

20 E. In the event of an emergency, fewer than a quorum
21 may meet and compel the attendance of absent members.

22 F. When a potential conflict of interest arises with
23 respect to a matter pending before the Board, a Board member shall
24 publicly announce the nature of the potential conflict prior to
25 taking any action thereon pursuant to State law.

26 G. Voting shall be expressed by Board members stating
Page "aye", "no" or "abstain", by voice or roll call vote.

1 H. Following a voice vote and upon request by a member,
2 a roll call vote shall be taken.

3 I. Upon a motion and second, the presiding officer
4 shall state the question before the Board, call for the vote and
5 announce the results of said vote.

6 J. In the case of a tie on a main motion or an adhering
7 amendment which carries the main motion, the motion shall be
8 considered to have failed.

9 K. A motion to reconsider an item may be made only by a
10 member who voted with the majority on the question. The motion to
11 reconsider must receive a second and the affirmative vote of at
12 least three members. The motion must specify the meeting date of
13 such reconsideration. Such motion is privileged and must be made
14 at the same meeting at which the question was determined. All
15 persons appearing of record before the Board upon such item shall
16 be notified of the date and time of the meeting at which the item
17 is to be reconsidered.

18 L. An agenda for a regular meeting shall include a
19 "consent calendar" consisting of one or more items of a routine
20 nature, such as appointments to advisory boards and other routine
21 matters. The "consent calendar" may be approved by a single
22 motion, second and vote of the Board unless otherwise provided at
23 the meeting.

24 Section 9. Public Testimony/Hearings

25 A. The presiding officer may limit the amount of time
26 and the number of appearances made concerning an item before the
Board.

1 B. Persons wishing to testify may be identified by
2 submitting a sign-up card or being otherwise recognized by the
3 presiding officer.

4 C. The Board may determine rules for the conduct of
5 public hearings as announced at the commencement of each hearing.

6 D. The presiding officer is responsible for preserving
7 order and decorum at meetings. A person creating a disturbance or
8 otherwise obstructing the orderly process of County business may
9 be ejected from the meeting at the discretion of the presiding
10 officer.

11 Section 10. County Service Districts

12 The rules adopted herein shall be applicable to the
13 conduct of proceedings of the Board acting as the governing body
14 of all County service districts.

15 Section 11. Ordinances

16 A. Proposed ordinances shall be prepared and submitted
17 for inclusion in the posted agenda as prescribed in the Multnomah
18 County Administrative Procedures Manual. No change or alteration
19 of an ordinance as submitted for inclusion on the agenda shall be
20 made, except by approval of a majority of the Board during the
21 public hearing on the ordinance.

22 B. Except for emergency ordinances, proposed ordinances
23 shall be read during regular meetings of the Board on two
24 different days at least six days apart.

25 C. Upon Board direction a proposed ordinance may be
26 read by title only if copies are available for those persons
wishing same.

1 D. A public hearing shall immediately follow a motion
2 and second for approval of each reading of a proposed ordinance.

3 E. Passage of a motion to approve a first reading of a
4 proposed ordinance shall automatically be deemed to schedule the
5 second reading for the next regular meeting satisfying section 12B
6 of these rules, unless a later date is provided by the Board.

7 F. A motion to move a proposed ordinance to its second
8 reading requires the affirmative concurrence of at least three
9 members of the Board.

10 G. If the Board approves a change which substantively
11 affects a proposed ordinance on the final reading, an additional
12 reading of the amended ordinance shall be held.

13 H. A nonemergency ordinance shall take effect 30 days
14 after Board approval unless:

15 1. The ordinance prescribes a later effective
16 date; or

17 2. The ordinance is referred to the voters.

18 I. A proposed emergency ordinance may be introduced,
19 read once and put on its final passage at a single meeting upon
20 unanimous consent of all Board members present. If the Board vote
21 in favor of passage at the first reading is not unanimous, the
22 ordinance shall be scheduled for a second reading and may at that
23 reading be approved by majority vote.

24 J. An emergency ordinance may take effect immediately
25 upon being signed by the Chair.

26 K. A proposed ordinance which fails may be resubmitted
as prescribed in the Multnomah County Administrative Procedures

1 Manual.

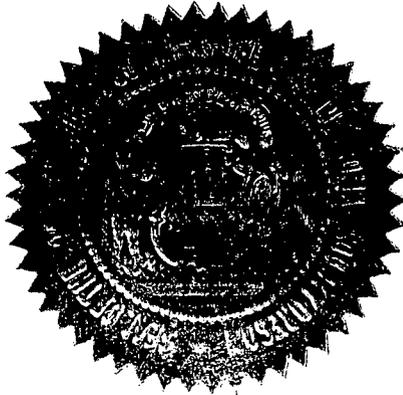
2 Section 12. Miscellaneous

3 Any procedural matter not covered by these rules shall be
4 determined pursuant to "Robert's Rules of Order Newly Revised".

5 Section 13. Adoption

6 These rules repeal and supercede the rules adopted
7 January 8, 1987 and become effective immediately upon Board
8 adoption. Copies of the published Board Rules shall be available
9 at all meetings.

10
11
12 DATED THIS 7th day of February, 1991.



MULTNOMAH COUNTY, OREGON

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26

By Gladys McCoy
Gladys McCoy, County Chair

REVIEWED:

Laurence Kressel
Laurence Kressel, County Counsel

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

In the Matter of Commissioner
Liaison Assignments

)
)

RESOLUTION
93-29

WHEREAS, the Board of County Commissioners desires to remain informed concerning policy and legislative issues that confront the County; and

WHEREAS, the County departments desire a formal method to keep Board members informed concerning issues that confront them as policymakers and legislators.

NOW, THEREFORE, IT IS RESOLVED, that the Liaison assignments attached as EXHIBIT A are approved for the 1993 calendar year.

APPROVED this 4th day of February, 1993.



MULTNOMAH COUNTY, OREGON

By

Gladys McCoy
Gladys McCoy
Multnomah County Chair

REVIEWED:

LAURENCE KRESSEL, COUNTY COUNSEL
for MULTNOMAH COUNTY, OREGON

By

Jacqueline A. Weber
Jacqueline A. Weber

1993 COMMISSIONER LIAISON ASSIGNMENTS

DEPARTMENT OF ENVIRONMENTAL SERVICES/Commissioner Gary Hansen

Agricultural Board of Review
Animal Control Advisory Board
Bi-State Policy Advisory Commission
Cable Regulatory Commission
Citizen Budget Advisory Committee/DES
East Multnomah County Transportation Advisory Committee
Exposition Center Advisory Committee
Metropolitan Greenspaces Committee
Joint Policy and Advisory Committee on Transportation
Metro Policy Advisory Committee
Metropolitan Exposition and Recreation Commission
Parks Advisory Committee
Planning Commission
Regional Policy Advisory Committee
Skyline Crest Road District
Solid Waste Council

DEPARTMENT OF SOCIAL SERVICES/Commissioner Dan Saltzman

Children and Youth Services Commission
Citizen Budget Advisory Committee/DSS
Community Action Commission
Fundurs Advisory Committee
Housing Authority of Portland Board
Housing and Community Development Commission
Institute of Portland Metropolitan Studies
Joint Policy and Advisory Committee on Transportation (alternate)
Juvenile Court Advisory Council
Juvenile Detention Reform Committee
Leaders Roundtable (alternate)
Mental Health Advisory Committee
Multnomah Council on Chemical Dependency
Portland Multnomah Commission on Aging
Social Services Central Advisory Board
Westside Light Rail Steering Committee

DEPARTMENT OF COMMUNITY CORRECTIONS/Commissioner Sharron Kelley

Audit Committee
Chief's Forum
Citizen Budget Advisory Committee/DCC
Community Corrections Advisory Committee
Criminal Justice Advisory Committee
DUII Action Program Advisory Board
Employee Suggestion Committee
I-84 Corridor Committee
Juvenile Detention Reform Committee
Local Officials Advisory Committee
Oregon Criminal Justice Council
Oregon Peace Task Force
Public Safety Council
Private Industry Council Board
Regional Workforce Quality Committee

1993 COMMISSIONER LIAISON ASSIGNMENTS

DEPARTMENT OF HEALTH/DEPARTMENT OF LIBRARY SERVICES/Commissioner Tanya Collier

Campaign Management Council
Citizen Budget Advisory Committee/DOH and DLS
Community Health Council
Emergency Medical Services Advisory Board
Emergency Medical Services Provider Board
Food Service Advisory Board
Integrated Pest Management Advisory Committee
Library Advisory Board
Multnomah County Peace Task Force
Noise Abatement Advisory Committee
Primary Prevention Advisory Committee
Welfare Board

GENERAL GOVERNMENT/Chair Gladys McCoy

Association of Oregon Counties
Audit Committee
Bi-State Policy Advisory Commission
Board of Equalization
Board of Ratio Review
Cable Regulatory Commission
Central Citizen Budget Advisory Committee
Chief's Forum
Citizen Involvement Committee
Columbia Villa/Tamarack Steering Committee
Data Processing Management Committee
Interdepartmental Coordinating Committee for Alcohol and
Drug Abuse Prevention
Institute of Portland Metropolitan Studies
Investment Advisory Board
Leaders Roundtable
Merit Civil Service Council
Metropolitan Arts Commission
Metropolitan Human Rights Commission
NACo Committees
Regional Drug Initiative

The role of the Board of County Commissioners is prescribed by the Home Rule Charter and the laws of this State. That role is clearly:

- * Planning and policy making - Here the Board sets the direction of the County, establishing policies to guide the operation of the government.
- * Financial development - Aside from State prescribed taxation, the Board plans and makes policy for ensuring that programs are adequately financed through a variety of financing strategies--grants, fees, charges, other governments.
- * Monitoring and sanctioning - The Board monitors the implementation of plans and policy to ensure the achievement of goals and objections. The Board provides sanctions when necessary to assure real achievement.

In carrying out the key elements of its role, the Board is accountable to the community for all entrusted assets. The Board is accountable for monies spent by budgetary techniques.

The Chair is not only a member of the legislative body, but is also charged with managing and administering the day-to-day operations of the County, except those day-to-day operations entrusted to other elected officials.

The Chief Executive Officer, or Chair, is charged with implementing the policies of the Board and other laws so specified by the State of Oregon and by the Home Rule Charter. The Chair is responsible for developing a balanced budget for submission to the Board of County Commissioners.

The full Board approves and adopts the financial plan, the budget. In order to ensure such a plan is the best that can be developed and enacted, the Chair invites the Board as partners in developing the fiscal year 1993-94 budget. This budget will begin to implement program budgeting, and one in which the Board can play a key role.

This process does not in any way abdicate or relinquish the Chair's duty or responsibility to produce the Executive Budget.

Another step in the shared leadership of budget preparation is the reinstatement of the liaison role of each Commissioner. This role allows each Commissioner to become more knowledgeable about specific areas of County activities. In order to add structure to this element of County business, the Chair will assign certain functions to each Commissioner, and, through that assignment charges each Commissioner with the responsibility of bringing to the full Board information and policy proposals commensurate with these liaison assignments.

It must be clearly understood that the duties of the Chair are not relinquished or in anyway transferred to the liaison commissioner. The liaison commissioner does not assume any supervisory or management duties, responsibilities or authority.

It is my intention to officially make liaison assignments after a thorough discussion and understanding of our roles. These assignments have unofficially been made and each Commissioner has already begun to gather information and develop policy proposals. The assignments will be official as of February 4, 1993. That information will then be shared with managers, staff, and citizens.

It needs to be made absolutely clear amongst ourselves what the role of the liaison Commissioner is and how we will function within the BCC. Once we are clear about how we will function, we will communicate that to the public, County staff and officials.

Points of Clarification:

- * Liaison assignments do not preclude commissioners from having interest in areas assigned to other commissioners. In those instances, communications with liaison commissioner is encouraged.
- * Liaison commissioners are not responsible for day-to-day operational activities, nor are they accountable for implementation of Board plans or policies.
- * Liaison commissioners will lead board discussion on agenda items within their assigned liaison.



MULTNOMAH COUNTY OREGON

OFFICE OF THE BOARD CLERK
SUITE 1510, PORTLAND BUILDING
1120 S.W. FIFTH AVENUE
PORTLAND, OREGON 97204

BOARD OF COUNTY COMMISSIONERS

GLADYS McCOY •	CHAIR •	248-3308
DAN SALTZMAN •	DISTRICT 1 •	248-5220
GARY HANSEN •	DISTRICT 2 •	248-5219
TANYA COLLIER •	DISTRICT 3 •	248-5217
SHARRON KELLEY •	DISTRICT 4 •	248-5213
CLERK'S OFFICE •	248-3277 •	248-5222

MULTNOMAH COUNTY COMMISSION MEETINGS

The Multnomah County Board of Commissioners welcomes you to your County government at work!

The Board meets in room 602 of the Multnomah County Courthouse every Tuesday and Thursday and upon proper notification, other days and locations as necessary.

On the second and fourth Tuesdays of each month, the Board meets in formal session to hear land use issues and to rule on Planning Commission decisions.

On Tuesdays, the Board convenes for briefing sessions with staff and invited others reporting on various issues of interest to the County; and to review its Thursday agenda with County staff. Except for executive sessions, all meetings are open to the public.

The Board meets every Thursday morning for the purpose of conducting regular County business. The Board agenda consists of consent calendar items such as citizen appointments to boards and commissions and annual renewal and/or amendments to existing intergovernmental agreements, for which a single motion and order of approval is required. Public hearings and other matters requiring formal approval or action also take place at Thursday meetings.

An agenda book containing information on the current matters before the Board, as well as copies of the published Board Rules, agenda, proposed ordinances and other items, are available.

You are welcome to speak to any issue before the Board or on other issues you wish to bring before the Board at the Thursday regular meeting. We ask that you please fill out a sign up card and present it to the Clerk.

Thank you for becoming an active participant in your County government!



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SHARRON KELLEY • DISTRICT 4 • 248-5213
CLERK'S OFFICE • 248-3277 • 248-5222

MULTNOMAH COUNTY COMMISSION MEETINGS

9:30 AM, TUESDAYS AND THURSDAYS
MULTNOMAH COUNTY COURTHOUSE
1021 SW FOURTH AVENUE, ROOM 602

IN ORDER TO PROVIDE INDIVIDUALS WITH DISABILITIES THE APPROPRIATE AIDS TO PARTICIPATION, PLEASE ADVISE THE OFFICE OF THE BOARD CLERK AT 248-3277 OR 248-5222, AT LEAST 24 HOURS PRIOR TO BOARD MEETING ATTENDANCE.

MULTNOMAH COUNTY COURTHOUSE WHEELCHAIR ACCESS VIA SOUTHWEST FIFTH AND SALMON STREET DOOR.

COMMISSIONERS' HEARING ROOM 602 WHEELCHAIR ACCESSIBLE VIA ELEVATOR TO SIXTH FLOOR. WIDE AISLES, WHEELCHAIR LEVEL SPEAKER PODIUM.

MOBILITY IMPAIRED MEN AND WOMEN RESTROOM FACILITIES AVAILABLE.

NON-ENGLISH SPEAKING, SPEECH AND/OR HEARING IMPAIRED INTERPRETERS MAY BE ARRANGED UPON 48 HOUR ADVANCE NOTICE.

LARGE PRINT AGENDAS AVAILABLE UPON ADVANCE NOTICE.

BOARD MEETING ASSISTIVE LISTENING DEVICES AVAILABLE UPON REQUEST.

0044C/11



FOR YOUR INFORMATION

MULTNOMAH COUNTY OREGON

OFFICE OF THE BOARD CLERK
SUITE 1510, PORTLAND BUILDING
1120 S.W. FIFTH AVENUE
PORTLAND, OREGON 97204

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SHARRON KELLEY •	DISTRICT 4 •	248-5213
CLERK'S OFFICE •	248-3277 •	248-5222

M E M O R A N D U M

TO: Elected Officials
Department Directors
Division Managers

FROM: Carrie Parkerson *Carrie*
Deb Bogstad *DB*
Office of the Board Clerk

DATE: June 2, 1993

RE: Multnomah County Commissioners Agenda Changes

This is to advise you that as a result of its June 1, 1993 meeting, the Board has directed that for a three month trial period, the Tuesday agenda review sessions will be eliminated in lieu of staff explanation and response to Board questions at the Thursday regular meetings, in order to allow the viewing public to observe the deliberative process and to reduce the amount of time staff spends in the Board room.

The Board discussed the need for prioritizing the briefing schedule and establishing briefing standards. It was the Board's consensus that future (not yet scheduled) briefings/policy discussions be scheduled for Tuesday mornings only, and that planning items only will be scheduled for the second and fourth Tuesday afternoons of each month.

The Board discussed the criteria used for agenda item placement on the consent calendar, moving consent calendar items to the regular agenda, and moving regular agenda items to the consent calendar in order to expedite Thursday meetings.

The Board discussed time certain requests and urged staff adherence to the Board agenda schedule.

Chair Hank Miggins advised he will direct originating departments to submit agenda placement forms containing executive summaries with concise explanations suitable for agenda publication, for all briefings and agenda items; and to improve department estimation of the amount of time needed for briefings.

db
cc: Board Staff

Meeting Date: JUN 01 1993

Agenda No.: B-5

(Above space for Clerk's Office Use)

AGENDA PLACEMENT FORM
(For Non-Budgetary Items)

Presentation of audit

SUBJECT: MANAGING COUNTY PROPERTIES: IMPROVE POLICIES & PRACTICES

BCC Informal 6/1/93 BCC Formal _____
(date) (date)

DEPARTMENT AUDITOR DIVISION NON-DEPARTMENTAL

CONTACT GARY BLACKMER TELEPHONE 3317

PERSON(S) MAKING PRESENTATION GARY BLACKMER

ACTION REQUESTED:

INFORMATIONAL ONLY POLICY DIRECTION APPROVAL

ESTIMATED TIME NEEDED ON BOARD AGENDA: 30 MINUTES

CHECK IF YOU REQUIRE OFFICIAL WRITTEN NOTICE OF ACTION TAKEN: _____

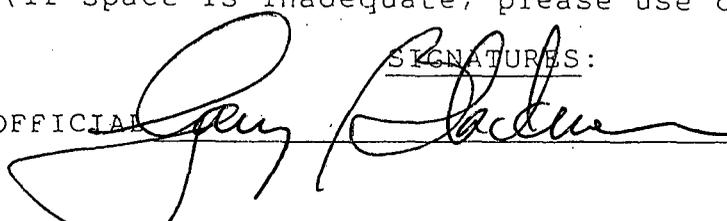
BRIEF SUMMARY (include statement of rationale for action requested, as well as personnel and fiscal/budgetary impacts, if applicable):

REQUEST TIME CERTAIN - 2:30 P.M. - PLEASE

BOARD OF
COUNTY COMMISSIONERS
1993 MAY 25 AM 10:39
MULTNOMAH COUNTY
OREGON

(If space is inadequate, please use other side)

SIGNATURES:

ELECTED OFFICIAL 

Or

DEPARTMENT MANAGER _____

(All accompanying documents must have required signatures)

Managing County Properties Improve Policies and Practices

May 1993



Gary Blackmer
Multnomah County Auditor



GARY BLACKMER

COUNTY AUDITOR
1021 SW 4TH AVENUE, ROOM 136
PORTLAND, OR 97204
(503) 248-3320

MULTNOMAH COUNTY OREGON

Date: May 17, 1993

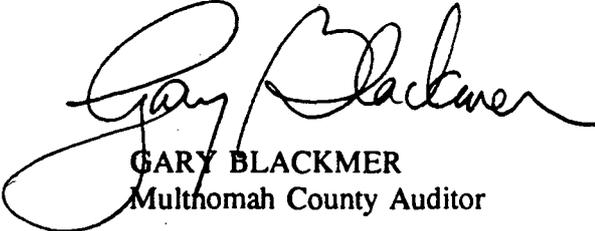
To: Henry C. Miggins, Acting Multnomah County Chair
Dan Saltzman, Commissioner, District 1
Gary Hansen, Commissioner, District 2
Tanya Collier, Commissioner, District 3
Sharron Kelley, Commissioner, District 4

This audit reviews the management of County property under the responsibility of the Facilities Management Division in the Department of Environmental Services. These facilities are a critical element in the County's ability to serve a wide range of public needs. They are also a large public investment, requiring constant attention. Within Facilities Management we also reviewed the management of properties which come into the County's possession as a result of tax foreclosure.

We have discussed our findings and recommendations with representatives of the Chair's Office, the Department of Environmental Services, and the Facilities Management Division. Their written responses are the last section of this report.

We would appreciate receiving a written status report from the County Chair or a designee in six months indicating what further progress has been made regarding the recommendations identified in this report. This response should also be circulated to the Commissioners.

We appreciate the cooperation and assistance extended to us by the personnel in the Facilities Management Division, as well as staff in the divisions of Transportation, Assessment and Taxation, and Information Services.



GARY BLACKMER
Multnomah County Auditor

Auditors: Stephen J. March
Judith DeVilliers
Desktop publishing: Lucy Sacharkiw

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SUMMARY

This report covers our audit of the management of Multnomah County's real property holdings. We found problems in the management of tax foreclosed properties and opportunities to improve the management of the County's facilities and property holdings. Management response to this audit is included in the back of the report.

Multnomah County uses about 2.3 million square feet of facilities to serve the public and house its own operations. The Facilities Management Division is responsible for cleaning, maintaining, repairing, improving, and managing County owned and leased properties. The County also owns land and buildings obtained through tax foreclosures and land used for parks, cemeteries, roads, and bridges.

Tax Title

The Tax Title Section, within the Facilities Management Division, is responsible for taking possession and disposing of the property of delinquent taxpayers. Oregon Revised Statutes call for a six-year period of attempted collection of past due taxes and interest before the Section receives the deed to the property. The former property owner may repurchase the property with cash or monthly payments, the property may be auctioned to the highest bidder, the property may be transferred to local jurisdictions, or donated to non-profit organizations. When the property is sold, all revenues in excess of expenses are shared with other governments in Multnomah County.

More can be done to reduce the inventory of Tax Title property. Nearly half the inventory, about 300 parcels, had little value, such as narrow strips between or adjoining other properties. Some of these parcels have been in the County's possession over 50 years. Some properties are located in the middle of streets, and some properties have been held indefinitely at the request of other jurisdictions.

In addition, the Tax Title Section could dispose of valuable properties in a more timely manner. There were 50 tax foreclosed properties valued at more than \$1,000 which had never been offered for sale although they had been held in the inventory from one to five years. The Tax Title Section had not taken possession of about half these properties and some were still occupied nearly five years after the deed had been transferred to the County. If they had been sold, over \$25,000 in taxes would have been received from these properties in the past fiscal year.

The Tax Title Section could also improve its procedures for determining the amount required of a previous owner to repurchase tax foreclosed property. We could not find adequate documentation on how the amount was determined. In those cases that we could check, we found mathematical errors in the calculations of the contract amount. Penalties, fees, and other charges did not appear to be uniformly applied.

Additional efforts can also be made to collect on delinquent contract sales. Of 245 contracts, 40 were 90 days or more in arrears. Payments had not been received on five contracts in over a year. Another 126 contracts were at least 30 days in arrears.

We also found many of the contract properties again showed delinquencies on their property taxes. Seven of the properties were over three years delinquent and had begun a second round of foreclosure. A total of \$316,000 in delinquent payments and taxes was owed on 101 parcels. According to statutes, contract buyers forfeit all rights to the property if they fail to pay property taxes.

The Tax Title Section can also improve its cash handling procedures. A majority of contract payments were held at least one day by Tax Title before deposit, contrary to County Procedure 2303. Holding payments exposes the assets to possible loss or theft, and reduced County interest earnings by about \$500 last year.

Property Management

We also reviewed the management of the County's facilities and land holdings. In some cases the Division leases out its space or land to other organizations for various purposes. The Division also manages County property used for other purposes, such as parking lots.

Efforts have begun to track the costs for cleaning, operating, and maintaining County facilities. The organization has also developed a plan to identify, secure, and eventually remove asbestos from County facilities. A plan has also been developed for County facilities to comply with the Americans with Disabilities Act. Other efforts have been initiated to improve quality of service, personnel efficiency, and safety to the public.

When we examined the maintenance decisions we found considerable information on the condition of County facilities and maintenance needs, but no comprehensive gathering of this information on all County facilities. Over one-third of the County's space is more than 70 years old and many buildings have maintenance needs that have been deferred. Without a comprehensive system to assess conditions and needs, the County risks unanticipated and more costly repairs in the future.

There is no single, complete inventory of all County property. Instead, we found several inventories that contained omissions and duplications of property. In some cases the ownership of the property was uncertain, or disputed among County agencies. Further, the inventories did not indicate what future purpose some properties were being held for.

We found leasing practices that are not cost-effective. For example, two properties are being leased rent-free to for-profit organizations. A business is leasing property at no cost under the Hawthorne Bridge to park vehicles. A restaurant space on the eighth floor of the Courthouse is also being provided at no cost to a business. In addition, five properties are encumbered with leases to a non-profit organization until the year 2076. The County must still maintain the buildings or find suitable replacements, which Facilities Management was recently unable to find.

We recommend that the Tax Title Section increase its efforts to reduce its inventory of tax foreclosed properties, develop clear policies for dealing with occupants, and improve its contracting procedures, collection efforts, and cash handling practices. We recommend that the Property Management Section develop a system for assessing current and future maintenance needs, improve and regularly review its inventory of County properties, and regularly review its leases of County property and leasing procedures. The Tax Title Section and Facilities Management Division have already begun implementing several of these audit recommendations.

INTRODUCTION

This report covers our audit of the County's management of its tax foreclosed properties and its other real property holdings. The review was requested by the previous Director of the Department of Environmental Services and was included in the FY92-93 audit schedule. This audit was conducted in accordance with generally accepted government auditing standards, except for the new requirement for periodic external quality control review. This office will have its new procedures reviewed by the National Association of Local Government Auditors for compliance with audit standards in 1993.

Organization

The Facilities Management Division is responsible for cleaning, maintaining, repairing, improving, and managing all County-owned and leased facilities and real property. It also monitors and pays utility charges on most County facilities. Additionally, Facilities Management directs the purchase, sale, and leasing of buildings, parking lots, and real estate properties.

Facilities Management is in the Department of Environmental Services and is funded primarily from the General Fund, the Lease Purchase Projects Fund, and the Tax Title Fund.

The organization consists of an administration section overseeing five other sections: Property Management, Capital Improvement, Custodial, Justice Center, and Maintenance. The Property Management Section is responsible for the acquisition, disposal, and leasing of County property. Property Management assists in planning for County space needs, leasing out County property, and selling surplus property. This section also includes the Tax Title Section which is responsible for managing, maintaining, selling, transferring, and donating tax foreclosed properties.

Budget

The FY92-93 Adopted Budget for all of Facilities Management provides for a work force of approximately 76 staff, with 47 positions in the Skilled Craft and Service Maintenance workers category. Exhibit 1 shows a six-year history of spending for Facilities Management and capital construction. Facilities maintenance spending increased through the years with added responsibilities such as new jails and the libraries. Jail construction in the late 80s increased capital spending. Capital spending again increased in FY92-93 with a budgeted expenditure of \$27 million for a juvenile detention facility.

Exhibit 1

	Fiscal Year	Facilities Management	Capital Spending*
History of Facilities Management Expenditures	FY87-88	\$5,920,631	\$4,537,477
*excludes annual debt payments for buildings	FY88-89	\$6,753,073	\$10,389,888
**includes \$27 million for juvenile detention facility	FY89-90	\$7,408,978	\$10,037,836
	FY90-91	\$10,549,114	\$7,823,925
	FY91-92	\$10,806,533	\$1,940,542
	FY92-93 (Budgeted)	\$12,360,535	**\$29,267,258

Source: County financial management report and adopted budget

County property

The County is responsible for about 2.3 million square feet of building space. Nearly 90% of the space is owned or being purchased by the County. This space meets specialized needs at over 70 different locations. For example, in downtown Portland there are courtrooms, jails, health clinics, and office buildings, such as the Courthouse, Justice Center, McCoy and Mead buildings. There are also community facilities such as the Gresham Neighborhood Center; regional park facilities in rural east County, such as Oxbow Park; as well as neighborhood libraries throughout the County; and specialized facilities such as Animal Control.

The County is also responsible for other property, both developed (such as Mason Hill School Park on NW Johnson Road) and undeveloped bare land. The County has acquired these properties through direct purchases, as gifts, as remnants remaining from projects such as bridge and street construction, and from tax foreclosures.

The total assessed market value of County properties and buildings exceeds \$159 million. Exhibit 2 on the following page shows the total value in the major categories of these properties. Assessed values of public properties may not reflect market values if they were to be sold and used for private purposes.

Exhibit 2

Assessed value of County property (FY92-93)	DESCRIPTION	ASSESSED VALUE
		Buildings & Major Properties
	Libraries	\$11,326,000
	Expo, Parks & Cemeteries	\$26,038,500
	Tax Title held for Housing	\$1,010,060
	Tax Title held for public use	\$336,100
	Tax Title, not including above	\$3,189,700
	Miscellaneous Properties	\$2,928,700
	Current Road Project Property	\$1,122,200
	TOTAL ASSESSED VALUE	\$159,969,860

Source: Auditor's Office analysis of Assessment and Taxation data

Current efforts

Facilities Management began developing a system to track and recover costs for cleaning, operating and maintaining County facilities. They indicated the organization has begun tracking staff time by activity and location. The maintenance program has also established a work-order information system to monitor costs on a site-specific basis.

Facilities Maintenance also established an asbestos program and manual which has been shared with many other jurisdictions. While the eventual goal is to remove all asbestos, the immediate goals were to identify and secure or contain any exposed asbestos. Sixty-six County facilities were surveyed for asbestos. The plan calls for securely containing asbestos until removal for remodeling or when other projects are undertaken.

Facilities Management has recently surveyed the County's facilities and prepared a plan to comply with the Americans with Disabilities Act. They also have procedures to comply with Occupational Safety and Health Acts, and numerous other building requirements imposed by federal, state, and local governments.

Facilities Maintenance indicated they have also initiated various programs such as: providing log books in each building for users to report custodial or maintenance deficiencies, a quality of maintenance reporting system, working with personnel to standardize tool inventories, providing hazardous materials handling and training, and developing safety programs. They are also involved with evaluating buildings for work-related environmental concerns such as the presence of lead-based paint, underground storage tanks and other hazardous materials.

Facilities Management has also evaluated the conditions of buildings prior to acquisition. For example, the condition and maintenance needs of the library buildings were assessed before the County assumed responsibilities for the libraries in FY90-91.

Scope and Methodology

The objectives of this audit were to:

- ▶ determine the efficiency and effectiveness of the handling of tax foreclosed properties; and
- ▶ determine the efficiency and effectiveness of the management of the County's other real property holdings.

We reviewed the real property holdings for which Assessment and Taxation files showed Multnomah County as either the owner, lessor, or seller on contract as of October 1992.

In the course of the audit we interviewed personnel from the Department of Environmental Services, the Facilities and Property Management Division, the Department of Assessment and Taxation, the Transportation Division, the Planning and Budget Division, County Counsel, and also personnel from other counties.

We reviewed several previous audits of Multnomah County's property management: the 1974 *Internal Audit Report For Property Management Section of Assessment and Taxation Division* (the equivalent of today's Tax Title Section), the 1977 *Real Property Management, Division of Support Services* (functions currently performed by Facilities Management), and the 1981 *Construction Projects, Facilities and Property Management Division*. We also reviewed audits of similar operations in federal, state and local governments, and a citizen task force report in January 1992 reviewing Multnomah County's facilities and land holdings. We also reviewed various books and articles, and Oregon statutes and County ordinances.

We obtained cost information from budgets and financial statements. We reviewed records and accounts from Tax Title files and data bases. We compared property records from Assessment and Taxation, Facilities Management, and Transportation.

We sampled the contract files for repurchase amounts, amortization, and interest calculations. We reviewed accounts receivable and the tax status of contracted properties.

We physically inspected a number of the County's buildings and properties. We also viewed tax foreclosed properties, including those that were vacant, refurbished, donated, occupied, and sold. We surveyed the occupants of several of these properties. We reviewed, with City of Portland Planning Bureau staff, the current zoning for a number of properties to determine whether they were marketable.

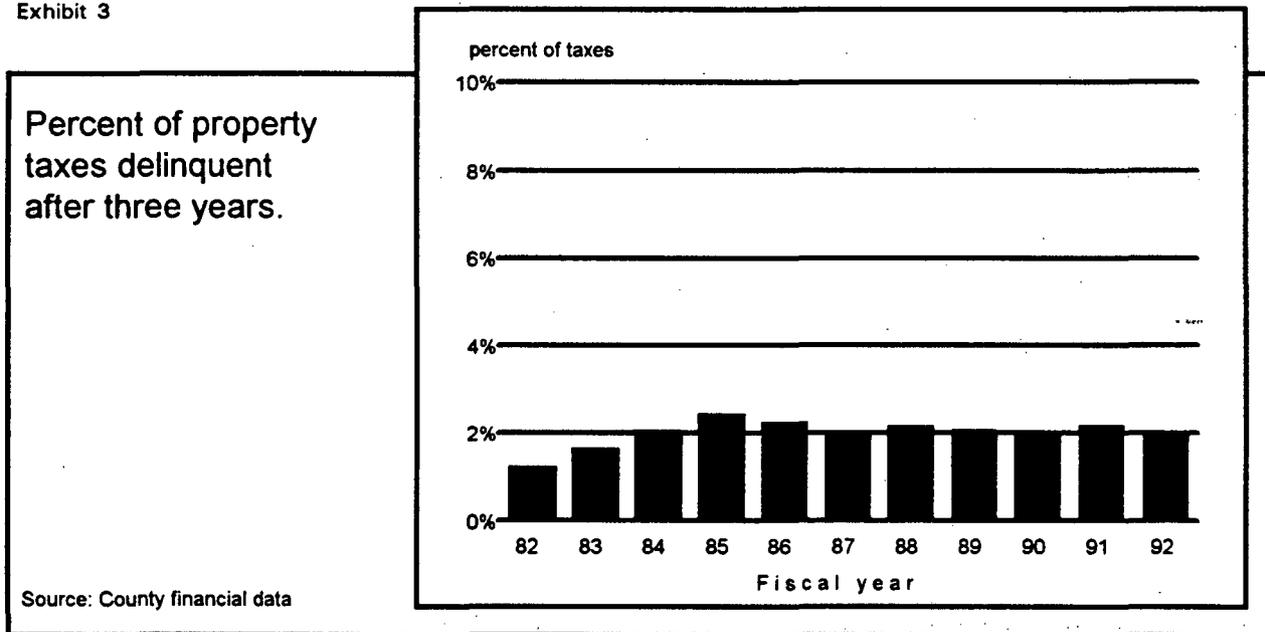
CHAPTER ONE

Managing tax foreclosed properties

Property tax collections

Oregon Revised Statutes assign counties the responsibility of collecting current and overdue property taxes within their borders. Multnomah County collected approximately \$618 million in property taxes in FY91-92 to finance the operations of cities, school districts, and service districts, as well as to finance the County's own operations. Delinquent property taxes have remained at a relatively low rate in Multnomah County over the past eleven years. Exhibit 3 below shows that only about 2% of each year's property taxes remain uncollected after three years.

Exhibit 3



Tax foreclosure process

Oregon Revised Statutes define the specific procedures for recovering overdue taxes, penalties, and interest. On behalf of the other jurisdictions a county may also collect certain types of unpaid assessments, such as delinquent sewer liens. State law allows the county to take possession of property and sell it if a property owner fails to pay outstanding taxes or liens, penalties, and interest. However, State laws and County ordinances provide a property owner some exemptions and an extended period of time before the Tax Title Section must carry out the unpleasant task of evicting a household.

Property tax collection and foreclosure of property tax liens is governed by Chapters 311 and 312 of the Oregon Revised Statutes, and Chapter 275 covers the sale of county lands.

Multnomah County has enacted Ordinance 560 which allows an additional 90-day repurchase period for former property owners, and also allows the Board to grant exceptions in cases where occupants do not have the economic or other resources to acquire alternative housing.

Oregon Statutes require certain methods for notifying the property owner, setting the time period of delinquency before any action is taken, allowing a redemption period when the owner may repurchase the property, and allowing long-term payments of overdue taxes and interest. These procedures result in a foreclosure process with a duration of nearly seven years. Exhibit 4 describes the approximate chronology of events for collecting delinquent taxes and liens.

Exhibit 4

Chronology of tax foreclosure	Date	Elapsed time	Action
	<p>Source: Oregon Revised Statutes and County ordinances</p>	November, 1986	start
May 15, 1987		6 months	Last day to pay before delinquency
May, 1987		6 months	Notification of delinquent taxes
November, 1987		12 months	Owner fails to pay property taxes-2nd year
May, 1988		18 months	Notification of delinquent taxes
November, 1988		24 months	Owner fails to pay property taxes-3rd year
May, 1989		30 months	Notification of delinquent taxes
November, 1989		36 months	Owner fails to pay property taxes-4th year
May, 1990		42 months	Notification by regular and certified letter
September, 1990		46 months	County Counsel obtains court approval to take title of property
November, 1990		48 months	Owner fails to pay property taxes-5th year
May, 1991		54 months	Notification of delinquent taxes
October, 1991		59 months	Notification of redemption deadline by regular and certified letter
November, 1991		60 months	Owner fails to pay property taxes-6th year
May, 1992		66 months	Notification by regular and certified letter
September, 1992		70 months	Statutory redemption period ends, property deeded to County by court after warning publication
November, 1992		72 months	No property taxes paid-7th year
December 1992		73 months	County 90-day repurchase period ends and Tax Title takes responsibility for property
varies	varies	Property sold or contract payments negotiated with former owner to pay outstanding balance	

There may be additional delays of nearly two months between the end of the redemption period and the time in which the property is deeded to the County while legal descriptions of parcels are prepared. Recent court rulings on the notification process have further complicated foreclosures, such as notifying persons who may have an interest in the property but may not be the recorded owner. Tax Title and Multnomah County Counsel are currently developing new procedures to ensure adequate notification after foreclosure. The foreclosure procedure may occur more rapidly if the

owner chooses to forfeit the property, or if the property is being neglected or is adversely affecting the neighborhood.

Activities of the Tax Title Section

The Tax Title Section becomes responsible for property when it is deeded to the County in the tax foreclosure process. Upon receiving the deed to the property, Tax Title notifies the former owners that they have an additional 90 days to repurchase the property with cash. The former owners may contract to repurchase the property with monthly payments if they are occupants or if the property is the primary location of their business. If the former owner wishes to repurchase, the staff determines the repurchase price, based upon an amount equivalent to taxes and interest due at foreclosure and any additional expenses incurred by the Section. Allowable expenses are described in statutes, and interest rates are set by the County, currently at 10%.

The Tax Title Section is responsible for preparing contracts on agreed sales amounts, monthly payment amounts, and minimum sales prices for properties to be sold in the sheriff's sale process, as well as all contracts on properties repurchased by former owners. In addition, the Section is also presently charged with administering or collecting the monthly contract payments.

Contract payments and sales proceeds are distributed to the various taxing districts within the County, after costs, staff, and operating expenses are deducted. The money is distributed according to the share of property taxes of each taxing district. For example, in FY92-93 Portland School District Number 1 receives 33.6%, the City of Portland receives 21.7%, and Multnomah County 16.5%. The other cities and districts in the County also receive a share calculated on their levied taxes.

Properties not repurchased are inspected by Tax Title staff to determine any maintenance needs. The Tax Title Section uses contractors to board up some buildings and to maintain the yards. In some cases, Sheriff's inmate work crews also assist, and workers in job-training programs also provide landscape maintenance. While most properties are merely maintained until they are sold, transferred or donated, the Tax Title Section has also renovated two properties using Sheriff's inmate work crews.

Some of the property may be requested by local jurisdictions for public purposes such as parks and roads. Under County Ordinance 672, property has also been donated to non-profit corporations to develop affordable housing. In the last three years, over 150 parcels totaling nearly \$1.5 million in assessed market value have been dedicated for housing and public use. However, the County is still the owner of most of these properties, and is still responsible for maintaining them. The remainder of the property is offered for sale to the public at a sheriff's sale.

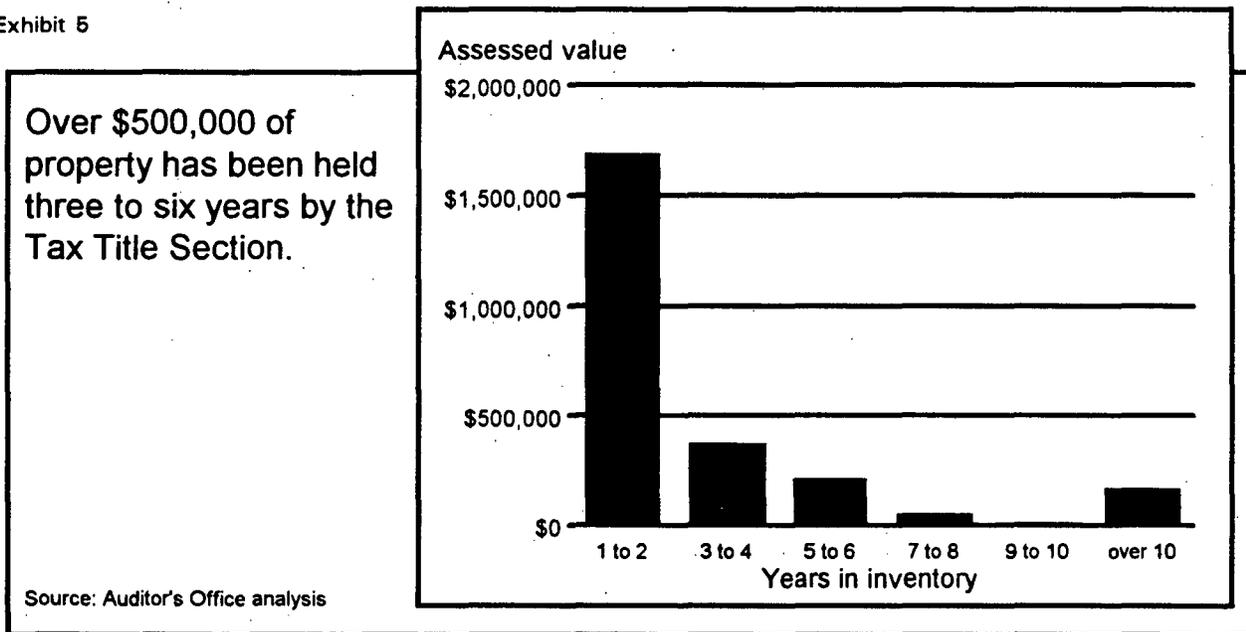
During 1991, about 270 property tax accounts went to foreclosure, with about 35 being repurchased outright, and an additional 40 being contracted for repurchase by former owners. As of October 1992, there were about 700 parcels in the inventory of Tax Title properties.

Dispose of tax foreclosed properties in a timely manner

We examined records of tax foreclosed property acquired from 1987 to 1991 and, after excluding parcels being held for a specific purpose, found 50 parcels with a value of \$1,000 or more that had never been offered for sale. About half these properties had been occupied for many years without the County obtaining physical possession. The County has not received any payments on the properties which have a total assessed value of over \$1,000,000. In total, they represented over 50 years of unpaid taxes and interest while they were in Tax Title's possession. Among the properties acquired from 1987 to 1991 we found two which had been occupied for over five years beyond the six-year foreclosure period. We also found one property acquired by the County in 1974 and sold in 1992 which had been occupied by the former owner more than 15 years without any payment for taxes or interest.

The County is the recorded owner and, as a result, these occupied properties have been classified as exempt. The County and other jurisdictions have foregone about \$25,000 in FY92-93 taxes. Because these properties are not for public use, there may also be a question of the tax-exempt status that has been granted. Exhibit 5 below shows the age and value of property in the Tax Title inventory.

Exhibit 5



The County seldom evicts occupants of foreclosed properties for failing to pay taxes and has not collected rent or taxes on these properties. Some foreclosed properties may include homes occupied by persons with limited incomes who could qualify as an exception by the Board of County Commissioners under Ordinance 560. However, we also found properties occupied by businesses or by persons with obvious assets such as adjoining vacant lots or even houses. In one case a former owner was living in a tax foreclosed property while renting out an adjoining property. The Tax Title Supervisor stated that over the years a number of exceptions have been allowed because of humane considerations, and it has become a general practice not to evict former owners.

When we contacted some of the former property owners we found that some were unclear about the procedures followed by the County. They incorrectly believed that they could repurchase the property long after the repurchase period allowed by ordinance had expired. Several also erroneously believed that the Board of County Commissioners routinely granted extensions, and were waiting for the Board to initiate an exception in their case.

In one case, the Tax Title Section took possession of an apartment building because the owner defaulted on a repurchase contract for back taxes. The owner continued receiving rent payments from the tenants for a period of several months. Tax Title and Property Management personnel stated that they have not collected rent from foreclosed properties because receiving rent payments might create a landlord-tenant relationship with occupants. This practice could result in legal obstacles to vacating and selling the property.

We also tested the timeliness of action on those properties that the Tax Title Section offered for sale during the period of 1987 through 1991. During that period, 683 accounts were deeded to the County. Of these, 105 were being held for non-profit or public use, 86 had been repurchased on contract, and 221 otherwise disposed. Two properties were being held because of legal requirements (bankruptcy and notification). As of January 1993, 118 had been offered for sale, but 151 had never been offered.

Of the 118 offered for sale, we found that it took an average 21 months from the time properties were deeded to the County to the date of the first sales offering. The 21-month period included the three month repurchase period, and an advertising period of about one and a half months.

We were informed that part of the time delay in this period was due to evaluation of the inventory for recently enacted County Ordinance 672 which allows the donation of tax foreclosed properties to non-profit organizations. However, the Tax Title Section has written no goals for itself in processing and selling foreclosed property, nor does it have a system for monitoring the timeliness of current or past activities.

Transfer some properties out of inventory

Of the 700 Tax Title properties, 300 had assessed valuations under \$500, apparently remnants of larger tracts left over from subdivisions or road widening. Other parcels had values exceeding \$5,000, but because of location or zoning may not be developed. A number of properties had been in the County's possession for over 50 years.

Among these remnants we found a number of parcels which could be transferred to other jurisdictions. These were described as "planning commission strips" which were small strips at the edges of property to protect future road development. According to Assessment and Taxation, some of these strips should have been deeded to Multnomah County, but were not properly transferred and eventually became tax foreclosures when the former owners did not pay taxes on them. Several of these properties are now in the middle of streets annexed by cities. In other cases, the Tax Title Section has been holding properties for extended periods of time at the request of other jurisdictions. The Tax Title Supervisor stated that in some cases other jurisdictions have been reluctant to accept transfers of properties.

Some properties may be of value only to adjacent land-owners. These may be too small to be developed, or may only be accessible through an adjacent land-owner's property. Others may be designated for future street development. Other parcels may have zoning restrictions which make them undesirable for most potential purchasers.

Improve repurchase and contract sales procedures

Foreclosed properties are either repurchased by former owners or offered to the public in sheriff's sales. The sales and repurchases can be for cash or on contract, similar to a mortgage payment of principal and interest. The Tax Title Section currently holds nearly 250 contracts on properties. We reviewed a sample of contracts to test the accuracy of calculations for repurchase prices, amortization and interest charges, and current taxes.

In many of the cases we reviewed, we found no documentation showing how the repurchase amount on the contracts was determined. There was no record of the outstanding taxes due at the time, nor the fees and penalties which may have been included. In most of the sample files which did have work sheets, we identified addition errors and discrepancies between the worksheets and the contract amount. Penalties, recording fees, and other charges did not appear to be uniformly applied but, because of poor documentation, it was difficult to determine what charges were included. Other than ORS Chapter 275 and County Ordinance 560, which establish minimum inclusions, the Tax Title Section has no written policies relating to repurchases.

We also determined that interest on delinquent taxes for recent repurchase contracts was incorrectly calculated. An error in the formula for calculating interest resulted in contract amounts overstated by as much as \$450.

We also found one contract in our sample in which the County agreed to accept 120 monthly payments of \$80 for a repurchase price of \$9,800. Over the ten years of the contract, the County would have received only \$9,600. Monthly payments should have been \$130 with the County receiving \$15,600 in principal and interest. The County would have collected no interest on this ten-year contract, contrary to State statute. However, according to Tax Title, this contract is being paid off early, including principal and accumulated interest.

The Tax Title Section also inaccurately applied contract payments to interest and outstanding principal on all contracts. The contracts state that payments are to be applied first to interest, then to principal. We found late payments were not being applied to interest first. Contracts with late payments were being treated as if the payment was received on time. The principal was reduced its scheduled amount and no additional interest was charged.

Improve contract collections procedures

In reviewing the 245 accounts receivable, we found 40 contracts that were 90 days or more in arrears. Payments had not been received on five contracts in over a year, including one which was involved in a bankruptcy. One contract had not received a payment in two years. The Tax Title Supervisor stated that delinquency notices are indicated on the monthly statement. However, documentation of past-due notifications are not kept in the files. The 40 contracts are in arrears over

\$50,000, not including interest in arrears on about \$500,000 of outstanding principal. Another 126 contracts were at least 30 days in arrears, for another \$24,000 on about \$1.4 million of outstanding principal. The Tax Title Supervisor stated that they have recently begun following up on the 40 property owners we found more than 90 days delinquent. Exhibit 6 shows the number and age of accounts receivables.

Exhibit 6

	Delinquency Period	Number of Accounts	Overdue Payments	Outstanding Principal
Age and amounts of delinquent accounts	1 to 2 months late	126	\$24,100	\$1,370,386
	3 to 5 months late	15	\$9,859	\$199,489
	6 to 8 months late	15	\$10,255	\$117,050
	9 to 11 months late	5	\$12,860	\$108,130
	12 or more months late	5	\$20,960	\$96,387
	Total 3 months & over late	40	\$53,934	\$521,056

Source: Auditor's Office Analysis

If contract buyers fail to pay current property taxes, they forfeit all rights to the property according to the County's contracts and ORS 275.190. We reviewed the Assessment and Taxation payment records for the 274 parcels under contract and found that 101 were delinquent in their property taxes. Seven of those properties were over three years delinquent and had begun a second round of foreclosure. In all, about \$316,000 in taxes, interest and penalties were owed on these 101 parcels. In the past, some contracts have been rewritten to include "new" delinquent taxes. The Tax Title Supervisor indicated that they have never cancelled a contract solely for non-payment of taxes.

Improve cash handling practices

We performed a random sample of the cash receipts. We found that only 41% of the receipts were deposited the same day received, 31% were deposited the next day, while 28% were deposited from 2 to 6 days after receipt. County Procedure 2303 requires daily deposit of cash receipts. Holding cash increases the risk of loss or theft and reduces interest earnings which we estimate at approximately \$500 per year based upon our testing of late deposits.

We also noted that receipts for checks received in the mail were mailed separately, rather than included in the next monthly statement. Receipts for payments received by mail could be sent only upon request, or included in the next month's statement, to reduce postage and handling.

In reviewing the cash receipt practices, we found very little segregation of duties. Good business and accounting procedures assign different people responsibility for authorizing transactions, recording transactions, and maintaining custody of assets. For example, it is difficult to maintain controls and accountability when nearly all the staff have access to cash collections, when the Supervisor is responsible for contract negotiations and the receivables computer system, and when the same person opens the mail, prepares bank deposits, and records receivables. It is often difficult to segregate these duties in a small office of only four staff.

RECOMMENDATIONS

1. To reduce its inventory of tax foreclosed properties, the Tax Title Section should:
 - a) Develop goals for disposing of properties in a timely manner, and a monitoring system to evaluate performance;
 - b) Work with County divisions such as Transportation and Parks and other jurisdictions to transfer title of properties more appropriately managed by them;
 - c) Periodically offer for sale all properties of value, making an effort to notify adjacent property owners of the sale.

2. To better dispose of tax foreclosed properties in an equitable and humane manner, the Tax Title Section should:
 - a) Work with County Counsel to develop policies for occupied tax foreclosed properties. These policies should provide additional guidance for working with other programs, such as the Public Guardian or the Department of Social Services;
 - b) Work with County Counsel to clarify state law regarding landlord-tenant status and tax exempt status of occupied properties;
 - c) Develop informative materials for former owners of foreclosed properties which clearly explain the timing and the process for repurchase.

3. To ensure that charges for contract purchases of property are appropriately and equitably applied, the Tax Title Section should:
 - a. Establish procedures on required and allowable charges, calculation methods, and for verification of accuracy;
 - b. Maintain documents in each contract file supporting the information and calculations used to determine the contract price;
 - c. Review the accuracy of its financial systems and correct its procedures for crediting payments of principal and interest.

4. To better manage contract collections and comply with state law, the Tax Title Section should:
 - a. Establish procedures for monthly review of all accounts receivable and for increased collection efforts;
 - b. Establish procedures for reviewing delinquent taxes on contracted properties under terms of the contract and ORS 275.190.

5. To better manage its assets and accounts receivable, the Tax Title Section should:
 - a. Deposit all receipts daily according to County procedures;
 - b. Consider mailing receipts for payments with the next month's billing statements;
 - c. Consider transferring cash collection and contract receivable recording duties outside the Tax Title Section to ensure adequate control over assets.

CHAPTER TWO

Managing County Facilities

The most visible of the properties that the County owns and maintains are the properties used to provide public services. These facilities include the Courthouse, the Justice Center, Blue Lake Park, and the Central Library. The County also owns land associated with its roads and adjoining its bridges. Several County agencies manage the specialized properties: parks and cemeteries by the Parks Division, Exposition Center by the Exposition and Fair Division, and roads and bridges by the Transportation Division. However, Facilities Management is responsible for the majority of the County's facilities and properties. Major buildings and properties are shown in the Appendix.

Improve reporting of facility conditions and maintenance needs

Multnomah County has over two million square feet of buildings with a total estimated replacement value of \$200 million. Over one-third of the County's building space is more than 70 years old. As they age, buildings require an increasing amount of maintenance to preserve their condition and value. Costs also escalate as an older building needs a heating system overhauled, an electrical system upgraded, a leaking roof replaced or when modifications are required by new regulations.

Some County buildings also face major structural work. Two major projects are the Central Library and the Courthouse, both constructed in 1912, and both needing well over \$10 million in work to meet today's structural codes. In reviewing other audits we also found that major repairs and deferred maintenance is a problem in both state and federally owned buildings.

Facilities Management recently updated its 1989 Multnomah County Space and Facilities Study. The update lists 17 significant capital improvement projects anticipated within the next two years.

Deferral of maintenance can be costly. Delays in repairs can result in more serious deterioration, and require more extensive and costly work. In addition to increased repair costs, deteriorated buildings may create working conditions which adversely affect employee productivity and the cost of County services. A federal audit found that deferred building repairs and alterations can threaten the health and safety of the employees and users of a facility.

The smaller capital improvement projects are generally addressed annually with the County Capital Improvement Projects (CIP) Committee. Spending is determined by a committee of managers from throughout the County who review, update, and prioritize facility needs. However, in recent years CIP Committee appropriations have been limited, dropping from \$1.4 million to less than \$700,000 in the past four years. For FY92-93 the committee did not accept any new projects because so many

projects had been deferred from the previous year, and so little money was available beyond what had to be used in courtroom remodeling.

In addition to the annual CIP process and the Space and Facilities Study, Facilities Management has gathered information on building roof conditions, the presence of asbestos, and a list of necessary projects to comply with the Americans with Disabilities Act of 1990.

Despite these various efforts, no comprehensive system currently exists to report the condition of the County's facilities and identify maintenance needs. Further, without this information it is difficult to anticipate future facility needs in order to develop a long-term maintenance plan for each facility. More comprehensive information would assist the CIP committee, the Board of County Commissioners, and Property Management in decisions about capital improvements and space acquisition. During the audit, Facilities Management started work on a survey to assess facility condition and inventory maintenance needs.

Improve and review the property inventory

Property Management is responsible for the acquisition and disposition of most of the County's real property. However, we could find no single, complete inventory of all County property. Instead, we found several different inventories. For example, Facilities Management updated a 1990 photo inventory of County buildings in 1991. That inventory included information on location, size, use, value, and some comments on maintenance, but did not contain account numbers used in Assessment and Taxation data. In addition, Facilities Management had inventories of buildings in the Space and Facilities study, the ADA plan, the roof survey, and others. Other inventories are kept by the Tax Title Unit, the Transportation Division, and the Parks Division. Assessment and Taxation files provided the most comprehensive listing of County-owned properties, but they generally do not contain information about which County division has responsibility for the property, or the County's specific use of the property.

A comprehensive inventory of properties that is regularly updated and reviewed could detect problems. When we compared the inventories we found omissions and duplications. An example is the Extension Service Office on S.E. 80th which has a long-term lease to Oregon State University to provide extension services to Multnomah County residents. This property, because of the lease, has generally been excluded from most lists of County property.

In addition, the Gresham Library was listed as a County building, but Assessment and Taxation reports that the deed was not successfully transferred and the Library Association of Portland is still the owner of record. Three cemeteries were not shown in Assessment and Taxation rolls as belonging to Multnomah County. We also found that the County is still listed as the owner of Ventura Park, even though Portland took over responsibility for maintaining it in 1986. Transfer of these properties were not the direct responsibility of Property Management.

Different organizations claimed ownership of some properties. A piece of property at 158th and Foster Boulevard was acquired in 1935, but there was some uncertainty whether it was purchased with General Fund dollars, Road Fund dollars, or through a tax foreclosure. Ownership becomes important if there are legal restrictions on the use of the property or proceeds from its sale.

There are also properties which are not currently being used, or are being used at what may be less than their full potential. Two such sites were identified in the 1992 Task Force report, particularly the properties at the Morrison Bridge Head on the west side of the Willamette River. Long term planning has not, to date, assessed the present versus future value of these properties to the County. Additionally, there are a number of smaller properties which may have little or no current or even future value to the County. A review of all properties, and disposal of those with little purpose, could reduce the number of properties for which the County is responsible.

Review leasing policies for county properties

We found two County properties being leased rent-free to for-profit organizations. The County leased a parcel of land under the Hawthorne Bridge to a neighboring business, which uses it for vehicle parking. According to the contract, this business uses the site at no cost. Further, this does not appear to be a public use and may result in the property no longer qualifying as tax-exempt, thus requiring tax payments on the value of the property.

Another example is a restaurant on the eighth floor of the Courthouse, which operates on a rent-free basis. In 1991, the County was to receive approximately \$2,580 annually from the restaurant. According to a Facilities manager, the restaurant lost money and the contract was renegotiated to a rent-free basis. As a result, the County is actually subsidizing restaurant operations. County personnel indicated there may be a convenience to the public in continuing such a facility in the Courthouse.

In 1977 the County encumbered five of its properties with perpetual leases to a non-profit organization, Janus Youth Programs. The five County-owned properties are being leased rent-free until 2076, which is 99 years from the agreement date - the legal interpretation of perpetuity in Oregon. Under the terms of the agreement, the County must also maintain the properties free of charge. The County cannot sell or otherwise dispose of the property until 2076 without replacing it. This restriction complicated recent property sales when a suitable replacement for the non-profit property could not be found. As a result, the County renegotiated the sale and gave up additional land in the transaction.

The County also has rent-free agreements with other non-profit organizations which provide services to the community. In one instance, the County provides a 19,000 square foot building rent-free and rents nearly 12,000 square feet of additional space nearby. The rented space costs the County \$95,000 per year. These rent-free arrangements are not shown in the County budget to reflect the full cost of programs.

RECOMMENDATIONS

1. To better maintain the County's real property holdings, to better plan for major capital improvement projects, and to assist in space planning, Facilities Management should:
 - a. Provide a comprehensive listing of facility condition and needs to the Board of County Commissioners as a basis for projecting future maintenance needs and estimated costs.
2. To better manage its properties, Property Management should:
 - a. Work with Assessment and Taxation to use information on the Tax Rolls data base as a comprehensive property inventory for County management purposes;
 - b. Periodically review the inventory to identify properties which have no current or imminent purpose and which should be sold or disposed of;
 - c. Monitor Assessment and Taxation rolls to detect unsuccessful property transfers.
3. To maximize earnings, reduce liabilities, and capture full costs on County property, Property Management should:
 - a. Regularly review all leases and leasing procedures to ensure full compensation for use of County property;
 - b. Establish procedural rules that weigh the public cost as well as public good of long term encumbrances on County property;
 - c. Determine all costs associated with use of County property.

APPENDIX

Buildings and Major Properties excludes some Road Fund properties

Facility	Location	Assessed Value
Animal Control	24450 West Columbia	1,102,100
Bridge Maintenance	1403 S.E. Water	403,700
County Courthouse	1021 S.W. Fourth	10,816,200
Juvenile Justice Facility	1401 N.E. 68th	6,692,100
Edgefield Properties, MCCF, Janus	1400 West Columbia River Highway	6,334,400
Elections	1040 S.E. Morrison	660,900
Extension Service	211 SE 80th Avenue	205,900
Ford Building	2505 S.E. 11th	1,325,200
Gresham Neighborhood Center	620 N.E. 2nd, Gresham	1,502,700
Hansen Buildings	12240 N.E. Glisan	1,931,300
Hooper Detox	20 N.E. Martin Luther King Boulevard	659,400
Inverness Jail	11540 N.E. Inverness Drive	10,331,400
Janus Houses (4)	Clackamas, Hawthorne, Taylor, Northrup	618,300
Justice Center	1120 S.W. 3rd Avenue	31,264,100
Kelly Building	4747 East Burnside	1,946,100
McCoy Building (formerly Gill)	426 S.W. Stark	3,339,000
Mead Building	421 S.W. 5th Avenue	2,283,200
Medical Examiner/Morgue	301 N.E. Knott	419,000
Mid-County Clinic	12710 S.E. Division	1,978,600
Morrison Building	2115 S.E. Morrison	3,554,100
Motor Pool and Morrison Parking	SW 1st, 2nd and Alder	3,573,700
Portland Building (lease hold interest)	1120 S.W. 5th Avenue	2,815,600
Probation Field Central	421 S.E. 10th	432,700
River Patrol	4325 N.E. Marine Drive	1,023,000
Road Shops (3)	Skyline, Springdale, SE 190th	1,680,700
S.E. Clinic	3653 S.E. 34th	1,226,000
Wickman Building	4424 S.E. 64th	188,500
Work Release Center	1115 S.W. 11th	1,514,500
Yeon Shops, Vance Pit	SE 190th	14,196,200
Total		\$114,018,600.00

Libraries

Facility	Location	Assessed Value
Library Administration Site/Bookstore/Bookmobile Garage	205 North Russell/216 N.E. Knott	2,312,400
Albina Library	3605 N.E. 15th	Leased
Belmont Library	1038 S.E. 39th	108,600
Capital Hill Library	10723 S.W. Capital Highway	358,700
Central Library	801 S.W. 10th	4,201,800
Gregory Heights Library	7921 N.E. Sandy	430,000
Gresham Library	385 N.W. Miller	1,215,100
Hillsdale Library	1550 S.W. Dewitt Street	373,200
Holgate Library	7905 S.E. Holgate	291,400
Hollywood Library	3930 S.E. Hancock	290,000
Midland Library	805 S.E. 122nd	458,700
North Portland Library	512 North Killingsworth	233,700
Old Town Reading Room	219 N.W. Couch	Leased
Rockwood Library	17917 S.E. Stark	505,700
St. Johns	7510 N. Charleston	201,500
Sellwood Library	7904 S.E. Milwaukie Avenue	100,300
Woodstock Library	6008 SE 49th Avenue	244,900
Total		\$11,326,000.00

Parks and Cemeteries

Facility	Location	Assessed Value
Bell View Point Park	Southeastern tip of Sauvie Island	139,700
Blue Lake Park	223rd & NE Marine Drive	5,631,600
Brainard Cemetery	NE 89th Avenue & Glisan Street	95,400
Bybee House - Howell Park	Sauvie Island	561,400
Columbia Pioneer Cemetery	NE Sandy Boulevard & NE 99th	731,800
Dickenson Park	SW 55th & Alfred Court	140,000
Douglas Cemetery	Hensley Road & SE 262nd Avenue	161,400
East Lynchwood Park	SE 174th & Haig Street	324,100
Escobar Cemetery	SW Walters Road & Little Page Road	1,500
Exposition Center	2060 North Marine Drive	6,224,000
G.A.R. Cemetery	SW Boones Ferry Road & Primrose	157,800
Gary & Flagg Island	E. confluence of Sandy & Columbia	101,000
Gilbert Heights Park	SE 130th & Boise Streets	200,400
Gilbert Primary Park	SE 134th & Foster Road	127,600
Glendoveer Golf Course	NE 141st & Glisan	4,815,300
Gresham Pioneer Cemetery	SW Walters, Gresham	11,200
Holladay Neighbor Park	128th & Holladay	201,300
Indian John Island	Sandy River	153,000
Jones Cemetery (aka Mt. Zion/Sylvan)	SW Hewitt Blvd. & SW Humphrey	103,700
Larch Mountain Corridor	Larch Mountain	453,900
Lincoln Park	SE 135th & Stephens Place	307,700
Lynchview Park	SE 165th & Market Street	308,900
Mason Hill School Park	NW Johnson & Munson Road	9,900
Mountain View Cemetery (aka Evans)	Smith Road & Evans Road, Corbett	43,500
Mountain View Cemetery-Stark	SE 257th & Stark	20,900
Multnomah Cemetery	SE 82nd Avenue & SE Holgate Blvd.	613,800
Multnomah Channel Park	Willamette River	34,500
North Powellhurst Park	SE 137th & Main Street	143,900
Oxbow Park	Sandy River	2,476,500
Parklane Park	SE 155th & Main Streets	169,700
Pleasant Home Cemetery	Bluff Road & Pleasant Home Road	41,300
Powell Grove Cemetery (aka Central)	NE Sandy Blvd & NE 122nd Avenue	5,000
Raymond Park	SE 188th and Raymond	162,600
Vance Park*	SE 182nd and Mill Street	743,800
White Birch Cemetery	SW Walters Road, Gresham	no value available
Undeveloped & Natural Areas*		620,400
Total		26,038,500.00

* may include some Road Fund properties

Responses to the Audit



MULTNOMAH COUNTY OREGON

COUNTY CHAIR'S OFFICE
H. C. Miggins, Acting Chair
1120 S.W. 5th, Room 1410
Portland, Oregon 97204
Phone (503) 248-3308

May 12, 1993

Gary Blackmer, Auditor
Multnomah County
1021 S.W. 4th Avenue, Rm 136
Portland, Oregon 97204

Dear Mr. Blackmer:

Thank you for your very thorough audit on the Management of County Properties. I appreciate the efforts you and your staff put into this report.

I have directed the department manager to give this audit, and the concerns identified in it, a high priority. The overall function of Property Management has been an area where we believe improvements are needed, as indicated by the former department manager's request for this audit. I supported that request and expect prompt action on the problems in the audit.

I have reviewed the attached comments from Betsy Williams, Director, Department of Environmental Services, and F. Wayne George, Director, Facilities and Property Management. I support these efforts and will monitor them with the expectation of reporting the status to you and the Board within six months.

Sincerely,

Hank Miggins
Acting Chair



MULTNOMAH COUNTY OREGON

DEPARTMENT OF ENVIRONMENTAL SERVICES
DIVISION OF FACILITIES AND
PROPERTY MANAGEMENT
2505 S.E. 11TH AVENUE
PORTLAND, OREGON 97202
(503) 248-3322

MEMORANDUM

TO: HANK MIGGINS, ACTING COUNTY CHAIR

FROM: BETSY WILLIAMS, DIRECTOR *BH Williams*
DEPARTMENT OF ENVIRONMENTAL SERVICES

F. WAYNE GEORGE, DIRECTOR *F. Wayne George*
FACILITIES AND PROPERTY MANAGEMENT

DATE: May 11, 1993

RE: **RESPONSE TO AUDIT ON THE MANAGEMENT OF COUNTY PROPERTIES**

As you know, this audit was requested by former DES Director Paul Yarborough last fall. Property Management, and in particular the Tax Title unit, have been of concern to both DES as well as the Board of County Commissioners. This audit provides a comprehensive review of the entire program and the recommendations contained within it will be invaluable in improving the overall management of the unit.

Addressing the issues in the audit report are a high priority of Facilities and Property Management and DES Administration. A project team will be created, including staff from Tax Title, Assessment and Taxation, and DES Administration to implement the audit recommendations and make other identified improvements.

Following is a response to the specific audit recommendations. Audit recommendations appear below in bold type; responses follow each recommendation.

Chapter One Recommendations - Page 13

1A

Develop goals for disposing of properties in a timely manner, and a monitoring system to evaluate performance.

Tax Title Section will improve existing policies and procedures for disposing of foreclosed property. Emphasis will be placed on shortening the time required for disposition, in order to maximize revenue potential to the County. Revised procedures will be submitted for appropriate approval by July 1, 1993.

1B

Work with County Divisions such as Transportation and Parks and other jurisdictions to transfer title of properties more appropriately managed by them.

Tax Title is in the process of identifying tax title properties which appear to be more appropriately managed by other County Divisions or other jurisdictions. Transfer of these properties to other entities, where deemed appropriate, will be completed December 31, 1993.

1C

Periodically offer for sale all properties of value, making an effort to notify adjacent properties of the sale.

Tax Title currently offers for sale at its scheduled auctions most of the properties which are available for sale and which are reasonably marketable. Legal notice of a property auction is presently given, including direct notices to adjacent owners in instances where specific properties may not be generally marketable, but may have potential value to adjacent owners.

2A

Work with County Counsel to develop policies for occupied tax foreclosed properties. These policies should provide additional guidance for working with other programs such as the Public Guardian or the Department of Social Services.

The Department and the Division agree that this issue is a high priority for resolution. Tax Title has already begun working with County Counsel to develop policies for dealing with unauthorized occupants of tax title properties, including a process for handling those identified as "Exceptional Cases" under the provisions of Ordinance 560 with assistance of other agencies. The proposed policies will be submitted for appropriate approval by August 1, 1993.

2B

Work with County Counsel to clarify state law regarding landlord-tenant status and tax exempt status of occupied properties.

Tax Title has previously requested and received comment from County Counsel regarding landlord-tenant status of occupied tax title properties. Tax Title will request expansion of the opinions earlier received and an opinion as to tax exempt status of such properties by July 1, 1993 and develop appropriate policy, as necessary, to avoid detrimental consequences identified by the opinions of County Counsel within one month of such opinions.

2C

Develop informative materials for former owners of foreclosed properties which clearly explain the timing and process for repurchase.

Tax Title is currently developing internal procedures and public information materials concerning repurchase of tax title properties by former owners, which was developed with assistance from County Counsel. This information will be available for distribution upon completion.

3A

Establish procedures on required and allowable charges, calculation methods, and for verification of accuracy.

Tax Title, with assistance from the Fiscal Specialist 2 in DES Administration, will improve its present procedures for calculation and verification of contract purchase charges. These procedures will be completed and computerized no later than August 1, 1993.

3B

Maintain documents in each contract file supporting the information and calculations used to determine the contract price.

All current contract files will be reviewed to ensure they contain proper documentation of calculations and supporting data on contract purchases. Such documentation will also be included and retained in all future property sale files.

3C

Review the accuracy of its financial systems and correct its procedures for crediting payments of principal and interest.

Tax Title will establish procedures for crediting payments of principal and interest and will review the crediting process at prescribed intervals to ensure effectiveness of the procedures by June 1, 1993. Staff support will be provided by DES Administration to implement these procedures.

4A

Establish procedures for monthly review of all accounts receivable and for increased collection efforts.

Tax Title will update written procedures for monthly review of accounts receivable, notification to contract purchasers and collection steps in cases of default and submittal to the Board of County Commissioners for cancellation of all contracts in default for stated period of time. These procedures will be submitted for appropriate approval by August 1, 1993.

4B

Establish procedures for reviewing delinquent taxes on contracted properties under terms of the contract and ORS 275.190.

Tax Title will revise written procedures for annual review of all contract purchase properties for delinquent taxes, notices of default to owners of tax delinquent properties and submit findings to the Board of County Commissioners for cancellation of all contracts in default for a stated period of time. These procedures will be submitted for appropriate approval no later than August 1, 1993.

5A

Deposit all receipts daily according to County procedures.

Tax Title has already implemented this recommendation and is depositing money in the appropriate financial institutions on a daily basis, in accordance with County procedures.

5B

Consider mailing receipts for payments with the next month's billing statements.

Tax Title is exploring the feasibility of this recommendation and will implement if appropriate.

5C

Consider transferring cash collection and contract receivable recording duties outside the Tax Title Section to ensure adequate control over assets.

Tax Title will identify the possibility of transferring the contract collections and accounting duties to an appropriate County entity. Recommendations concerning this possible transfer will be prepared by August 1, 1993.

Chapter Two Recommendations - Page 17

A1

Provide a comprehensive listing of facility condition and needs to the Board of County Commissioners as a basis for projecting future maintenance needs and estimating cost.

With the assistance of the Auditors Office, this Division developed a facility condition form and surveyed all County owned facilities. This survey is near completion, and the completed report will be ready for distribution by the end of June 1993.

B1

Work with Assessment and Taxation to use information on the Tax Rolls data base a comprehensive property inventory for County management purposes.

The Facilities and Property Management Division will begin revising its present property inventory based on information collected from the Tax Rolls data base. Commencement of this inventory will begin by July 1, 1993.

B2

Periodically review the inventory to identify properties which have no current or imminent purpose and should be sold or disposed of.

Property Management will annually, beginning in July 1993, review the inventory of County owned properties and recommend disposition of those with no apparent or current purpose.

B3

Monitor Assessment and Taxation rolls to detect unsuccessful property transfers.

Property Management will, as a matter of routine, monitor and peruse Assessment and Taxation rolls for unsuccessful property transfers.

C1

Regularly review all lease and leasing procedures to ensure full compensation for use of County Property.

Property Management will carefully review all matters of compensation for leased properties and prepare a new Administrative Procedure for this purpose by August 1, 1993.

C2

Establish procedural rules that weigh the public cost as well as public good of long term encumbrances on County Property.

The Facilities and Property Management Division will work with Department Administration to establish procedural rules describing public cost and public good. Work will be complete by July 1, 1994.

C3

Determine all cost associated with use of County Property.

A cost accounting system for County property is currently being developed and will be complete for use in the 1994/95 budget process.

The Department of Environmental Services and the Division of Facilities and Property Management acknowledge the efforts of the Auditor's Office and appreciate their recommendations. Past audits of the Facilities and Property Management Division have been beneficial and have resulted in positive changes, and we are certain that this audit will be no exception.