

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 04-028

Accepting the Report of the Courthouse Blue Ribbon Steering Committee and Creating Work Groups to Continue the Good Work of the Committee

The Multnomah County Board of Commissioners Finds:

- a. Resolution 01-114 commissioned a study to determine whether to proceed with renovating the Multnomah County Courthouse. The resulting report, issued June 2002, concluded that the Multnomah County Courthouse “is an historic and handsome building that should and can be preserved through an aggressive renovation program...renovation of the building would be feasible and should be pursued.”
- b. The June 2002 report also concluded, “As part of the long-term court space strategy, establishing some limited-service courts in Gresham would increase convenience to East County residents.”
- c. A Courthouse Blue Ribbon Steering Committee was convened in August 2002 with the mission of “developing a comprehensive, clear, sustainable, and cost-effective strategy for meeting Multnomah County’s court facilities needs for the next 40 years.”
- d. The Blue Ribbon Committee’s Courthouse Recommendations, issued December 2003, include:
 - 1) A new courts facility within the existing downtown Portland Government Center to accommodate the Multnomah County court and supporting County functions for the next 25 years.
 - 2) Renovation of the vacated historic courthouse. Addressing the structural and seismic issues, and remodeling the facility to accommodate other County functions.
 - 3) Creation of a consolidation plan for existing downtown County facilities such as the Portland, Mead, McCoy, Commonwealth and Multnomah Buildings, and Justice Center plus additional 40 year needs.
 - 4) A four courtroom facility with expansion capability to six courtrooms in East County/Gresham.
 - 5) Address the structural, seismic, and deferred maintenance issues at the Justice Center.

- e. Both Courthouse reports agree that delaying renovation of the courthouse would be costly and risky, posing significant potential liabilities on Multnomah County's judicial operations, as well as all users of the Courthouse; and that Multnomah County can no longer continue to ignore the courthouse issue simply because it involves an expensive and complicated long range solution.
- f. Almost 70% of Facilities & Properties Management Division's deferred maintenance and seismic needs result from the historic Courthouse and the Justice Center.

The Multnomah County Board of Commissioners Resolves:

- 1. The work of the Courthouse Blue Ribbon Steering Committee is commended, and the attached report of the Committee is accepted with thanks and gratitude for the many, many hours of work the members of the Committee have contributed and for the creative solutions the Committee members have devised towards resolving the courthouse issue.
- 2. The leadership of Chair Diane Linn and Commissioner Maria Rojo de Steffey, Chairman and Vice Chair respectively, of the Courthouse Blue Ribbon Steering Committee, is also commended.
- 3. The County will build upon and continue the good work of the Committee by creating a work group to be co-chaired by Commissioner Maria Rojo de Steffey and Chair Diane Linn to make specific recommendations with options and a cost benefit analysis regarding land acquisition for a new downtown Portland court facility. The work group's recommendations will include site proposals, and viable financing strategies for land acquisition.
- 4. The County will build upon and continue the good work of the Committee by creating a work group to be chaired by Commissioner Lonnie Roberts to make specific recommendations with options and a cost benefit analysis regarding a new East County justice facility. The recommendations will include site proposals, partnership potentials, and viable financing strategies for land acquisition, facility construction and related costs.
- 5. The County will build upon and continue the good work of the Committee by creating a work group to be chaired by Chair Diane Linn to:
 - a) Recommend viable financing strategies for:
 - i) the construction of a new downtown facility
 - ii) the renovation of the historic Courthouse
 - iii) necessary upgrades to the downtown Justice Center; and

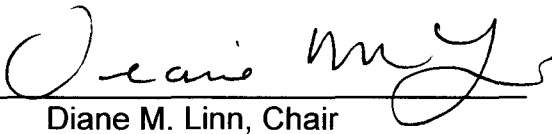
- b) Examine the potential of:
- i) relocating the County Seat into a renovated historic Courthouse; and
 - ii) conveying to the State the obligation to provide courtrooms, jury rooms and offices for the Multnomah County Circuit Court.

6. The Chair is requested to direct staff to assist the work groups.
7. The work groups shall report back, together or individually, to the Board of County Commissioners for further consideration within twelve months for the Board to adopt a preliminary planning proposal[s].
8. The County will follow Board adopted policies on capital construction.

ADOPTED this 11th day of March, 2004.

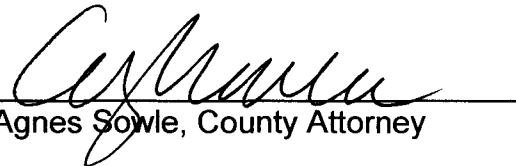


BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON


Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 
Agnes Sowle, County Attorney

Courthouse, Stearns

Recomm

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Facilities & Property Management Division
Asset Management Section
Department of Business and Community Services
Multnomah County, Oregon

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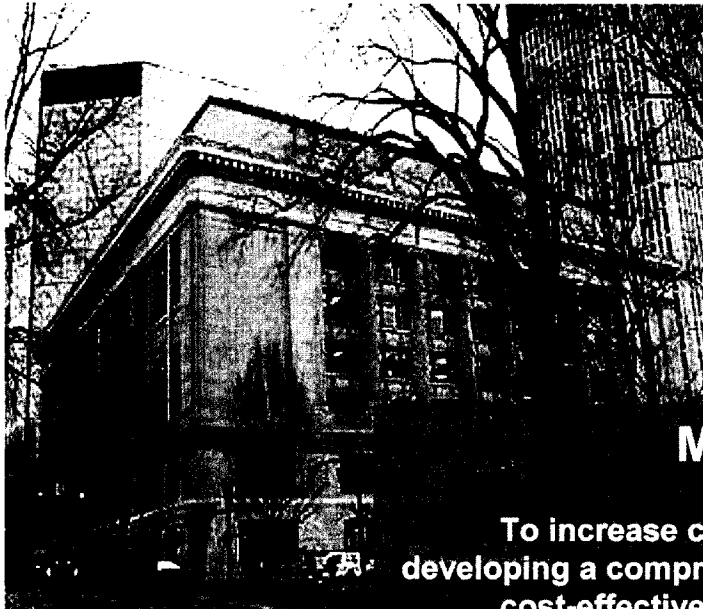
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MISSION STATEMENT:

To increase community safety and security by developing a comprehensive, clear, sustainable, and cost-effective strategy for meeting Multnomah County's court facilities' needs for the next 40 years.

This strategy should add to the economic vitality of downtown Portland and East County; include other County facilities needs which can be addressed in conjunction with the court facilities, and be approvable by the voters.

Courthouse Blue Ribbon Steering Committee

Members:

Chairman – Diane Linn

Multnomah County Chair

Vice Chair – Maria Rojo De Steffey

Multnomah County Commission, District 1

Bernie Guisto, Multnomah County Sheriff

Dale Koch, State Court Presiding Judge

Doug Bray, State Court Administrator

Pat LaCrosse, Retired

Dan Petrusich, President, Melvin Mark Development Company

Mike Schrunk, Multnomah County District Attorney

Edward Harnden, Oregon State Bar Association

Chuck Becker, Mayor, City of Gresham

Mike Salsgiver, Portland Business Alliance

Robert Neuberger, Multnomah County Bar Association

Nohad Toulon, Portland State University, Dean, College of Urban Affairs

Sam Brooks, Chairman, Oregon Association of Minority Entrepreneurs

Mary Jo Briggs, Manager, City of Fairview

Don Eggleston, President, SERA Architects

Jim Hennings, Director, Metropolitan Public Defender

Multnomah County Technical Advisors:

Doug Butler, Director, Facilities & Property Management

Pam Krecklow, Courthouse Assistant Planner

Duke Shepard, Chair's Office Representative

Dave Boyer, Chief Financial Officer

Joanne Fuller, Director, Department of Community Justice

Gina Mattioda, Director, Public Affairs



Conclusion:

**Introduction
Recommendation
Action Plan/
Timeline**

Introduction:

The challenge of the Multnomah County Courthouse is to balance historical significance with today's public safety requirements; while addressing the building's physical, functional, and operating limitations; as County obligations are being managed with limited financial resources. Taken individually these aspects can be overwhelming, combined they provide the County with an extremely complex, multifaceted situation for which there is no simple or easy solution.

Given the 30 year history surrounding the Courthouse issue, the Courthouse Blue Ribbon Steering Committee is acutely aware that merely providing the County Board of Commissioners a one dimensional solution statement will not offer adequate direction. So in an attempt to provide the most executable plan to date, the Committee has designed a foundation framework for the planning of court related activities envisioned for the next 40 years. This recommendation is followed by an action plan that describes a step by step process for how to meet the substantial objectives and the committee's analysis of present commitments, future obligations, and an examination of the intertwining relationship that exists between court functions and other County facilities.

It is the Committee's goal that the County Board take the actions proposed within this report as a means by which County Government can facilitate its primary role to provide adequate public safety for its citizens while planning for future needs.

Recommendation:

It is the conclusion of the Courthouse Blue Ribbon Steering Committee that Multnomah County can no longer continue to ignore the courthouse issue simply because it involves an expensive and complicated long range solution. It is imperative that the County commits to a solution, makes it a priority, and starts working towards answers to the age old quandary the courthouse provides. The Courthouse Blue Ribbon Steering Committee is proposing that the County accept its recommendation as a long range framework that provides the most plausible and flexible solution to the County's most difficult and complex problem to date.

The complete recommendation is an integrated, multi-phased plan that starts with addressing the 25 year needs and ends by fulfilling the full 40 year needs. The plan includes entering into partnerships for assistance with planning and acquisition, construction of two new court facilities, preserving significant county assets such as the historic courthouse, and consolidating county functions. The recommendation is broken out below and is followed by a complete action plan and timetable that examines financial, timing, and consolidation elements. The Committee worked toward a plan that creates the greatest amount of flexibility while also providing the necessary momentum to keep the project moving forward to the realization of the 40 year goal.

a. Objectives –

- ❖ A new courts facility within the existing downtown Portland Government Center to accommodate the Multnomah County courts system and supporting County functions for the next 25 years.
- ❖ Renovation of the vacated historic courthouse. Addressing the structural/seismic issues and remodeling facility to accommodate other county functions.

- ❖ Creation of a consolidation plan for existing downtown County facilities such as the Portland Building, Mead, McCoy, Commonwealth, Multnomah, and Justice Center plus additional 40 year needs.
- ❖ A four courtroom facility with expansion capability to six courtrooms in East County/ Gresham.
- ❖ Address the structural, seismic, and deferred maintenance issues at the Justice Center.

b. Timing -

The Committee is recommending a phased development in order for the County to have flexibility in implementation. Each stage can be altered, overlapped, or completely incorporated into another phase if major funding sources were located or project elements were to be combined or shifted to meet County needs at any given time.

Initial Phase (6 Months to 2 years) – Develop master plan and initiate site acquisition

Phase One (2 to 5 years) – Planning, designing, and financing of new facilities

Phase Two (5 to 10 years) – Build to accommodate 25 year need in downtown Portland and Gresham

Phase Three (11 to 25 years) – Complete long term 40 year goals

c. Financing -

After a thorough examination of the financial scenario, the Committee is proposing the following three tiered financing package as a possible solution to the funding question.

• Public partnerships

There are four potential public partners for this substantial undertaking, The Portland Development Commission, the State of Oregon, the Federal Government, and the City of Gresham. The Committee is recommending that the County enter into a partnership with the Portland Development Commission for assistance with consolidation and site acquisition. A possible State/Federal partnership could include grants or legislation for reimbursement of construction costs, pre-disaster mitigation, or security opportunities. A partnership with the City of Gresham could include assistance with site acquisition and financing alternatives for an East County Courts Facility.

• General Obligation Bond Issuance

In order for this plan to see fruition, it will be necessary to issue a General Obligation bond to cover the cost of constructing the Portland and Gresham court facilities. The exact amount of the bond will depend on the outcome of State/Federal participation but it is assumed a bond will be necessary for around \$80 million. The plan currently calls for a ballot measure in 2006, if feasible. This timing and budget will need to be reanalyzed as the plan gets implemented and additional opportunities/needs are established.

- **County savings**

The last tier of the financing package falls upon the County's General Fund. The County has the ability to issue full faith & credit bonds which are paid back from the debt service portion of the General Fund. However, current constraints on the General Fund do not make this scenario plausible, in the near future, without a plan in place to accommodate for the additional debt burden. So the Committee is providing three potential financing/ savings opportunities the County could implement.

1. The Committee's concept has the County's portion of funding being required toward the end of the process rather than the beginning so timing could correspond with a drop in County debt service coming in 2011 and 2014. If current debt levels are maintained, new bonds could be issued in like amounts with the proceeds available for this project.
2. Any revenue from the sale of surplus property or consolidated buildings could be placed in a designated building fund as a means to lower the amount the County would need to provide from the General Fund.
3. Acquired parking, lease savings, and other on-going operational savings from consolidation could be used to pay the debt service on new full faith & credit bonds.

If these elements were implemented the County would be able to decrease the amount of full faith and credit bonds thus reducing debt service payments from the General Fund.

Action Plan/Timeline –

The following steps are designed to provide the County with a foundation from which to build to meet the specified objectives.

Step 1: Approval of Recommendation

Time Frame: February 2004

- ☐ County Board accepts Courthouse Blue Ribbon Steering Committee's recommendation

Step 2: Partner with Portland Development Commission

Time Frame: February 2004 – December 2007

- ☐ Sign MOU with PDC for development consulting services (February 2004)
- ☐ Financial assistance for phase one and part of phase two
- ☐ Downtown County Facility Master Plan in conjunction with PDC
Development of 4 blocks for new urban revitalization and inclusion of existing Courthouse, Mead, McCoy and Justice Center buildings for additional downtown urban renewal

Step 3: Site Acquisition

Time Frame: 2004 - 2005

- ☐ Acquisition of Downtown Property in trade for Morrison Bridgehead property (PDC)
- ☐ Gresham Siting Analysis and land Acquisition

Step 4: Design

Time Frame: 2004 - 2006

- ☐ Enter into Architect/Engineering Contract
- ☐ Create Building standards and programming requirements
- ☐ Conceptual Design completed for finance marketing

Step 5: Financing

Time Frame: 2005 – 2006

- ☐ Polling for Courthouse Construction Ballot Measure
- ☐ Mass marketing tools
- ☐ Public Meetings
- ☐ Ballot Measure for approximately \$80 million GO Bond
(Without State/Federal legislature participation amount would be approx. \$170 million)

(Non Passage of ballot measure would halt project at this point)

Step 6: Construction

Time Frame: 2006 – 2010

- ☐ Enter into Construction Contracts
- ☐ Construct new Gresham facility
- ☐ Construct new downtown Portland facility

Step 7: Consolidation

Time Frame: 2011 – 2020

- ☐ Public Safety Improvements (Justice Center)
- ☐ Move Courts into new courts facility
- ☐ Execute Consolidation plan for County facilities
 - Remodel Historic Courthouse
 - Move/Consolidate County functions
- ☐ Sale of excess county buildings

Step 8: Implementation of Long Term Plan

Time Frame: 2020 – 2030

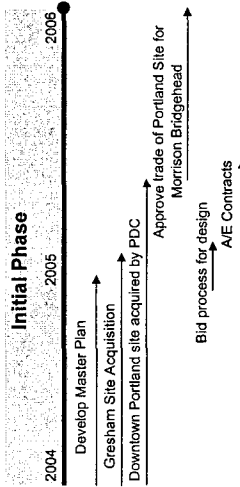
- ☐ Create Court space for additional 20 years

Courthouse Blue Ribbon Steering Committee Action Plan Timeline

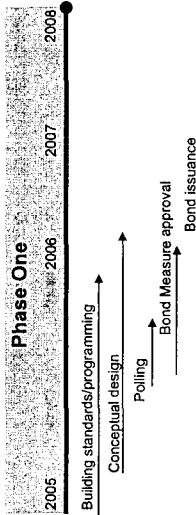
October 2003



Formal acceptance of
recommendation
Sign MOU for partnership
with PDC

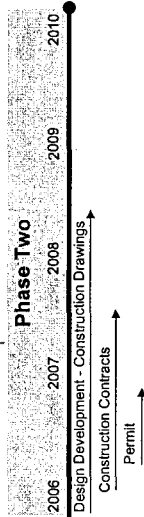


\$300,000
\$2,000,000

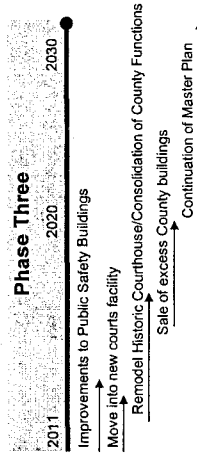


\$16,750,000
(A/E Phased Contract)

\$300,000.00
Included in A/E Contract
\$150,000.00
\$500,000.00

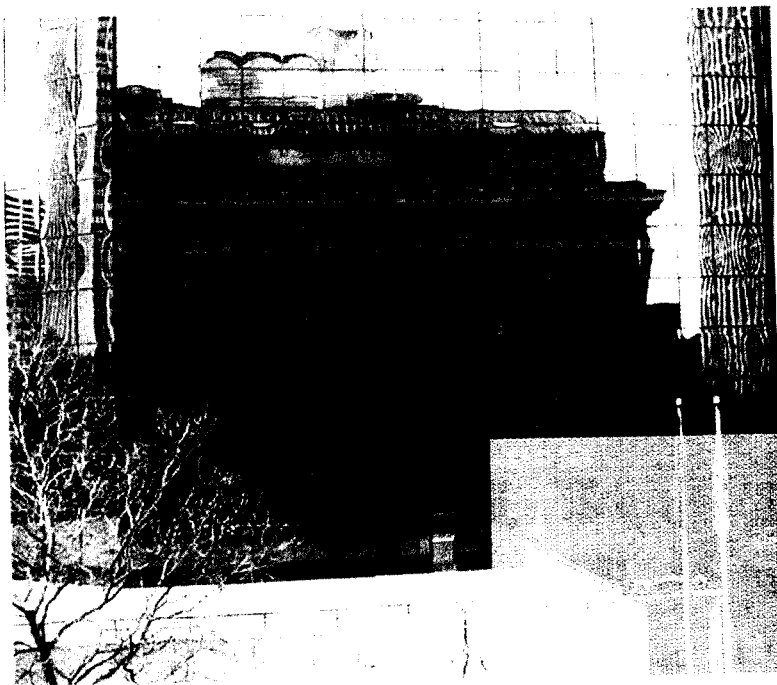


Phase II A/E Contract
\$200,000
\$149,800,000

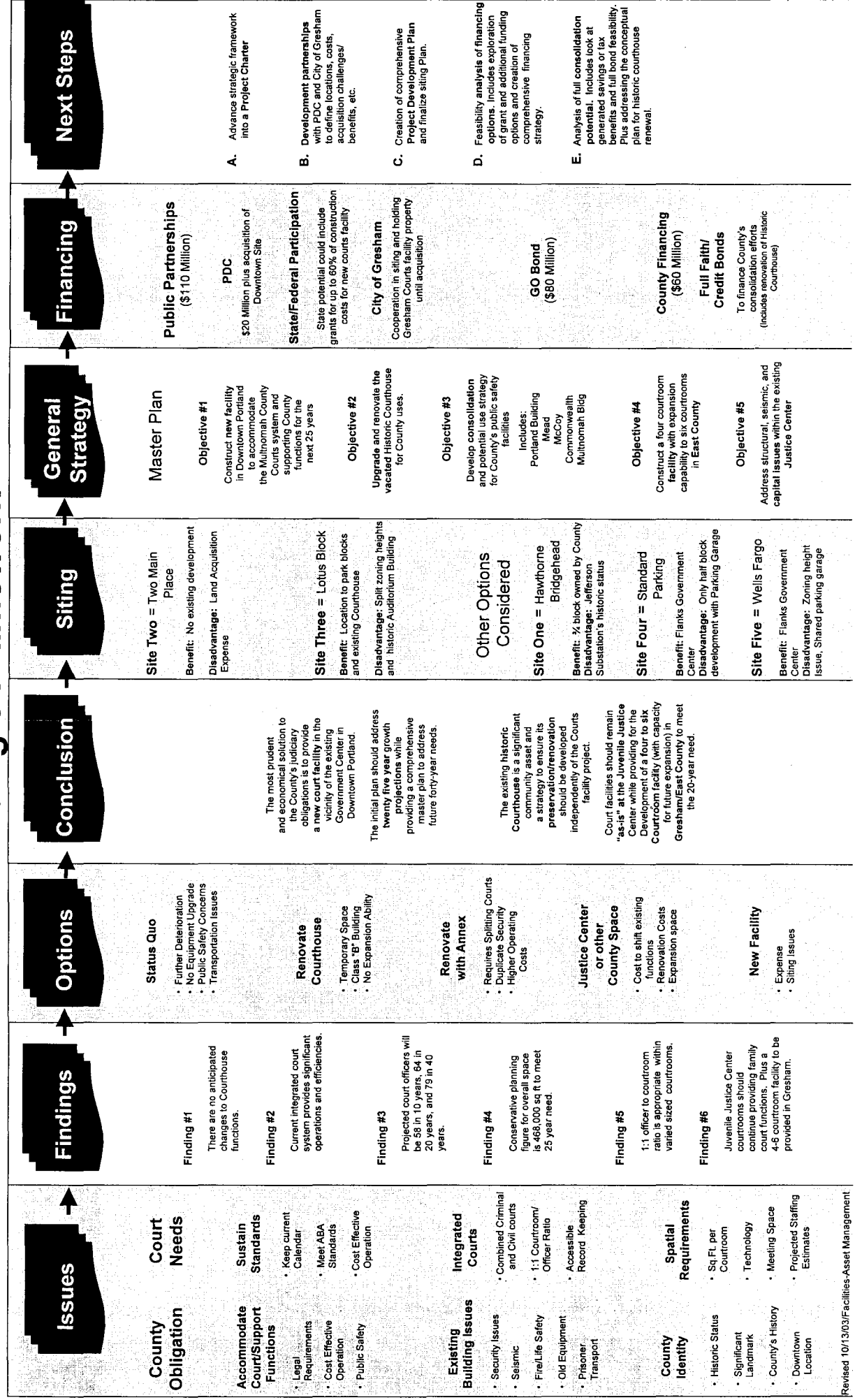


\$20,000,000
\$80,000,000
= Revenue

Yearly Cost Estimates	2004	2005	2006	2007	2008	2009	2010	2011	2020	2030	Grand Total
	\$3 M	\$3 M	\$12 M	\$2M	\$150 M			\$20 M	\$80 M		\$250,000,000
			Potential PDC Partnership \$20,000,000					Potential State/Federal Funding \$90,000,000 GO Bond \$80,000,000	County Financing		



Courthouse Blue Ribbon Steering Committee Strategic Framework



Key Assumptions/Findings -

Throughout its process, the Committee endeavored to challenge all previously conceived ideas, solutions, and assumptions as a means to meet their goal of providing a comprehensive solution to all courthouse and related issues. As the Committee progressed, key assumptions were made as a means to create a foundation for the findings that resulted. This section of the report provides a listing of the committee's key assumptions and recommendations which stem from the comprehensive study of the issues. The last chapter of the report provides a more detailed breakdown of the Committee's thought process and conclusions.

Below is short sample of the assumptions. The following pages contain a matrix of the committee's findings and the resulting conclusion.

The Committee's objective was to develop a strategy to provide for Court facility needs for the next 40 years. In order to reduce capital costs and to provide the most flexible strategy, it would be more economically feasible to address the 25 year court needs, and incorporate the 40 year needs into a master plan.

It is essential to maintain a strong, central core for the court system in the downtown Portland "Government Center" but there will be continuing court needs which should be addressed outside of that core, such as at the Juvenile Justice Center and in Gresham.

Given the existing Courthouse's age, physical constraints, structural/equipment issues, and future judicial projections, the Courthouse Blue Ribbon Steering Committee finds the existing courthouse is past its functional lifespan and insufficient to accommodate the County's court system.

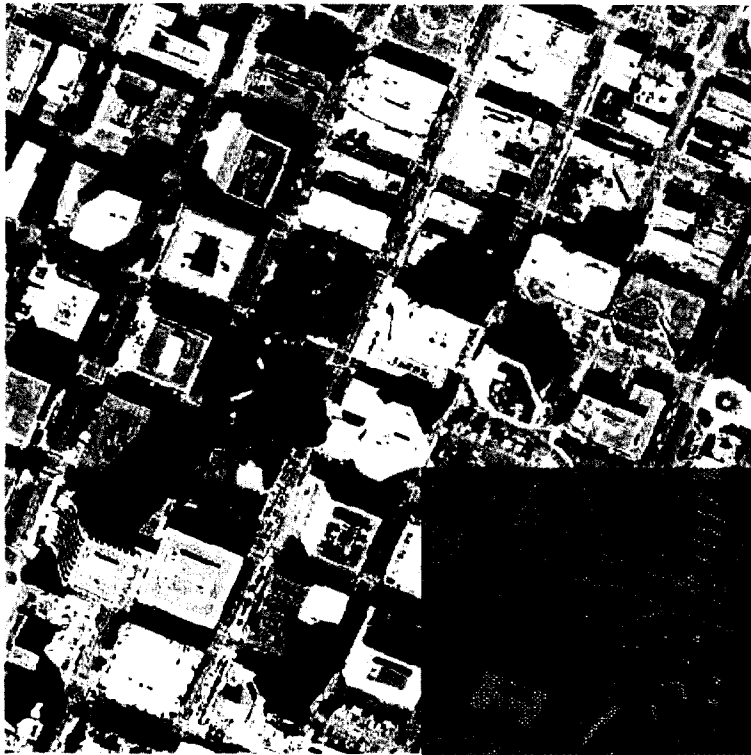
The Courthouse Blue Ribbon Steering Committee agrees with previous report findings and upon consideration of current zoning requirements, transportation constraints, and court growth projections concur with HOK that even a remodeled building will not meet current or long range court requirements. Therefore, given the physical limitations of both the building and site, the Committee recommends a new court facility to house the Multnomah County Court System.

The historic Courthouse is a significant community asset and a strategy to ensure its preservation/renovation should be developed independently of the new courts facility.

No matter how the Courthouse project is divided, split, or broken out it is going to cost the County at least \$250 million. The Committee worked diligently to come up with a solution to get the overall estimates under that figure. Potential scope cuts were considered and creative solutions were developed to reduce costs but these lowered estimates were offset by increases in the range of issues (e.g., Justice Center maintenance/seismic needs.) The only way to get the estimates down within plausible limits is to address the scope in palatable phases.

Finding		Conclusion
A	There are no anticipated changes in primary or basic courthouse functions	A court facility should reflect an efficient and highly flexible design that anticipates significantly more technology support as well as enhanced safety, security, and prisoner transportation measures
B	The current integrated criminal/civil court system provides significant operations and facility efficiencies	Civil and criminal courts should not be segregated
C	In spite of the current economic situation the court system will continue to expand	Court planning projections should provide facilities for 58 Court officers in 10 years, 64 in 20 years, and 79 in 40 years
D	Currently all judges are assigned to their own individual courtroom but there is a need for different sized courtrooms	Courtroom sizes should be varied to include meeting/conference rooms, non-jury courtrooms, and full jury courtrooms in a quantity equal to a 1:1 court officer to courtroom ratio. This scenario will alleviate the current practice of dedicated courtroom suites
E	A new courts facility needs to meet requirements but not be overly ornate	County to carefully consider all building elements in particular the exterior, interior finishes and signage/way finding for cost saving potential
F	It is essential to maintain a strong central core that includes the court system	Location of a court facility should be in downtown Portland within the existing Government Center
G	The HOK renovation estimates are substantial due to the inclusion of temporary court locations while the historic courthouse is being renovated	Temporary court space requires County to provide funding up front to renovate acquired space and would be an investment that can not be depreciated, amortized, or reimbursed
H	Even remodeled, the existing courthouse will not accommodate the County's court system without acquiring additional space	A new courts facility is necessary to meet all County and court spatial and functional needs and requirements
I	In order to get an approximate building size an assumed overall planning figure is required	A conservative planning figure for overall space is 468,000 sq. ft. to meet 25 year need requirements. This calculation provides the gross building square footage that includes lobby, circulation, mechanical, and support space
J	With zoning limitations, two levels of underground development will be required to meet building size requirements	Functions such as detention/holding, storage/recordkeeping, mechanical/utility, and law library could be accommodated in below grade space
K	Assume limited parking within facility. Courts related parking is desirable but not essential	Given the security, cost, and zoning requirements parking will not be included into building functions
L	A drive-in sally port is required regardless of a sky bridge or tunnel for prisoner transport	To accommodate prisoner transportation requirements from numerous locations, a securable drive-in sally port is necessary
M	To maximize the floor area ratio (FAR) of a new building some specific amenities will be required	County will need to incorporate additional bonuses to increase zoning FAR from 9:1 to 12:1. Acquisition of bonuses means providing day care space, locker room space, installation of an eco-roof, 1% for art allocation, and a possible water feature.
N	Additional square footage can be accommodated through additional site acquisition or participation in the City of Portland's Master Plan process	Additional FAR is to be acquired through a master plan process that includes a transfer of the remaining unutilized 180,000 sq. ft. from the existing historic courthouse
O	Building should have a setback for a plaza area	A significant public building in downtown Portland requires a transition from the street to the building through the development of a plaza area
P	All development will be full block	To maximize building potential all development will be considered for full block
Q	Will need phase able development in order to spread burden over two generations	In order to reduce capital costs and provide the most flexible strategy the committee concluded that it would be more economically feasible to address the 25 year court needs and incorporate the 40 year needs into a master plan for later development

Finding		Conclusion
R	No vertical expansion capabilities	Building expansion capability should be provided in a sectional format rather than consideration of future vertical expansion for both cost and functional factors
S	Initial Phase = Land Acquisition	Land acquisition will provide momentum and show dedication on the part of the County, plus prevent loss of siting option
T	Phase One = Building that meets 25 year need	25 year need equals 52 courtrooms (468,000 Sq Ft) downtown
U	Phase Two = Building that meets 40 year need incorporated into Master Plan	40 year need equals 64 courtrooms (576,000 Sq Ft) downtown
V	There are three viable sites for a new courts facility which are close to the existing Government Center	Site One - Hawthorne Bridgehead Site Two - Two Main Place Site Three - Lotus Block
W	Full development of Site One will require purchase and demolition of the historic Jefferson Substation and Veritable Quandary	Full block development of Site One will produce a smaller building due to proximity of bridge approaches. Site One also has limitations for transportation access and is outside of government center which means that although viable it is not being recommended as a potential site other than ranking it a distant third possibility
	The remaining 3/4 of Site One block is already owned by the County	
X	Site Two development begins with negotiations with an out of state investment firm that has a tower design already through the City's design review process	Site Two development would incorporate the full block which is currently an unobstructed lot with a single out of state owner
	Site Two is the closest to the Justice Center and the potential parking revenue may make interim land holding feasible	
Y	Development of Site three will require the incorporation of the historic Auditorium Building and/or facade	Site Three development would be full block which means acquiring 4 structures from 2 separate owners and includes the historic Auditorium building, with the facade to be incorporated into the new building in a respectful and meaningful way
	Site Three is currently a "blighted block" with public development the only likely means of improvement	
Z	Both sites two and three are recommended for development of new court facility	Two sites are being recommended as a means to not lock County into a single site selection but rather provide a choice. Final site selection to be County decision
AA	Existing Courthouse is a significant community asset and a strategy to ensure its preservation/renovation should be developed	Development strategies for renovation of historic courthouse includes use as County Seat or general County use. Final use decision to be County decision
BB	There will be continued court needs outside of the Government Center core	Juvenile Justice Center is adequate for family court as it stands. A four courtroom facility with expansion capability to six courtrooms is to be included in the 25 year strategy for East County/Gresham
CC	HOK estimates a new court facility that meets the 25 year need at \$147 million	Estimates vary from \$150 - \$168 million when all project aspects such as land acquisition, FAR bonus, and demolition costs are included.
DD	Per HOK, Gresham portion will equal \$12 million	The recommended 4-6 courtroom facility is to be constructed as soon as possible but not limit possibilities for the downtown Portland facility
EE	Courthouse Renovation cost could equal \$70 - 80 million depending on occupancy	Potential savings are possible through use of different seismic options and CMGC bidding potential as seen in King County. Budget should include \$60 million estimate for courthouse renovation
FF	The \$250 million order of magnitude estimate for the renovation of the existing courthouse is more than the county can afford	Reductions in scope of work have been addressed but additional elements are continually added, so estimate remains around \$250 million but a three tiered financing package is being recommended to reduce the full financial burden being placed on the County and its residents



ANALYSIS:

Background
Building Issues
County Obligations
Court Needs
Option Feasibility

Status Quo
Phase able Construction
Full Renovation
Gresham
Justice Center
Juvenile Justice Center
New Facility

Siting Options
Development Strategies
Existing Courthouse Use
Financing

Background:

Courthouse history dates back to 1866 when the first Multnomah County Courthouse was constructed. During the 19th century and even after the turn of the 20th century the response to growing county and court needs was to expand the courthouse to accommodate increasing spatial requirements. In 1909, a new eight floor courthouse was designed to provide a significant symbol of county government and combine all county elements within a single building. That courthouse was completed in 1914 and is the same facility Multnomah County uses today. Only today, the now historic building contains the majority of the County's court system. And although the exterior has not changed drastically over the years, the interior has been modified to accommodate the growing space, technology, and security requirements necessary for a courts facility in the 21st century.

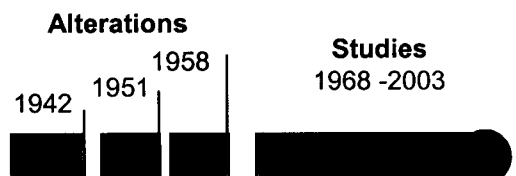
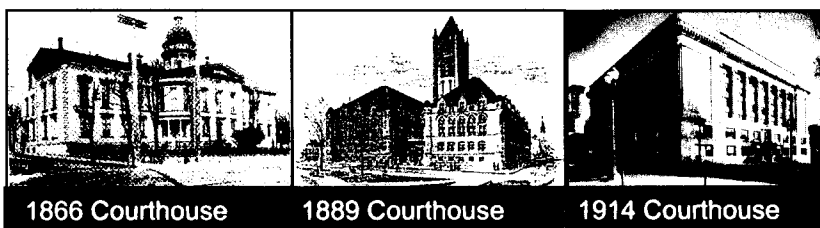
Building Issues:

Over the last thirty years there have been 23 reports, studies, and recommendations commissioned to address various courthouse issues. The analysis has been varied in its scope but the resounding common dominator is that the historic building is past its functional life span and if the facility is to remain operating all functional, physical, equipment, safety, and capacity issues need to be addressed. While none of the previous recommendations have been fully executed, the County has been successful in responding to distinct portions when funding was available.

Yet in spite of the modifications to date, major issues remain to be addressed within the 90 year old facility. A short list would include fire/life/safety issues, mechanical/electrical/plumbing equipment concerns, circulation, security, ADA, over crowding, transportation, and a structural/seismic condition that could affect the safety of occupants and operations of the building. This means that a natural hazard such as an earthquake could render the building unusable and leave the county without adequate space to meet its judiciary obligations and public safety responsibilities.

The magnitude of the building issues creates the foundation for the complex courthouse question. Following is an analysis of some of the other parts of the complex situation.

Historic Timeline:



County Obligations:

Being a government entity, Multnomah County has both legal and moral obligations to the public that it serves. In the issues surrounding the courthouse, the County has a legal obligation to house the State's 4th Judicial Circuit Court while providing the interrelated support functions such as District Attorney, Sheriff, and Community Justice.

Currently every County in Oregon is required under Oregon Revised Statue 3.014 to house their portion of the State's court system. Prior to implementation of this mandate, in the 1970's, County's were responsible for not just housing the courts but operating their individual court systems. Though relieved of day to day operating expenses, the court and judicial functions remain a crucial element of any public safety system. Which makes this an important County issue given that residents have basic civil rights that need to be meet.

In addition to the legal obligations, the County also faces several moral obligations such as protecting County history, providing a County identity, and keeping residents and staff safe while occupying county facilities. There are also financial obligations to County taxpayers. The County is responsible for spending public tax dollars in both a prudent and responsible manner. Which means that any solution to the courthouse issue must address how the solution is to be funded.

The financial responsibility creates a difference between the committee's work and previous reports and studies. The committee was adamant from the beginning, as reflected in their mission statement, that their recommendation must include a financing scenario that fulfills the current need requirements, plans for future needs, and relieves tax payers from the full financial burden. There is a complete section that covers the committee's financial analysis later in the report.

With these County obligations in mind the Courthouse Blue Ribbon Steering Committee viewed the County's goal as one of addressing spatial needs while providing the County with a functional building that meets public safety needs and judicial capacity requirements while keeping the present court system functioning at its current level as the best option for financial benefit.

Court Needs:

On top of the building issues and County obligations there is the consideration of court needs. Multnomah County's judicial system has grown from a single circuit court to a court system that administers district, municipal, civil, criminal, and family court functions as well as provides a legal center for the State's trial bar. Currently the Multnomah County Court System is operating with 52 court officers (judges and referees) that administer more than half the personal injury/medical malpractice cases, wrongful death, and contract actions in Oregon which totaled 21,276 Civil, 21,513 Criminal and 537,211 parking cases in 2002. The 4th Judicial Circuit Court is the third fastest processing judicial system in the nation according to American Bar Association (ABA) Standards. The courts efficiencies are due to the use of a master calendar system, a 1:1 officer to courtroom ratio, and integrated criminal/civil courts.

The other court need to be considered is future staffing projections. The conservative forty year projections provided by Hellmuth, Obata, + Kassabaum, Inc. (HOK) and the National Center for State Courts indicate a system increase to 79 court officers by 2040. This increase of 27 court officers will require additional space for courtrooms, juries, offices,

mechanical systems, circulation, lobbies, etc. This space is simply not available in the existing building nor is there potential in a remodel of the current facility given the current building and site limitations. Given past history, current usage, projected population growth and the strict rules and standards governing courtroom and jury spaces, the court system is believed to become more space consuming. With these elements in mind, the committee agreed that the above conservative projection figures make sense for space planning purposes.

Prior studies and discussions have brought up the question of why not separate the criminal, civil, family, and administration functions of the court system? This would create smaller individual space demands and could place functions in different, more accessible locations. So why not? Well the biggest problem with this scenario is it does not change the overall space requirements, it just creates additional roofs to house the separated court functions under. Plus the Committee found it would affect case processing time, jury pool potential, duplicate both security and operational costs, limit availability to records, and provide multiple locations for jury duty, paying fines, and accessing records. All items that would make customer service difficult and create budgetary implications for both the County and court system. It is important to note that even if the courts operating considerations are removed from the scenario there is still a major impact on both the County's capital and operating budgets through increases to facilities, Sheriff, and District Attorney's budgets. So it was the committee's conclusion that the greatest benefit for county residents is to keep the courts in a single accessible location that provides the necessary public identity for a smooth running judicial system.

Another court need debate is whether there should be allowances for advances in technology and judicial efficiencies? The committee found that arbitration has cut down on the number of court cases but is not expected to decrease the current percentage of cases that are seen by a court officer. Technology is also expected to make changes in record keeping/storage capabilities and will provide an opportunity to reduce detainee transportation through the use of video cameras. But again technology will not cut down the number of actual court cases being heard in a courtroom. The one advantage technology will bring is the ability to provide different sized courtrooms. Not all courtrooms will need to be large enough for a jury, court officers can be provided varied sized courtrooms that range in size from a meeting room to a large trial courtroom. This scenario provides the ability to do away with court suites while still providing the court system a 1:1 officer to courtroom ratio.

Option Feasibility:

So just how does the county meet all its goals and obligations? Several options were analyzed prior to making the decision to recommend a new facility.

Status Quo - The committee considered a status quo approach which would simply use the existing building "as is" until system failures or a seismic event close it. This option provides a potential opportunity for FEMA assistance in the rebuilding process. When FEMA policy was examined and the limited assistance the County would receive is balanced against the safety aspects of keeping staff and residents safe, the status quo option just simply did not meet County public safety obligations.

Phase Able Construction - The thought process then moved on to addressing a phased renovation of the existing facility which ideally would allow ongoing, continued use of the facility during the remodel process. But when analyzed, the committee found that the magnitude of scope, existing HVAC equipment limitations, time frame/scheduling constraints, and the negative impact on operations and operating costs for both the County and courts, makes this option logistically and financially unfeasible.

Renovate Courthouse - The committee then considered the most recent studies by Hellmuth, Obata, + Kassabaum, Inc. (HOK 2002) and the SERA (2001) report. Both consultants investigated a complete remodel of the current courthouse. The committee found this option to be a viable one in concept, however, when weighted against the committee's expanded commitment, key assumptions, County obligations, and court needs this scenario did not meet the committee's goal. The concept fell short in the areas of expansion capability, transportation, circulation, and spatial needs. But the committee's greatest concern was the cost effectiveness of this scenario.

The proposed renovation concept includes transferring all current functions into temporary space. With no single site available to house the court system, that space must be created in multiple locations. HOK estimated this portion of the project at \$40 Million (2002.) The committee found that the temporary space costs could not be shared, amortized, reimbursed, or recouped by the County. Which means this would be up front costs for which the County will see no future benefit. Additional temporary cost elements to consider are moving, operating, and transportation costs for the Sheriff, DA, and Community Justice for which there are no current estimates. Given the County's current financial considerations the committee was simply unable to justify a concept that had a \$40 Million element that provided no benefit to the County.

Even though the financial aspects alone were enough to make the committee disregard this option they did analyze it further to find that it does not provide the flexibility or potential to meet square footage requirements. Other limitations included a zoning code which regulates the building height to twelve floors; a location on the bus mall which makes providing a loading dock or sally port area for detainee transportation unfeasible; and the original building design which would not allow building occupants separate circulation from detainees. Add that to no expansion capability for future development and that means even a completely remodeled building will not meet either the County's or court needs for the short or long term.

Gresham - The Courthouse Blue Ribbon Steering Committee concluded, there will remain a need for courts outside of downtown Portland. Although the committee is not in favor of splitting the court system, they do support a courts facility in East County/Gresham as a means to meet legal obligations and provide for high use judicial services for East County residents. This concept is not new and has been encouraged by several of the previous studies, the court system, the City of Gresham, and Multnomah County.

Basically, the issues in Gresham mirrors the previous stated issues for a new downtown Portland facility. Multnomah County is required by ORS 3.014 to provide a single court in the City of Gresham to process all alleged traffic offenses or misdemeanors occurring east of 122nd Avenue. The current court, running both a day and night docket, is unable to keep up with the case load, current backlog is 6 weeks. In addition, the current facility housing the Gresham court provides the County with the same space, overcrowding, equipment, and security challenges faced in the historic courthouse.

Given the assumption stated earlier that courts will continue to be necessary outside of the downtown Portland area, the current usage figures, increases in City of Gresham and East County populations, and the current facility challenges. The committee found the real question to be, how large of a facility should be provided in Gresham? The committee's answer is a 54,000 square foot facility originally built out with four courtrooms with expansion capability to six courtrooms at an estimated \$12 million. Even though the Gresham portion of the overall plan is smaller in scale than the Portland piece, it is the Committee's intent that the Gresham component not be over shadowed but rather be equal in siting, timing, and financial considerations.

Justice Center - In the committee's attempt to leave no option unexplored they also looked at the potential of the Justice Center for a courts facility. Two concepts were considered. The first was to use a portion of the building as court growth space. This scenario would require a cash buy out of the existing condominium agreement with the City of Portland and an update of the buildings seismic, capital, and equipment elements. Combined, these elements are estimated at \$95 - \$130 Million. This concept could meet 25 year space requirements as long as the square footage needs per courtroom are reduced, which means it would not fully meet court requirements. So basically this option would require an investment of approximately \$110 Million for the ability to meet less than 25 year square foot needs.

The second Justice Center concept was to use the entire building for the courts. Upon examination of the physical building it was found to be able to barely accommodate the 25 year spatial needs of the courts. Requirements include all current functions to be removed from the building. When the costs for creation of a new booking/release center (10 Million,) remodeling of new jail space to accommodate maximum security jail functions (\$40 Million,) and the buy out of the existing condominium agreement (\$20 - \$55 Million) were added to the remodel, seismic, and other upgrade costs (\$95 Million) the concept became more expensive than building a new facility. Which makes both concepts unrealistic from a financial perspective. But then there are also other concerns with this option, such as acquiring a new conditional use permits for jail renovations, a new booking facility, and no expansion capability past 25 years. Which means, neither Justice Center concept is a viable solution to the court housing situation.

One essential element uncovered during the Committee's look at the Justice Center was the role the existing building plays within the public safety system. With the Committee's plan to place a courts facility in the vicinity of the Justice Center, a united link is created between the two buildings. So it is imperative that the Justice Center remain functioning in its current capacity. To accommodate this addition to the Committee's expanding goal, \$20 Million is being recommended for inclusion into the overall plan to allow the Justice Center's seismic and building issues to be addressed.

Juvenile Justice Center – Prior discussions have included the use of the Juvenile Justice Center as a potential annex or expansion space. The current facility does not have the ability to hold domestic detainees, is a transit dead-end, and not zoned for additional usage. Those issues would need to be addressed before the existing building could be considered potential space. In addition, there are conditional use permit changes and parking challenges to be considered. The Committee's examination concluded that a parking structure would be necessary and that the existing court officers at the facility are adequate to handle the facility's demand. And with the population division line at 52nd Avenue it makes more sense

for a central downtown location and a Gresham facility rather than an increase at the Juvenile Justice Center.

New Facility - A new courts facility is not a new concept either but it is the first step towards a solution to the issues surrounding the courthouse. A new facility provides the County with the ability to realize full value of their investment, promotes economic vitality and employment for the region, creates square footage to address consolidation concerns, meets County and court needs and obligations, and creates a plan for the future by crafting a phase able building scenario to accommodate potential growth. The Committee is recommending a 468,000 square foot facility with a drive thru sally port be built on a full block in downtown Portland to meet the County's obligations for the next 25 years. The building plan should include expansion capability for future development to meet the spatial needs of the next generation.

Siting Options:

A significant part of the Committee's recommendation has been to meet the immediate County and court needs through a new Courts facility within the existing City of Portland Government Center. To accommodate this goal the Committee addressed several sites in downtown Portland for a new courts facility. All sites were within the existing government center in downtown Portland and would be full block development as a means to alleviate the need for future vertical expansion.

The Committee narrowed the search to the government area due to the interlocking relationship the court system has with the existing government buildings, the proximity to mass transit, and the monetary and financial role the multi - functional system plays in the area.

The original search produced five potential opportunities, however, upon in-depth analysis that looked at zoning, availability, acquisition costs, demolition, security, transportation, historic, urban renewal, and County/City goals the field was narrowed to two potential sites with another a distant third possibility. Each site has its own unique benefits and disadvantages so a direct comparison is difficult. However, each has significant potential. It is important to note that the Committee is not stating a preference or ranking the remaining sites but rather giving the County two viable options.

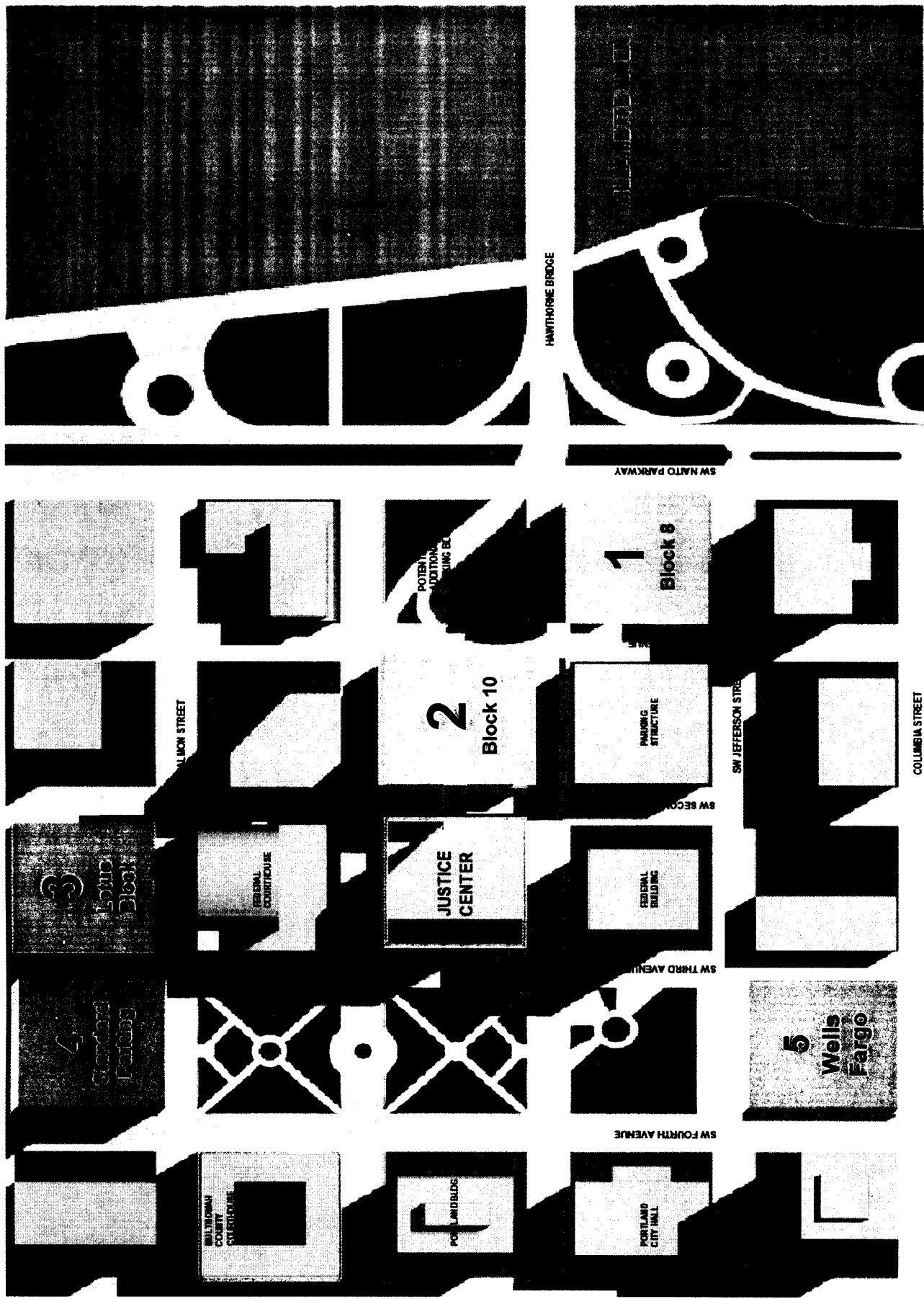
The first option is Block 10 aka Two Main Place (site #2 on the following site map.) This lot has been considered in numerous previous studies and the County had an opportunity to purchase the property prior to it being sold in 1995. The property was sold again in 1997 and is now owned by InterPark a national parking firm based out of Chicago, Illinois. The block is currently a surface parking lot that is directly East of the Justice Center. The property's location and unobstructed state are important benefits. However, the blocks 200' height restriction, the sites private development potential, and estimated acquisition costs are all disadvantages toward County acquisition.

The second option is the Lotus Block (Site #3 on the following site map.) This is a developed site with four existing structures and a quarter block parking lot. One of the structures, the Auditorium Building, is registered on the National Historic Registry. It is the Committee's goal

to see the facade of the historic building used in any development of the property. The block is currently considered by the City to be in a blighted state and the Committee agrees with the concept that public acquisition is the blocks best potential for redevelopment in the immediate to near future.

The site that came in a distant third was the Hawthorne Bridgehead (Site #1 on the following site map.) Three quarters of this site is already owned by the County but full block development would require the County to obtain both the Veritable Quandary and the Jefferson Substation building. The latter is also listed on the National Historic Registry. The reasons for placing this site a distant third are mainly functional concerns. The block is surrounded by bridge approaches for the Hawthorne Bridge which would require additional building set backs, also major transportation issues came into play. The one way streets, inability to turn off of a bridge approach, and the distance to light rail were all major concerns.

The following site map, development strategies, and siting matrix reflect the conversations the Committee had during their narrowing process. It is important to reiterate that the Committee is not making a recommendation on which site should be acquired but rather providing two options for the County Board's consideration. The siting goal was to provide the County with flexibility and the County gains the ability to negotiate for a fair market rate by not being locking into a decision for a single site.



MULTNOMAH COUNTY COURTHOUSE SITE CONCEPT STUDIES

SITE PLAN

06/18/03
 Revised by Facilities & Property Management
 Long Range Planning, Multnomah County



Development Strategies:

Block 10 – Two Main Place

- Phase One - Acquire the undeveloped lot
- Phase Two - Construct first building phase to accommodate 25 year need
(52 Courtrooms in practical development scenario)
 - Create 40 year Master Plan during planning process
- Phase Three - Complete full site development in accordance with Master Plan

Estimated 25 year development cost (land acquisition included) = \$159 Million

Lotus Block –

- Phase One - Acquire the four existing buildings & parking lot
- Phase Two - Demolish the three non historic buildings, Auditorium Building's
Historic elements to be incorporated within new building facade
 - Construct first building phase to accommodate 25 year need
(54 courtrooms in practical development scenario)
 - Create 40 year Master Plan during planning process
- Phase Three - Complete full site development in accordance with Master Plan

Estimated 25 year development cost (land acquisition included) = \$165 Million

Hawthorne Bridgehead –

- Phase One - Acquire Veritable Quandary and the historic Jefferson Substation
- Phase Two - Demolish existing buildings
 - Construct first building phase to accommodate 25 year need
(52 courtrooms in practical development scenario)
 - Create 40 year Master Plan during planning process
- Phase Three - Complete full site development in accordance with Master Plan

Estimated 25 year development cost (land acquisition included) = \$156 Million

Gresham – Civic Center

- Phase One – Acquire site
- Phase Two – Construct a 4 – 6 courtroom facility that includes expansion capability

25 year development cost (land acquisition included) = \$12 Million

The following pages provide site aerials, simplified site plans, and graphic massing studies for all the potential sites in downtown Portland.

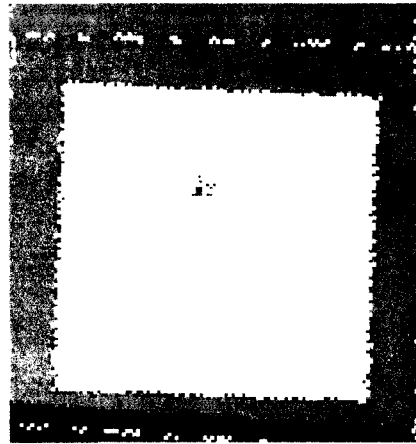
Development Strategy

Block 10

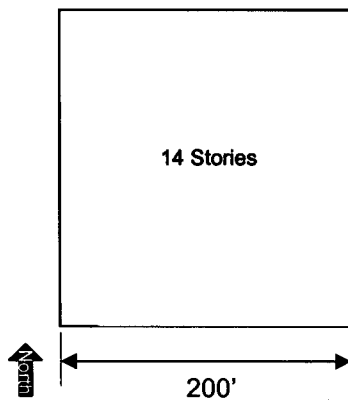
(Two Main Place)



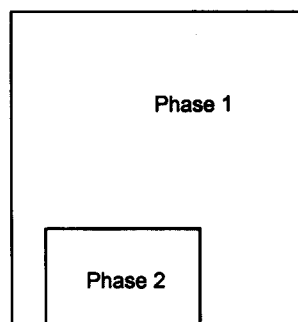
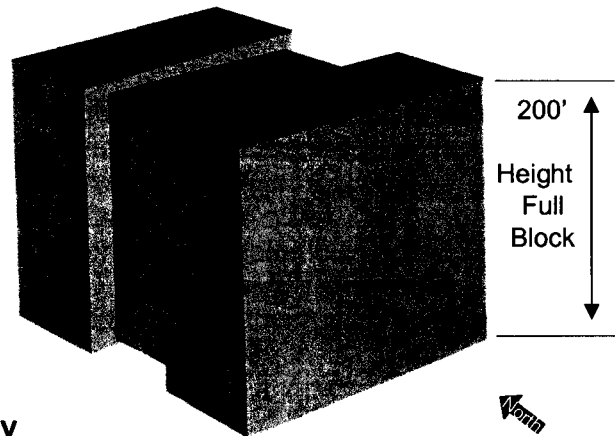
Aerial Photo



Existing Site Plan



Proposed Site Plan & Massing Study
(Full Build Out)

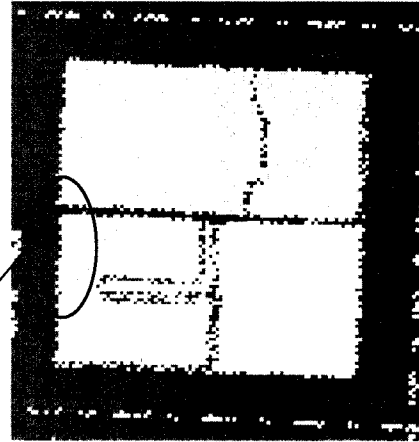


Proposed Phasing Site Plan

Development Strategy Lotus Block



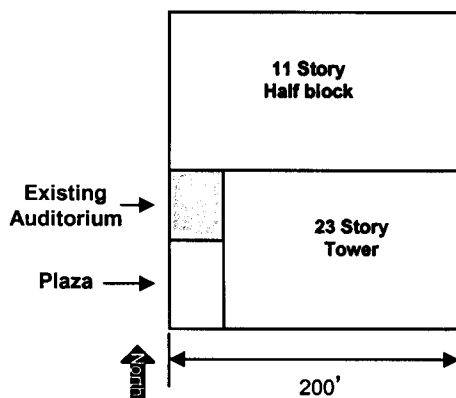
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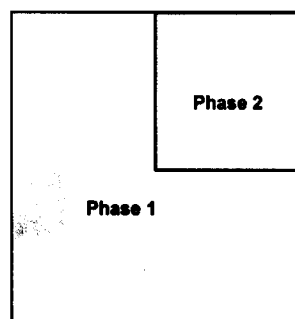
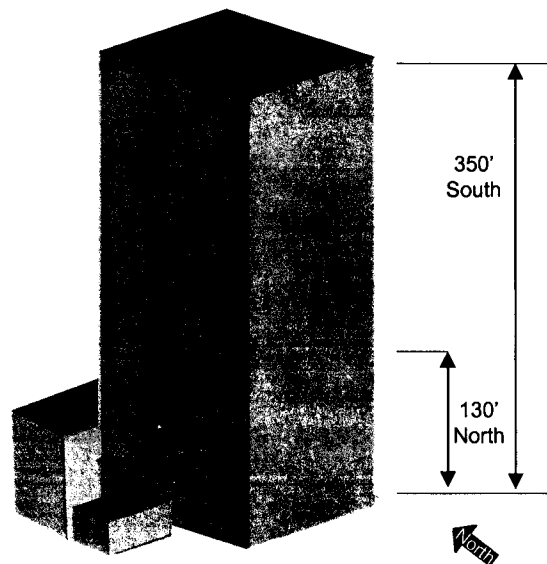
Existing Site Plan



Auditorium Facade

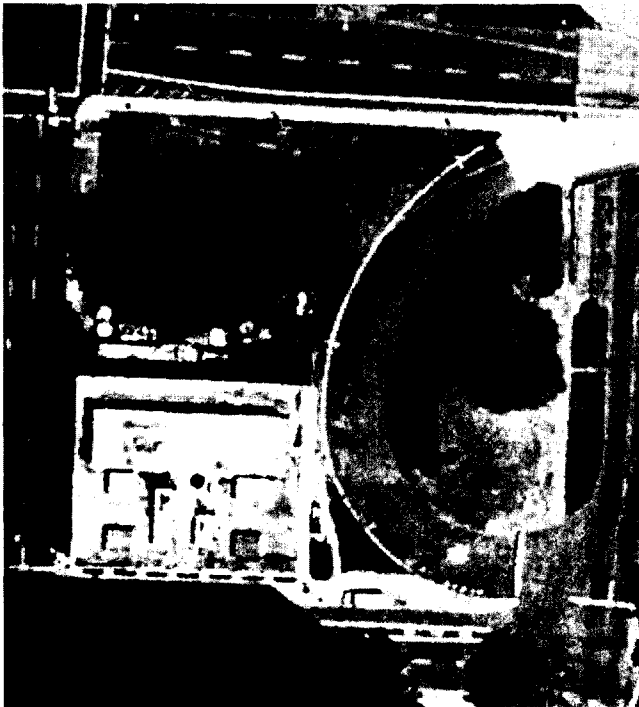


Proposed Site Plan & Massing Study
(Full Build Out)

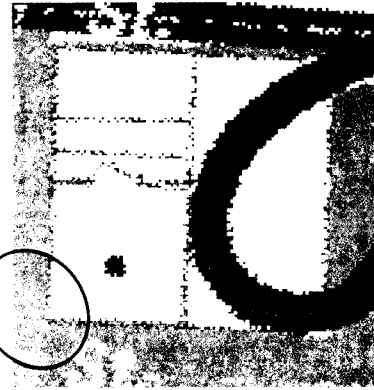


Proposed Phasing Site Plan

Development Strategy Hawthorne Bridgehead



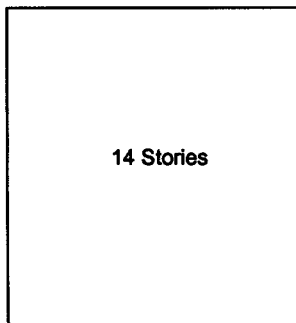
Aerial Photo



Existing Site Plan



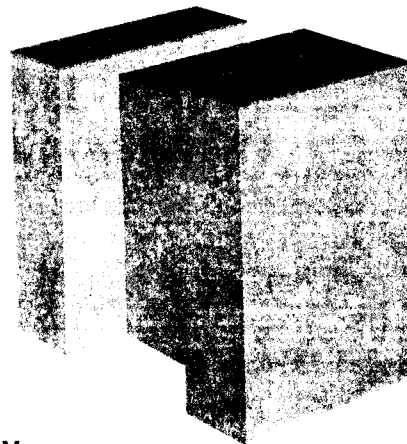
Jefferson Substation Facade



200'



Proposed Site Plan & Massing Study



200'
Full
Block



Full development required to meet 25 year need.

Will not meet 40 year need.

Courthouse Siting Matrix

Criteria	1 Bridgehead Site	2 Block 10 (Two Main Place)	3 Lotus Block
Maximum Building Potential - Basic Zoning Requirements			
Height Restriction	200'	200'	130' N - 350' S
FAR (w/bonuses)	1:12	1:12	1:12
Site Area	One City Block (200' X 200') 40,000 GSF	One City Block (200' X 200') 40,000 GSF	One City Block (200' X 200') 40,000 GSF
GSF w/FAR (To equal 40 year need)	480,000 Sq Ft Above Ground 96,000 Below Ground (Possible water table issues)	480,000 Sq Ft Above Ground 96,000 Below Ground (Possible water table issues)	480,000 Sq Ft Above Ground 96,000 Below Ground (Possible water table issues)
Practical Maximum Development			
Proposed Footprint of Development Area	30, 000 Sq Ft	35,000 Sq Ft	37,500 Sq Ft
Floor Heights	15' Courtroom Floors 11 1/2' Support Space	15' Courtroom Floors 11 1/2' Support Space	15' Courtroom Floors 11 1/2' Support Space
Total GSF (with transfer of FAR under master plan provision)	480,000 SqFt.	570,000 Sq Ft.	597,500 SqFt.
GSF Breakdown	420,000 Above Grade 60,000 Below Grade	490,000 Above Grade 80,000 Below Grade	537,500 Above Grade 80,000 Below Grade
25 Year Need = (52 Courtrooms X 9,000 sqFt)	468,000 Sq Ft	468,000 Sq Ft	468,000 Sq Ft
40 Year Need = (64 Courtrooms X 9,000 sqFt)	576,000 Sq Ft	576,000 Sq Ft	576,000 Sq Ft
Court Capacity Potential (Proposed Massing)	52 Courts 25 year need	64 Courts 40 year need	64 Courts 40 year need
Other Factors			
Ability to Phase	Phase 1 = Full Block Build Out (with demo historic building)	Phase 1 = 3/4 Block Phase 2 = 1/4 Block	Phase 1 = 3/4 Block Phase 2 = 1/4 Block
Land Ownership	County 3/4 Block 2 Private Owners 1/4 Block	1 Private Owner	2 Private Owners
Existing Building Demolition	2 Structures (1 Multiple Story Historic Building) (1 Single Story Building)	None	4 Structures (1 Multiple Story Historic Building) (3 Various Sized Buildings)
Historic Issues	Jefferson Substation (NHR)	None	Auditorium Building (NHR) AOUW Temple (Potential City Landmark)
Special District	Downtown Waterfront Development Opportunities	Downtown Waterfront Development Opportunities	Downtown Waterfront Urban Renewal District
Parking Issues	Adjacent to potential parking block	Adjacent to potential parking block	Adjacent to potential Smart Park Lot
In Custody Transport	Sally Port for Bus	Sally Port for Bus Skybridge/Tunnel Possible	Sally Port for Bus
Vehicular Access	Jefferson Street Only	2nd Avenue Only	All 4 sides
Distance to Related Facilities	4 Blocks to MCCH	2 Blocks to MCCH	1 Block to MCCH
Proximity to Max To Transit Mall	5 Blocks 4 Blocks	3 Blocks 3 Blocks	1 Block 2 Blocks
Other	Excellent views and visibility Property Trade Possibilities	Good views and visibility	Corner on Park Blocks Blighted condition

Cost Estimates for 25 year need

Criteria	1 Bridgehead Site 53 Courtrooms	2 Block 10 (Two Main Place) 52 Courtrooms	3 Lotus Block 54 Courtrooms
Land Acquisition ESTIMATE (Full Block)	\$3,000,000	\$10,000,000	\$8,000,000
Demolition	\$1,000,000	\$250,000	\$2,000,000
Total Building Budget	\$151,000,000	\$148,000,000	\$154,000,000
1% for Art (FAR)	\$830,000	\$814,000	\$861,000
Total Project Cost *	\$155,830,000	\$159,064,000	\$164,861,000
Total Project Cost per Square Foot	\$325	\$337	\$338

* Total Project cost includes construction, soft costs, and contingency.

Existing Courthouse Use:

The existing historic Multnomah County Courthouse has been the subject of intense study and heated debate even prior to its completion in 1914. The building has been on the National Historic Registry since 1979 and continues to be the County's oldest and most notable landmark. Upon completion of the new courts facility, the existing courthouse will be available for other purposes. The full Committee as well as a subcommittee reviewed numerous use options. Ideas ranged from demolition of the building and redevelopment of the site, to selling or leasing the building, to reuse or redevelopment for other County purposes.

The main factor used to narrow the choices was the historical status of the building, which basically left only three potential options:

- Respect the historic landmark and continue with county use
- Re-use the facility for other purposes
- Sell the building

Each option provides the County with opportunities. Selling the building would provide the County with a lump sum payment and put one building back on the tax rolls as well as allow the new owners to take advantage of tax breaks unavailable to a public entity. Using the building for other purposes could provide some lease income. But the most sound financial and logical option as urged by the County Board at the February 2003 briefing is to retain the facility for County use.

The Committee's plan for the historic courthouse consists of renovation of the facility during its unoccupied state once the new courts facility is completed. The additional space will provide the County with consolidation options not currently available. It creates space that the County can use to decrease leased space and/or vacate other less notable buildings that could then be sold. Thus putting possibly two or three buildings back on the tax rolls and providing a reduction in lease expenses. All of which will decrease the debt service and annual operating costs which lessens the County's financial burden.

The Courthouse Blue Ribbon Steering Committee is recommending that the County keep the historic courthouse as the significant public facility that it is. But is stopping short of telling the County how to consolidate. That decision is being left up to the County management who is in the best position to make the decision of what functions are best for the renovated facility. There are numerous potential options between the Multnomah, Mead, McCoy, Commonwealth, and Portland Buildings. All of which can provide the benefits reflected earlier in this section. The Committee would note that it is important that the decision regarding functions within the Historic Courthouse need to reflect the status of the building within the community framework.

Committee Renovation estimates = \$60 to 70 Million depending upon occupation.

Financing Approach:

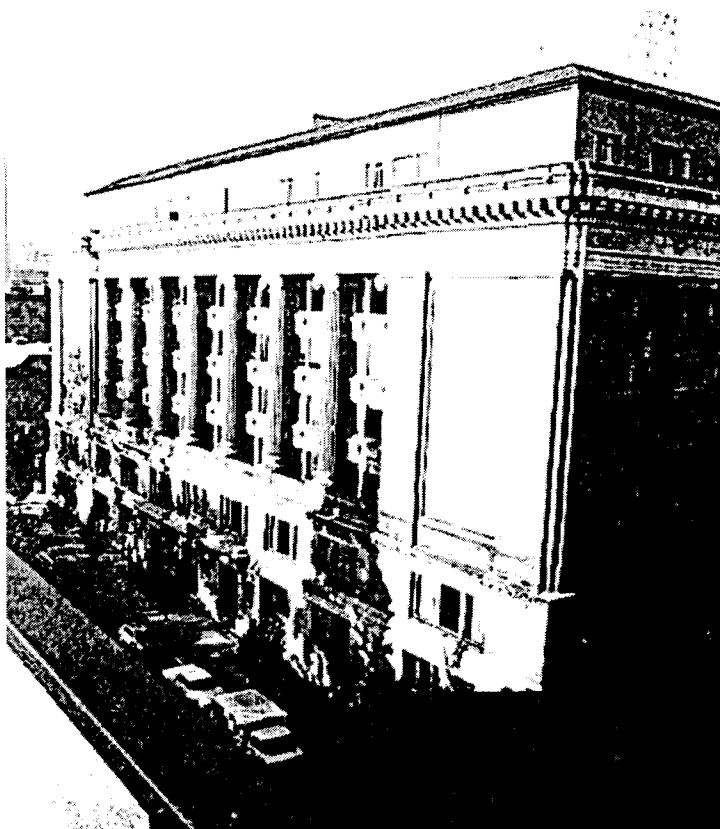
In the 30 year history of courthouse studies, the biggest stumbling block toward a solution to the courthouse issue has not been a lack of ideas but rather availability of funding for the project. During the Courthouse Blue Ribbon Steering Committee's analysis of previous studies, it became apparent that no previous report had included a financial/funding solution outside of a General Obligation Bond (GO Bond.) A GO Bond provides a new funding source through the creation of a revenue stream from property taxes, which means taxpayers carry the full financial burden. Realizing the magnitude of current and previous estimates, it is not surprising that the County has been unable to commit to that idea as a solution. With this in mind, the first order of business for the committee was to convene a finance subcommittee to find the most promising funding/financing strategies. Through the subcommittee's discussions and evaluation, two major issues surfaced. Concept costs must be reduced and additional funding sources must be found.

Rather than start over with cost estimates, the subcommittee reviewed and agreed with HOK's cost estimates for the renovation of the historic courthouse. In addition, the committee amended and extended HOK's existing contract to allow for creation of initial costs estimates for a new facility on the committee's proposed sites. Yet no matter how the committee viewed the concept, changed scope, and cut estimates the total remained unfeasible. The subcommittee's final solution was for the financial burden to be spread and shared across generations by address 25 year spatial needs now and providing for the additional 40 year needs in expansion capability.

When the sub committee turned to funding sources it found that the County is not currently in a financial position to subsidize the debt service for the courthouse project out of the General Fund. The County currently has the ability to get full faith credit funding, there is just no way to pay back those funds given the debt service load. The subcommittee agreed the best option is a GO Bond, however, approval of any GO bond is questionable and one for over \$100 million is considered impossible. The other option discussed was the selling or trading of existing undeveloped properties the County already owns, such as the Morrison Bridgehead. The potential is there for the County to look at either selling the property outright or trading it for other property downtown.

The subcommittee suggested a philosophy that would break the project into more palatable bite size pieces. Each of these pieces could develop a constituency of support that would, in turn, provide multiple funding options. This idea produces a multi-phased financing strategy that could incorporate both public and private partners, issuance of a GO Bond, sale of consolidated buildings, and other County financing options. It is important to note that any funding scenario will need to include assistance from taxpayers through a GO Bond. It is the subcommittee's hope that with other funding sources any GO Bond proposed will be for the lowest possible amount.

It is this multi-phased financing strategy that the finance subcommittee issued to the full committee for consideration. The full committee's assessment and recommendation is included in the conclusion section of this report.



APPENDIX:

Recommendation Summary Question & Answer Sheet

For copies of meeting minutes, previous report synopsis, or other pertinent analysis information contact:

Multnomah County, Facilities & Property Management at 503-988-3322



Courthouse Blue Ribbon Steering Committee's

Recommendation Summary

October 2003



Department of Business and Community Services
Facilities & Property Management Division
Multnomah County, Oregon
10/28/03/Krecklow/Facilities-Asset Management

Courthouse Blue Ribbon Steering Committee Members:

Chairman – Diane Linn

Multnomah County Chair

Vice Chair – Maria Rojo De Steffey

Multnomah County Commission, District 1

Bernie Guisto, Multnomah County Sheriff

Dale Koch, State Court Presiding Judge

Doug Bray, State Court Administrator

Pat LaCrosse, Retired

Dan Petrusich, President, Melvin Mark Companies

Mike Schrunk, Multnomah County District Attorney

Edward Harnden, Oregon State Bar Association

Chuck Becker, Mayor, City of Gresham

Mike Salsgiver, Portland Business Alliance

Robert Neuberger, Multnomah County Bar Association

Nohad Toulan, Portland State University, Dean, College of Urban Affairs

Sam Brooks, Chairman, Oregon Association of Minority Entrepreneurs

Mary Jo Briggs, Manager, City of Fairview

Don Eggleston, President, SERA Architects

Jim Hennings, Director, Metropolitan Public Defender

Multnomah County Technical Advisors:

Doug Butler, Director, Facilities & Property Management

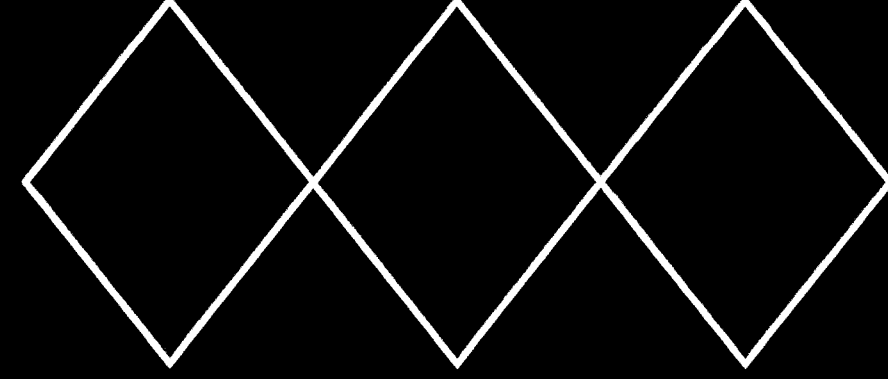
Duke Shepard, Chair's Office Representative

Dave Boyer, Chief Financial Officer

Joanne Fuller, Director, Department of Community Justice

Gina Mattioda, Director, Public Affairs

Process



Operations, Needs,
& Renovation

Requirements
(Potential at existing site)

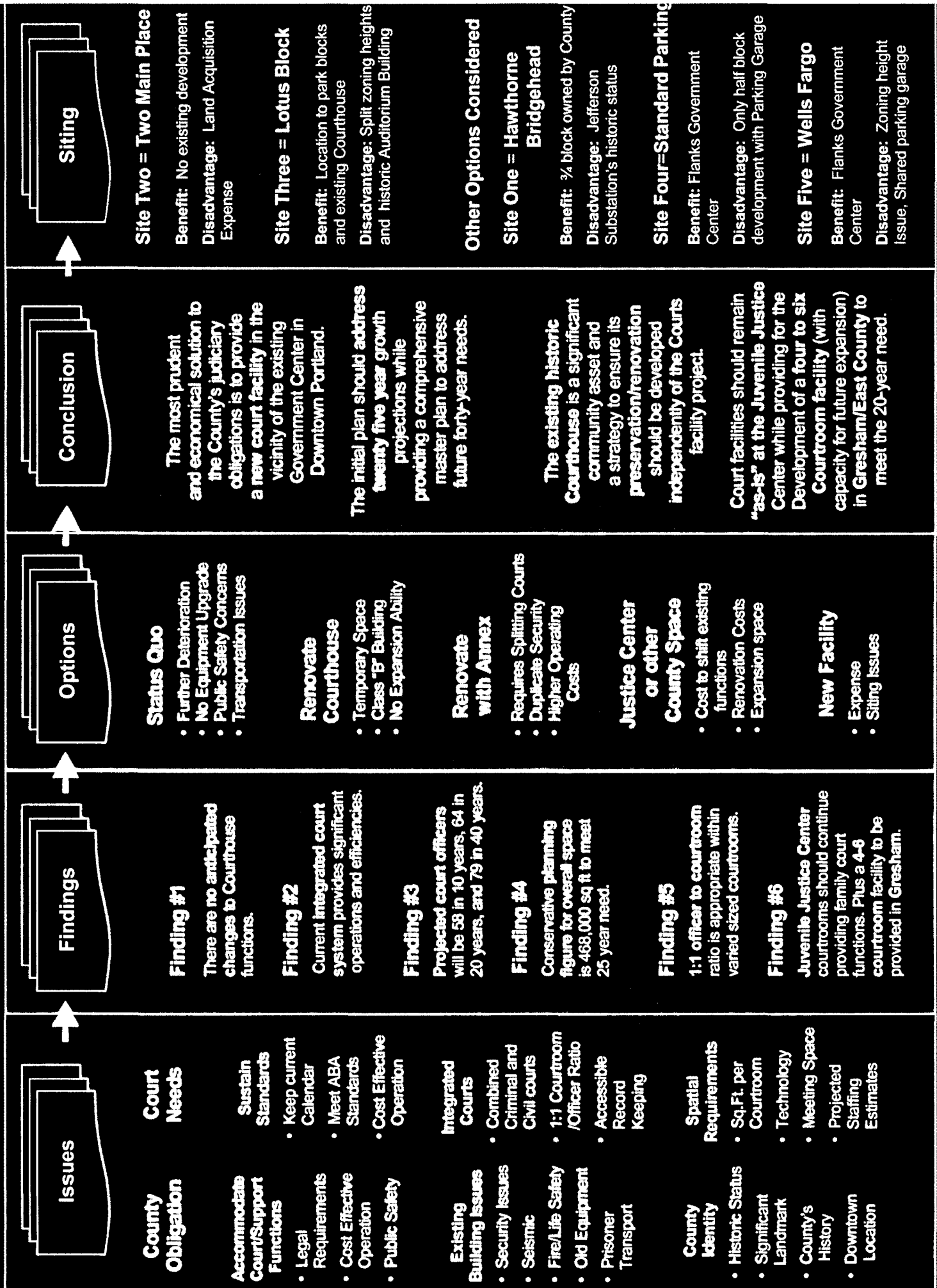
Court
Options

Physical
Options

Financing

Strategy

Strategic Framework



Strategy: 5 Part Plan

- Build a new court facility within the Downtown Portland Government Center that will accommodate 25 year needs
- Upgrade and renovate the vacated Historic Courthouse for County uses
- Build a new court facility in Gresham
- Address the structural, seismic and capital issues within the existing Justice Center
- Consolidate County functions within the newly created square footage and dispose of excess buildings

Financing Considerations:

Courthouse Renovation Study - August 2002:

\$250 Million = Renovate Historic Courthouse
New Courts Facility in Gresham

Financing option = GO Bond

Current Recommendation - October 2003:

\$250 Million = New Courts Facility in Downtown Portland
Renovate Historic Courthouse
New Courts Facility in Gresham
Consolidation of County central facilities
Upgrade of Justice Center

Financing options = **Public Partnerships \$110 Million**
(Potential Partners: PDC, City of Gresham, State, and Federal)

GO Bond \$80 Million
(First opportunity 2006)

County Financing \$60 Million
(Full Faith and Credit Bonds with consolidation & debt savings)

Benefits:

- **Provides a solution to County's four biggest capital concerns**
- **Brings in partners for elements such as development strategies**
- **Consolidation creates potential for public buildings to return to tax rolls**
- **Employment stimulation through creation of jobs**
- **Increases County presence in both Downtown and East County**
- **Keeps Historic Courthouse**
- **Provides a flexible and phase-able plan**
- **Tax payers not carrying full financial burden**
- **Eliminates public safety system emergency concerns**

Where do we go from here?

Approval of resolution to move forward with framework:

- Formalize project charter
- Proceed with partnerships
- Create a comprehensive project plan
- Analyze financing options
- Explore consolidation options



Multnomah County Courthouse Questions & Answers

The historic Multnomah County Courthouse has served as a hub for the county's public safety system for 90 years. On any given day 2,500 - 5,000 people can pass through its doors to appear in courtrooms, serve on juries, consult the law library, visit the District Attorney and judicial offices, or search legal records.

Although currently deemed safe for occupants, this high-traffic, overcrowded facility has numerous problems related to age, including fire and safety issues, and mechanical and electrical problems. Earthquakes are an additional concern which could irreparably damage the structure and render the facility unusable. The problems can not be easily fixed and are requiring the County and State to spend additional operating and capital funds each year to just keep the building functioning.

How many people work in the building? How many use it on a daily basis?

According to the Multnomah County Sheriff roughly 5,000 people pass through the lobby of the Multnomah County Courthouse daily. This includes approximately 650 court and county staff, jurors (approx. 132,000 citizens per year,) and anywhere from 2,500 – 5,000 visitors which includes: attorneys, clients, witnesses, spectators, press, and people using other court functions. All these individuals are utilizing the lobby, hallways, stairs, elevators, restrooms, offices, and courtrooms on a daily basis.

What was the original capacity?

The courthouse, completed in 1914, was designed to serve as the Government seat for all 250,000 Multnomah County residents. The building housed: 17 courtrooms; the County Commissioners; and all county departments such as Taxation, Elections, and Law Enforcement. Three of the eight floors of the building were dedicated to law enforcement. The 7th and 8th floors were used as detention/jail facilities.

Today, the building houses the entire Multnomah County Court system which serves all 660,486 Multnomah County residents. The courts process 21,276 Civil, 21,513 Criminal and 537,211 parking cases annually within the 90-year-old building. The facility currently accommodates 39 courtrooms, 28 jury rooms, a jury assembly space, a law library, District Attorney and judicial offices, Community Justice, support staff, security, holding/detention, records, and storage spaces.

Needless to say, the building simply was not designed to handle today's high level security, technology, and prisoner transport needs let alone the myriad of legal proceedings currently required to be processed through the facility.



What geographic area does the downtown court serve?

The Fourth Judicial Circuit court serves all Multnomah County residents as well as provides a legal center for the State's Trial Bar. This means that more than half of the personal injury/medical malpractice cases, wrongful death actions, and contract actions in Oregon are processed through the Multnomah County Courthouse.

Why is a renovated or new court facility needed?

The current facility is past its functional lifespan. A short list of the pending building issues would include fire/life/safety issues, mechanical/electrical/plumbing equipment concerns, circulation, security, ADA, and over crowding that affects the safety of occupants and operations of the building. In addition, the building's structural/seismic condition could render the facility unusable after a major earthquake. Such a hazard would leave the county without adequate space to meet its judiciary obligations and public safety responsibilities. The goal is to provide the county with a functional building that meets public safety needs, judicial capacity requirements, and county building standards.

Is a downtown courthouse the best use of the property?

A courthouse placed in the existing downtown Portland government center provides the community a centralized location that is close to mass transit, attorney's offices, and other administration facilities that serve county residents. The other option is a decentralized system which duplicates functions and increases costs by requiring things like additional prisoner transportation and security screening.

How will this project increase capacity at the Courthouse? What is the projected future need?

Currently the Multnomah County Court System is operating with 52 court officers (judges and referees.) The conservative 40 year projections indicate an increase to 79 court officers by 2040. This increase of 27 court officers will require additional space for courtrooms, juries, offices, mechanical systems, etc. All scenarios being discussed address the space needs for the next 20 to 40 years as well as examine how to keep the current court system in place and functioning.

How are the courts funded?

The funding responsibility for Oregon's judicial system is shared between the State and the individual (36) counties. The State is responsible for the courts personnel and administration costs while each county is responsible for housing their respective court system.

Multnomah County is responsible for housing the Fourth Judicial Circuit Court and providing the support functions that combine to serve and protect the citizens of Multnomah County. The support functions include the Community Justice Programs, the County Prosecutor (DA,) and the Sheriff's Office which provides security, holding/detention, prisoner transportation, the jails, and law enforcement services.



Who would pay for a renovated or new facility?

Any courthouse endeavor would require a general obligation bond to be the main portion of the financing package. A general obligation bond is paid by county residents through taxes; therefore, it will require voter approval. As a means of lowering the amount of general obligation bond, the county is examining other supplemental means of financing such as a consolidation of county leased space; selling existing county owned property; or partnerships with other public/private entities.

What options are being considered?

All options are being considered and evaluated by the Courthouse Blue Ribbon Steering Committee. Current options range from renovating the existing courthouse to building a new facility. Each option has its own set of advantages/disadvantages and the Committee is working to determine the most prudent option.

Who is evaluating the courthouse renovation/construction project?

Over the years the county has had numerous consultants, engineers, and committees evaluate the status of the courthouse. Most recently a Courthouse Blue Ribbon Steering Committee has been convened to address the current situation. The Committee is comprised of county, civic, business and community leaders that are looking at government's responsibility to provide adequate public safety for citizens while planning for future needs. The Steering Committee intends to have a recommendation to present to the board in September/October 2003.

Proposed Timeline

Committee Recommendation Finalized	July/August 2003
Public Board Presentation Meeting	September/October 2003
Community Involvement	September 2003 – May 2004

Who do I contact if I have a question or need more information about the project?

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