

# **ANNOTATED MINUTES**

Tuesday, September 30, 1997 - 9:30 AM  
Portland Building, Second Floor Auditorium  
1120 SW Fifth Avenue, Portland

*Chair Beverly Stein convened the meeting at 9:30 a.m., with Commissioners Sharron Kelley, Tanya Collier and Dan Saltzman present.*

## **LAND USE PLANNING HEARING - RESCHEDULE**

- P-1      SEC 13-97 DE NOVO HEARING, TESTIMONY LIMITED TO 20 MINUTES PER SIDE Regarding Appeal of the Hearings Officer Decision Approving a Significant Environmental Concern Permit for Development of a Single Family Dwelling on Lands Designated Rural Residential, for Property Located at 18988 NW KING ROAD, PORTLAND
- P-2      CS 3-97/PLA 5-97 DE NOVO HEARING, TESTIMONY LIMITED TO 20 MINUTES PER SIDE Regarding Appeal of the Hearings Officer Decision Approving a Community Service Use and Property Line Adjustment, Subject to Conditions and Approval, for Property Located at 4280 NW NORTH ROAD, PORTLAND

***AT THE REQUEST OF CHAIR STEIN AND UPON MOTION OF COMMISSIONER KELLEY, SECONDED BY COMMISSIONER SALTZMAN, DE NOVO LAND USE HEARINGS FOR CASES SEC 13-97 AND CS 3-97/PLA 5-97 WERE UNANIMOUSLY RESCHEDULED TO 10:00 AM, TUESDAY, OCTOBER 14, 1997.***

*The planning meeting was adjourned and the briefing convened at 9:31a.m.*

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Tuesday, September 30, 1997 - 9:30 AM  
Portland Building, Second Floor Auditorium  
1120 SW Fifth Avenue, Portland

## **BOARD BRIEFINGS**

- B-1 Progress Report on the Work of the Local Public Safety Coordinating Council (LPSCC). Presented by Peter Ozanne and Suzanne Riles.

*Vice-Chair Gary Hansen arrived at 9:32 a.m.*

**PETER OZANNE AND SUZANNE RILES  
PRESENTATION AND RESPONSE TO BOARD  
QUESTIONS AND DISCUSSION.**

- B-2 Discussion Concerning the Proposed Sale of Approximately 64 Acres at Edgefield to the City of Troutdale. Presented by Wayne George and John Thomas.

*Vice-Chair Gary Hansen excused himself at 10:12 a.m.*

**COMMISSIONER SHARRON KELLEY, WAYNE  
GEORGE AND BOB OBERST PRESENTATION AND  
RESPONSE TO BOARD QUESTIONS, COMMENTS  
AND DISCUSSION.**

*There being no further business, the meeting was adjourned at 10:54  
a.m.*

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Wednesday, October 1, 1997 - 3:00 PM  
Portland Building, Second Floor Conference Room C  
1120 SW Fifth Avenue, Portland

**TSCC PUBLIC HEARING**

*Tax Supervising and Conservation Commission Chair Charles Rosenthal convened the meeting at 3:05 p.m., with TSCC Commissioners Anthony Jankans and Roger McDowell, TSCC staff Courtney Wilton and Tony Barnes, County Commission Chair Beverly Stein and Commissioner Sharron Kelley present; and TSCC Commissioners Richard Anderson and Ann Sherman, County Commissioners Gary Hansen, Tanya Collier and Dan Saltzman excused.*

- PH-1 The Tax Supervising and Conservation Commission Will Meet with a Quorum of the Multnomah County Board of Commissioners to Conduct a Public Hearing on the Proposed **1998-2003 Library**

**Local Option Levy Measure.** Presentations by Dave Warren and Jeanne Goodrich. Public Testimony Invited.

**DAVE WARREN, SHARRON KELLEY, BECKY COBB AND BEVERLY STEIN PRESENTATION AND RESPONSE TO QUESTIONS AND DISCUSSION. COMMENTS AND DISCUSSION WITH GUESTS FRIENDS OF THE LIBRARY MEMBER CATHY VANZYL; LIBRARY BOARD MEMBERS PAUL MILIUS AND EVIE CROWELL; AND LEVY CAMPAIGN COMMITTEE MEMBER AISLING COGHLAN.**

*Chair Rosenthal excused himself at 3:40 p.m.*

**MR. MILIUS, MR. WARREN AND CHAIR STEIN RESPONSE TO QUESTIONS OF MR. WILTON AND COMMISSIONERS MCDOWELL AND JANKANS. MR. WARREN RESPONDED TO A QUESTION FROM GUEST ROBERT HOLMES ABOUT THE AMOUNT AND DATE OF A GENERAL FUND TRANSFER TO THE LIBRARY BUDGET.**

*There being no further business, the meeting was adjourned at 3:56 p.m.*

OFFICE OF THE BOARD CLERK  
FOR MULTNOMAH COUNTY, OREGON

**Deborah L. Bogstad**

Deborah L. Bogstad



## MULTNOMAH COUNTY OREGON

### BOARD CLERK

OFFICE OF BEVERLY STEIN, COUNTY CHAIR  
1120 SW FIFTH AVENUE, SUITE 1515  
PORTLAND, OREGON 97204-1914  
TELEPHONE • (503) 248-3277  
FAX • (503) 248-3013

### BOARD OF COUNTY COMMISSIONERS

BEVERLY STEIN •	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

# MEETINGS OF THE MULTNOMAH COUNTY BOARD OF COMMISSIONERS

# AGENDA

FOR THE WEEK OF  
**SEPTEMBER 29, 1997 - OCTOBER 3, 1997**

Tuesday, September 30, 1997 - Land Use Planning CANCELLED .....

Tuesday, September 30, 1997 - 9:30 AM - Board Briefings..... Page 2

Wednesday, October 1, 1997 - 3:00 PM - TSCC Public Hearing ..... Page 3

Thursday, October 2, 1997 - Regular Meeting CANCELLED .....

Thursday Meetings of the Multnomah County Board of Commissioners are \*cable-cast\* live and taped and can be seen by Cable subscribers in Multnomah County at the following times:

Thursday, 9:30 AM, (LIVE) Channel 30

Friday, 10:00 PM, Channel 30

Sunday, 1:00 PM, Channel 30

\*Produced through Multnomah Community Television\*

AN EQUAL OPPORTUNITY EMPLOYER

Tuesday, September 30, 1997 - 9:30 AM  
Portland Building, Second Floor Auditorium  
1120 SW Fifth Avenue, Portland

## **LAND USE PLANNING HEARING - RESCHEDULE**

**PLEASE NOTE THE BOARD HAS BEEN REQUESTED TO RESCHEDULE THE FOLLOWING LAND USE HEARINGS TO 10:00 AM, TUESDAY, OCTOBER 14, 1997:**

- P-1      SEC 13-97 DE NOVO HEARING, TESTIMONY LIMITED TO 20 MINUTES PER SIDE Regarding Appeal of the Hearings Officer Decision Approving a Significant Environmental Concern Permit for Development of a Single Family Dwelling on Lands Designated Rural Residential, for Property Located at 18988 NW KING ROAD, PORTLAND
- P-2      CS 3-97/PLA 5-97 DE NOVO HEARING, TESTIMONY LIMITED TO 20 MINUTES PER SIDE Regarding Appeal of the Hearings Officer Decision Approving a Community Service Use and Property Line Adjustment, Subject to Conditions and Approval, for Property Located at 4280 NW NORTH ROAD, PORTLAND
- 

Tuesday, September 30, 1997 - 9:30 AM  
Portland Building, Second Floor Auditorium  
1120 SW Fifth Avenue, Portland

## **BOARD BRIEFINGS**

- B-1      Progress Report on the Work of the Local Public Safety Coordinating Council (LPSCC). Presented by Peter Ozanne and Suzanne Riles. 30 MINUTES REQUESTED.
- B-2      Discussion Concerning the Proposed Sale of Approximately 64 Acres at Edgefield to the City of Troutdale. Presented by Wayne George and John Thomas. 45 MINUTES REQUESTED.

Wednesday, October 1, 1997 - 3:00 PM  
Portland Building, Second Floor Conference Room C  
1120 SW Fifth Avenue, Portland

## **TSCC PUBLIC HEARING**

PH-1      The Tax Supervising and Conservation Commission Will Meet with a Quorum of the Multnomah County Board of Commissioners to Conduct a Public Hearing on the Proposed **1998-2003 Library Local Option Levy Measure**. Presentations by Dave Warren and Jeanne Goodrich. Public Testimony Invited. 1 HOUR REQUESTED.

Meeting Date: SEP 30 1997  
Agenda No: P-1  
Est. Start Time: 9:30am

(Above Space for Board Clerk's Use ONLY)

**AGENDA PLACEMENT FORM**

**SUBJECT:** DeNovo Hearing regarding the Hearings Officer's decision on SEC 13-97.

**BOARD BRIEFING**      Date Requested:  
                                 Amt. of Time Needed:  
                                 Requested By:

**REGULAR MEETING**      Date Requested:      September 30, 1997  
                                 Amt. of Time Needed:      1 hour

**DEPARTMENT:**      DES      **DIVISION:** Transportation & Land Use Planning  
**CONTACT:**      Robert Hall      **TELEPHONE:** 248-3043  
                                 **BLDG/ROOM:** 412 / 109

**PERSON(S) MAKING PRESENTATION:** Robert Hall / Liz Fancher

**ACTION REQUESTED**

☐ Informational Only      ☐ Policy Direction      ☐ Approval      ☒ Other

**SUGGESTED AGENDA TITLE**

DeNovo Hearing regarding the Hearings Officer's decision approving a Significant Environmental Concern Permit for a single family dwelling on lands designated as Rural Residential.

**SIGNATURES REQUIRED**

**Elected Official:** \_\_\_\_\_

or

**Department Manager:** K. E. Lawrence

BOARD OF  
COUNTY COMMISSIONERS  
MULTNOMAH COUNTY  
OREGON  
97 SEP 26 PM 1:42



BOARD HEARING of September 30, 1997

TIME 9:30am

CASE NAME Significant Environmental Concern Permit Request NUMBER SEC 13-97

1. Applicant Name/Address

Steven Diess  
2111 NE Hancock #3  
Portland 97212

2. Action Requested by Applicant

Approval to construct a single family residence on property designated Rural Residential with a Significant Environmental Concern overlay.

3. Planning Staff Recommendation

Approval

4. Hearings Officer Decision:

Approval

5. If recommendation and decision are different, why?

N/A

6. The following issues were raised at the hearing (*who raised them?*)

- a. Impact on wells in the area. (adjacent neighbor).
- b. Unsuitability of area for subsurface sewage disposal (adjacent neighbor).
- c. Increased traffic (adjacent neighbor).
- d. Impact on wildlife habitat (adjacent neighbor).

7. Do any of these issues have policy implications? Explain.

No, the proposal satisfies applicable Rural Residential and Significant Environmental Concern policies.

**ACTION REQUESTED OF BOARD**

- ☐ Affirm Plan.Com./Hearing Officer
- ☐ Hearing/Rehearing
  - ☐ Scope of Review
    - ☐ On the record
    - ☒ De Novo
    - ☐ New Information allowed





DEPARTMENT OF ENVIRONMENTAL SERVICES  
DIVISION OF PLANNING AND DEVELOPMENT  
2115 SE MORRISON STREET  
PORTLAND, OREGON 97214 (503) 248-3043

## NOTICE OF REVIEW

1. Name: Hill, William, Roger  
2. Address: 18960 NW King Rd., Portland, OR 97231  
3. Telephone: (503) 621-3579

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ZONING  
TOTAL  
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500.00  
8/11/97  
V610AP

4. If serving as a representative of other persons, list their names and addresses:

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5. What is the decision you wish reviewed (e.g., denial of a zone change, approval of a subdivision, etc.)? approval of Significant Environmental Concern

6. The decision was announced by the Hearings Officer Planning Commission on July 31, 1997

7. On what grounds do you claim status as a party pursuant to MCC 11.15.8225?

neighboring property owner, have made an appearance of record, and will be adversely affected by the decision.

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MULTNOMAH COUNTY  
PLANNING SECTION

97 AUG 11 AM 9:06

RECEIVED

8. Grounds for Reversal of Decision (use additional sheets if necessary):

see attached sheet

9. Scope of Review (Check One):

(a) ☐ On the Record

(b) ☐ On the Record plus Additional Testimony and Evidence

(c) ☒ De Novo (i.e., Full Rehearing)

10. If you checked 9(b) or (c), you must use this space to present the grounds on which you base your request to introduce new evidence (Use additional sheets if necessary). For further explanation, see handout entitled *Appeal Procedure*.

De Novo - will present evidence at hearing

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

8/10/97

### For Staff Use Only

Fee:

Notice of Review = \$500.00

Transcription Fee:

Length of Hearing \_\_\_\_\_ x \$3.50/minute = \$ \_\_\_\_\_

Total Fee = \$ \_\_\_\_\_

Received by: \_\_\_\_\_

Date: \_\_\_\_\_

Case No. \_\_\_\_\_

## Notice of Review

### 8. Grounds for Reversal of Decision

1. Inappropriate and irrelevant issues used to support decisions made by the Hearings Officer. There is continued reference to what the "Hill's" have done and not on what the issues are at hand. The Issues at hand are what the Diess's "PLAN" to do in the near future, not on what any neighbor has done in the past.
2. The "Hill's" seem to be more on trial here than the issues addressed. In fact, the Hearings Officer goes to the extreme of sounding threatening, i.e., footnote #1 on page 7, which is not only based on erroneous data, but is also totally irrelevant.
3. There are a number of contradictions within a finding by the Hearings Officer, as well as irrelevant data used and misrepresentation of that data. The applicant has also misrepresented information to the county and Hearings Officer.
4. It is the applicant's responsibility to provide sufficient proof that the ordinances have been satisfied. This has not been done.

MULTNOMAH COUNTY  
PLANNING SECTION

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RECEIVED

**MULTNOMAH COUNTY, OREGON  
DEPARTMENT OF ENVIRONMENTAL SERVICES  
DIVISION OF PLANNING AND DEVELOPMENT**

**Case File:** SEC 13-97

**Proposed Action(s) and Use(s):** To construct a single family residence on property designated Rural Residential (RR) and Significant Environment Concern (SEC).

**Property Location:** 18988 N.W. King Road. Lot 2, Fairland; 0.54 acres

**Applicant:** Steven Diess  
2111 NE Hancock #3  
Portland, Oregon 97212

**Property Owner:** Karen M. Brelje  
636 Warner Parrott Road  
Oregon City, OR 97045

**Appellant:** Roger W. Hill  
18960 NW King Road  
Portland, Oregon 97231

**HEARINGS OFFICER'S DECISION**

**DECISIONS:**

**Planning Director's Decision:**

Approve, development of this property with a single family residence based on the findings, conclusions, and conditions contained herein.

**Hearings Officer's Decision on Appeal:**

Affirm decision of Planning Director, with modifications to the conditions of approval.

**Conditions of Approval:**

1. The applicant shall conduct their use of the subject property in accordance with all applicable environmental regulations.

2. The applicant shall obtain a septic tank permit and well permit from the appropriate governmental agencies prior to commencing construction of the proposed home and prior to the issuance of a building permit for the home.
3. The applicant shall drill a domestic water well that is suitable for use as a source of domestic water prior to issuance of a building permit for the proposed residence. Proof of this fact must be provided to the Multnomah County Planning Division or this permit will be void.
4. No construction activity that is audible beyond the boundaries of the subject property may occur between the hours of 10:00 p.m. and 7:00 a.m.
5. This permit is issued for the home proposed in the drawings submitted with the application. Any significant revision of those plans shall require a new SEC permit.
6. The Applicant shall revise the home plan to remove the third story window shown on the east elevation of the subject property. This window may be replaced by solid siding consistent with the siding of the rest of the home or with a small window, no larger than the third story window proposed for the west elevation of the house. The window may be round, square or rectangular.
7. The bottom of both third story "attic" windows must be placed *at least* 6 feet above floor level.
8. The applicant shall provide an on-site storm drainage systems which contains all drainage on site and which complies with the specification for drainage in the manner shown on Exhibit E-7.
9. All exterior colors shall be dark natural earth tones as indicated in the application.

#### **BACKGROUND:**

1. **Applicant's Proposal:** The applicant requests approval for a Significant Environmental Concern Permit for the construction of a single family residence on the above described property.
2. **Site and Vicinity Characteristics:** The property consists of 0.54 acres which is undeveloped. The property appears to have been largely cleared, but has since overgrown with berries, Scotch broom and other deciduous species. The property is located within a

large area of rural residential properties characterized by lots ranging from one-half to over one acre in size developed with single family residences.

3. **Appeal:** On May 29, 1997 the Planning Director approved the SEC permit for the above described property. On June 9, 1997, appellant Roger W. Hill filed an appeal of that decision. The grounds for appeal were that the applicant and County had failed to demonstrate compliance with the following approval criteria: MCC 11.15.6420 (K) and (L) and Comprehensive Plan Policies 13 and 37(C), (F) & (I).
4. **Scope of Review on Appeal:** An appeal of an Administrative Decision is limited to the "specific grounds" listed in the Notice of Appeal. MCC 11.15.8290: "As a result, the Hearings Officer's decision addresses those matters challenged in the Notice of Appeal. Other issues were raised at the appeal hearing, such as the visibility of the proposed home from key viewing areas. Those issues were not raised in the Notice of Appeal and, therefore, are not at issue in this appeal. The findings of the Director on visibility from viewing areas and all other issues stand as written by the Director and are not repeated in this decision.

At the hearing regarding this appeal, the Hearings Officer indicated that the findings of the Director were not very detailed. This comment was not intended as a criticism of those findings as the findings are appropriate for what was, at the time of decision by the Director, an uncontested case. Further findings are now, however, required to respond to specific concerns and claims raised by appellant Roger Hill.

#### **FINDINGS RE GROUNDS FOR APPEAL:**

##### ***MCC 11.15.6420: Criteria for Approval of SEC Permit (General Provisions):***

*The SEC designation shall apply to those significant natural resources, natural areas, wilderness areas, cultural areas, and wild and scenic waterways that are designated SEC on the Multnomah County sectional maps. Any proposed activity or use requiring an SEC permit shall be subject to the following:*

***MCC 11.15.6420 (K):*** *The quality of the air, water, and land resources and ambient noise levels in areas classified SEC shall be preserved in the development and use of such areas.*

**Director:** There are no identified adverse impacts that construction of the addition would cause on the air, water and noise quality of the area.

**Appellant:**

**Air quality:**

A dirt road serves this property lead [sic] past several other residences. During the summer dry months, significant air pollution (dust) is generated by vehicle traffic. Another residence will have significant adverse impact on air quality during those month on the surrounding residences. How will this be addressed?

**Water quality:**

This residence will be serviced be [sic] a well (yet to be constructed). The concern is: will an additional well deplete, draw down, or in any way adversely impact the water quality of the many existing wells in the immediate vicinity? Has any hydrology study been done to prove there isn't an issue? What about neighboring septic systems?

**Noise levels:**

This is a quiet, peaceful country environment and this ordinance addresses "development" as well as "use." We therefore request construction of this residence be accomplished as quietly and as quickly as possible, and that construction times be limited to normal business hours, Monday through Friday, 8 to 5 p.m.

**Hearings Officer:** This section requires that the quality of the air, water, and land resources and ambient noise levels in the area of the subject property be "preserved" in the development and use of such areas. This preservation standard requires that whatever "quality" presently exists be maintained after the construction of the proposed residence. This section is ambiguous, however, as it does not establish any standards of quality nor does it place limits on ambient noise levels. Neither does the section explain whether it is intended to proscribe those impacts typically associated with development allowed by the underlying zone.

The Hearings Officer, therefore, must interpret the meaning of this section. The Hearings Officer reviewed the Administrative Decision which approved the adjoining Hill residence in April of 1996 in order to see how the County had previously interpreted this approval criterion in this neighborhood. The record of that decision is included as a part of the record of this case. In the Hill case, Mr. Hill's statement of compliance with this standard was that "[t]he existing quality of air, water and land resources and ambient noise levels shall be preserved during development and use of the property." The Planning Director found that "[c]onditions of approval could ensure the site is maintained and cleared of construction debris, waste and solid waste material during and after construction of the home." Such a condition of approval was imposed on Mr. Hill's SEC permit. These findings show that the County takes a general approach to this approval criteria which accepts impacts typically associated with single family residential

development. As such, the Hearings Officer interprets this approval criterion as precluding the applicant from causing any atypical impacts upon the neighborhood ecosystem.

In order to comply with this standard, the Hearings Officer finds that the applicants must be required to conduct their use of the property in accordance with all applicable environmental regulations. A condition of approval will require such compliance. Additionally, a condition of approval will require the applicant to obtain a septic tank permit and well permit from the appropriate governmental agencies prior to commencing construction of the proposed home and prior to obtaining a building permit for the home. If such permits are not obtained, the applicant may not construct a home on the subject property as to do so would harm the environmental quality of the neighborhood.

Turning to the appellant's concerns, the Hearings Officer makes the following findings:

1. The applicant's use of the dirt road which serves the neighborhood and the subject property may generate dust during summer months. The impact that this use will have will not, however, be any different than the impact caused by use of this road by the Hill family or by other area residents. As such, the quality of the air in this area is already poor during summer months and the appellant's use will not alter that quality. The approval standard does not require the appellant to correct existing environmental problems in the neighborhood as a precondition of developing the subject property.
2. The applicant will be required, as a condition of approval, to obtain a well permit prior to drilling a well. The Hearings Officer finds that the drilling of the well and the issuance of a well permit is regulated by the State of Oregon in order to protect water quality and to assure a fair allocation of water between competing users. The imposition of this condition of approval will assure that the proposed well will not adversely affect the quality of the area's water supply. Further, the recent issuance of a well permit for the Hill property and the lack of any problems by the Hills in obtaining that source of water confirms that the drilling of a well in this area will not cause problems to the water quality of the area. Brent Brelje, a civil engineer with experience in well and groundwater issues, testified that the geology of the area is well-suited to use as a source of groundwater.

The applicant's concern about well depletion and draw down are not relevant to this approval criterion. This is because this code section relates to water *quality* not water supply or *quantity*.

3. The Hearings Officer finds that Mr. Hill's concerns about noise are reasonable given the fact that the future home owner intends to build the proposed home in



his spare time with help from his family and the fact that the County's noise regulations exempt construction noise from its noise limits. Without reasonable limits upon noise, the Hill family and neighborhood could be subjected to construction noise during night time hours for a prolonged period of time. As a result, the Hearings Officer will require, as a condition of approval, that no construction activity that is audible beyond the boundaries of the subject property occur between the hours of 10:00 p.m. and 7:00 a.m.

*MCC 11.15.6420 (L): The design, bulk, construction materials, color and lighting of buildings, structures and signs shall be compatible with the character and visual quality of areas of significant environmental concern.*

**Director:** The proposed residence will be comparable to existing structures in the surrounding area with respect to height, color and materials.

**Appellant:** The findings do not address the "design" and "bulk" as well as the "character and visual quality . . ." of the proposed construction. All structures in the neighborhood are small (1600 square feet and smaller), single story residences and outbuildings situated on 3/4 acre and larger properties. The proposal is for a large (3500 sq. ft.) two story home (plus attached garage), on the smallest property around, a 1/2 acre. This is not the typical city or suburban environment, rather a more county setting with lots of air space around and distance between structure. We therefore request the size of the proposed project be scaled back and distance between buildings be more appropriate to the environment.

**Hearings Officer:** There is substantial evidence in the record of this matter regarding the issue at the land use hearing. This evidence included photographs of the neighborhood and maps of structures on adjoining properties. Based on this evidence, the Hearings Officer finds that the design, bulk, construction materials, color and lighting of the proposed dwelling will be compatible with character and visual quality of areas of significant environmental concern.

All parties assume that the area of environmental concern is the surrounding residential neighborhood. As no party has challenged this assumption, the Hearings Officer accepts it for purposes of deciding this appeal.

Mr. Hill's appeal is in error when it states that "[a]ll structures in the neighborhood are small (1600 square feet and smaller), single story residences and outbuildings situated on 3/4 acre and larger properties." The evidence in the record makes it clear that there are two-story homes in the neighborhood. Mr. Hill's claim regarding the size of the homes is also deemed unreliable by the Hearings Officer given the lack of accuracy in his

statement about the number of stories on the home and the fact that Mr. Hill's drawing of the location of the drainfield on his property conflicts with the official records of the septic drainfield and with the location of the field shown on Mr. Hill's SEC permit application. Mr. Hill's studio/workshop *alone* exceeds the 1600 square foot size.

The photographic evidence shows that the neighborhood contains homes of different ages and styles. The adjoining Hill property contains a residence and studio/garage that is very modern in style and design. The Hill home has a feel of the Orient due to the styling of the front entryway. This is the only home in the neighborhood which has such a feel. The Hill home is 1440 square feet in size according to Mr. Hill. The tax assessor's records indicate a home size of 1776 square feet. The Hill permit shows that Mr. Hill obtained approval for a 42' x 30' residence (1260 square feet). Apparently, the home has grown since the time of approval.<sup>1</sup> The Hill home also includes an art studio and workshop. The approved SEC permit shows the structure as being 36' x 64' or 2304 square feet. The tax records indicate that the studio is 2160 square feet and Mr. Hill claims it is 2000 square feet. Regardless, the combined lot coverage by the structures on the Hill lot exceeds 3500 square feet. By contrast, the proposed residence on the Brelje property will cover no more than 3600 square feet (total of 3936 square feet: 400 square feet in attic/third floor, the remaining 3536 square split between two floors, excluding garage area, assuming that area of second floor will equal or exceed size of garage based on drawing of home).

Some of the other houses in the neighborhood are two story and split level homes with styling consistent with designs popular in the 1960s and 1970s. The proposed home is consistent with these homes, except to the extent that it proposes a third floor area. The third floor includes two windows: one large picture window on the east side of the property and a small window on the west side. The Hearings Officer finds that the use of the large picture window on the east side of the proposed home makes it very clear that there is a third story on the home. As a three story home is not compatible with the other homes in the scenic area, the Hearings Officer will require that the applicant remove the proposed picture window and replace it with solid siding or with a small window, no larger than the third story window proposed for the west elevation of the house. The window may be round, square or rectangular. The bottom of both third story "attic" windows must be placed *at least* 6 feet above floor level so that home occupants may not stand on the third floor and look down on the neighborhood and be seen from adjoining homes. This will make the third floor appear more like the "attic" area that the applicants have stated it will be and more similar to the two story homes in the neighborhood.

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<sup>1</sup>This variance between the home actually constructed and the home permitted could require Mr. Hill to obtain a new SEC permit in order to retain the oversized area of his home.

Other homes have a "ranch" style or are single story homes of an early period. The proposed home will be the largest home in the neighborhood but will not cover significantly more land area than the structures which are found on adjoining properties. This conclusion is drawn from the various area maps submitted in this matter and by Mr. Hill in his application for an SEC permit and hearing testimony. The maps and testimony show that most other homes are single story and, therefore, all of the homes square footage covers lot area. Further, the evidence shows that there are numerous accessory structures on other area lots which cover large parts of other neighborhood lots. The combined impact of these facts is that the amount of square footage of subject property that will be covered by the proposed home will not be materially different than the land area covered on other lots. The smaller lot size of the proposed lot is not, itself, a reason to reduce the size of the proposed home because the side of the property adjoins a 20' wide easement area which will provide an additional separation between the proposed home and homes located to the west of the subject property. Also, the homes to the west are located on the west side of their lots, providing ample spacing between the proposed home and existing homes. The proposed home is also located a significant distance away from the Hill home and is separated from that home by the large Hill studio/workshop. As a result, the Hearings Officer finds that the amount of spacing between structures is consistent with the spacing of many structures in the neighborhood.

#### MULTNOMAH COUNTY COMPREHENSIVE PLAN POLICIES:

*Policy No. 13, Air, Water and Noise Quality: Multnomah County, . . . [S]upports efforts to improve air and water quality and to reduce noise levels. . . . Furthermore, it is the County's policy to require, prior to approval of a legislative or quasi-judicial action, a statement from the appropriate agency that all standards can be met with respect to Air Quality, Water Quality, and Noise Levels.*

**Director:** No significant impact on air pollution will result from the construction of a single-family residence. Water provided to the site is provided in concert with D.E.Q. and State Water Resource requirements.

**Appellant:** All of the above, MCC 11.15.6420(K), applies here as well. Additionally, the findings make a completely untrue statement; "Water provided to the site . . ." There is no water source for this site at the present time. This is discussed further below, Policy 37.

**Hearings Officer:** The Hearings Officer has addressed the Appellant's preceding concerns and MCC 11.15.6420(K), above. The Hearings Officer finds that water is not presently available to serve the subject property. As a result, the Hearings Officer has required the applicant to obtain a well permit and construct a functioning domestic well prior to issuance of a building permit for the requested residence. This comprehensive plan policy does not require the applicant to

improve air and water quality and to reduce noise levels. This is a direction to the County which is implemented by the requirement to obtain statements from the appropriate agencies. The appellant has not challenged the sufficiency of proof regarding the agency statements so that issue is not before the Hearings Officer.

***Policy No. 37, Utilities:*** *The County's policy is to require a finding prior to approval of a legislative hearing or quasi-judicial action that:*

***WATER DISPOSAL SYSTEM:***

***C. There is an adequate private water system, and the Oregon Department of Environmental Quality (DEQ) will approve a subsurface sewage disposal system; or***

**Director:** The property has a private well capable of producing 24 gallons per minute.

**Appellant:** This is a blatant mistake. There is no well on the property and it is questionable whether a well could be installed appropriately. The property is surrounded by four septic systems and the size of the property is small enough such that there is no place to drill a well and maintain a 100' setback from these systems. See attached sketch of property. The concern for the neighboring wells is that the water source is not in a rock encased aquifer that would be easy to seal with typical drilling practices. Rather, the water source is simply a subterranean gravel field (about 200' deep) with a shallow clay layer for protection. If one well in the area gets polluted, potentially all the neighboring wells will be affected.

**Hearings Officer:** The property does not presently have an existing well. The existence of a functioning domestic well was, therefore, made a condition of approval of this application. If the applicant cannot obtain approval of a well permit due to the locations of adjoining drainfields, this SEC permit within the time allowed for construction of the home, this permit will become null and void. The Hearings Officer also finds that it appears that the applicant will be able to locate a well that is at least 100' away from all adjoining drainfields. This is because the official records of septic approvals show that the drainfields are more than 100 feet away from many areas of the subject property which might serve as well sites. The Hearings Officer finds that the locations shown on Mr. Hill's map do not coincide with the official records nor with septic drainfield location shown on Mr. Hill's SEC permit application. As the locations on the Hill drawing were all much closer to the subject property than shown on other official documents, the Hearings Officer finds that the Hill document is not reliable evidence upon which the Hearings Officer may base a decision of denial of this application.

***DRAINAGE:***

***E. There is adequate capacity in the storm water system to handle the increased run-off; or***  
***F. The water run-off can be handled on the site or adequate provisions can be made; and***

*G. The run-off from the site will not adversely affect the water quality in adjacent streams, ponds, lakes or alter the drainage on adjacent lands.*

**Director:** The City of Portland Building Bureau regulates the flow of water coming off single family residences. Multnomah County Requires a Grading and Erosion Control Permit for the disturbance of 50 cubic yards of earth or more and a Hillside Development Permit for development of land on slopes averaging greater than 25%. Earth disturbing activities resulting in less than 50 cu. yds. being disturbed is considered negligible except in Hillside Areas.

**Appellant:** This is an inappropriate response to the question of drainage of water run-off from buildings. The question relates to storm water, i.e., how will the water coming off the roof, gutters, and down-spouts be handled. The City of Portland, Bureau of Buildings, Environmental Soils regulates this by requiring a subsurface drain-field of a certain length per square feet of roof area. The applicant has not addressed how this will be handled.

**Hearings Officer:** The applicant proposes to handle drainage in the manner shown on Exhibit E-7, a method suggested by the Portland Bureau of Buildings, Environmental Soils division. The use of such a drainage system that complies with the specifications shown on Exhibit E-7 will be required as a condition of approval of this permit.

#### *ENERGY AND COMMUNICATIONS:*

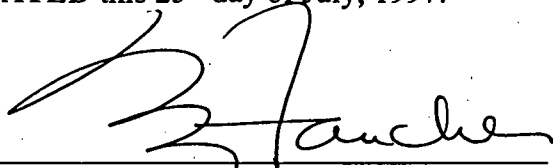
##### *I. Communications facilities are available.*

**Director:** The property is currently served by electric and telephone facilities that will not be affected by this addition.

**Appellant:** The telephone system is currently overloaded in this area, i.e., there are no more twisted-pairs available for additional phone service. Neighbors who have two lines are being cut back to single lines because of problems with other lines going bad, particularly during rainy periods. US West currently does not have plans to upgrade the desperately needed service to this area.

**Hearings Officer:** The Hearings Officer finds that the testimony of Steven Diess that US West is willing and able to provide telephone service to the subject property persuasive. Mr. Hill's evidence on this point is not found to be credible given the fact the septic tank location and home size and story information submitted by Mr. Hill was shown to be inaccurate by Mr. Diess, with official records and photographs. Cellular telephone service is also available in this area.

DATED this 25<sup>th</sup> day of July, 1997.



LIZ FANCHER, Hearings Officer

MAILED this \_\_\_\_\_ day of \_\_\_\_\_, 1997.

By: \_\_\_\_\_

## SEC 13-97 LIST OF EXHIBITS

**"A" - Applicant Submittals:**

- A 1 - General Application Form and photos
- A 2 - Applicant's Response to Approval Criteria, 7 pages
- A 3 - Property Owner Consent Form
- A 4 - Service Provider forms
- A 5 - Vicinity and Site plans, 5 pages

**"B" - Notification Information:**

- B 1 - Notice of Public Hearing
- B 2 - Affidavit of Posting

**"C" - Multnomah County Items:**

- C 1 - Planning Director decision Report

**"D" - Pre-Hearing Submittals**

- D 1 - Notice of Appeal by Roger Hill

**"E" - Documents Submitted at 7/16/97 Public Hearing:**

- E 1 - Posterboard with map and photographs of neighborhood homes
- E 2 - Photograph of Hill outbuilding
- E 3 - Photograph of two Clark Road houses
- E 4 - Septic Record (City of Portland files)
- E 5 - Hill Septic Record (City of Portland files)

- E 6 - Septic feasibility letter
- E7 - Portland drainage regulations (illustration)
- E8 - Revised building plans
- E9 - Topographic map
- E10 - Hill map of neighborhood
- E11 - Hill SEC Permit File (SEC 6-96)

**Appeal to the Board of County Commissioners:**

**The Hearings Officer Decision may be appealed to the Board of County Commissioners (Board) by any person or organization who appears and testifies at the hearing, or by those who submit written testimony into the record. An appeal must be filed with the Transportation and Land Use Planning division within ten days after the Hearings Officer decision is submitted to the Clerk of the Board. An appeal required a completed "Notice of Review" for and a fee of \$500.00 plus a \$3.50 per-minute charge for a transcript of the initial hearing(s). [ref. MCC 11.15.8260(A)(1) and MCC 11.15.9020(B)] Instructions and forms are available at the Planning Office at 2115 SE Morrison St., Portland, or you may call 248-3043 for additional instructions.**

Est. Start Time: 9:30 AM

(Above Space for Board Clerk's Use ONLY)

## AGENDA PLACEMENT FORM

**SUBJECT:** DeNovo Hearing regarding the Hearings Officer's decision on CS 3-97 & PLA 5-97.

**BOARD BRIEFING**      Date Requested: \_\_\_\_\_  
 Amt. of Time Needed: \_\_\_\_\_  
 Requested By: \_\_\_\_\_

**REGULAR MEETING**      Date Requested: September 30, 1997  
Amt. of Time Needed: 1 hour

**DEPARTMENT:** DES **DIVISION:** Transportation & Land Use Planning  
**CONTACT:** Robert Hall **TELEPHONE:** 248-3043  
**BLDG/ROOM:** 412 / 109

**PERSON(S) MAKING PRESENTATION:** Robert Hall / Liz Fancher

### **ACTION REQUESTED**

☐ Informational Only      ☐ Policy Direction      ☐ Approval      ☒ Other

**SUGGESTED AGENDA TITLE**

DeNovo Hearing regarding and appeal of the Hearings Officer's decision regarding an approval of a Community Service Use and Property Line Adjustment, subject to conditions and approval.

### **SIGNATURES REQUIRED**

**Elected Official:** \_\_\_\_\_

**or**

Department Manager: Kenneth L. Chivers

CLERK OF COURT  
COUNTY COMMISSIONERS  
MULTNOMAH COUNTY  
OREGON





CASE NAME Significant Environmental Concern Permit Request NUMBER

CS 3-98/PLA 5-97

## 1. Applicant Name/Address

Wolf Creek Water District  
1850 SW 107th Avenue  
Beaverton, OR 97006-4211

## 2. Action Requested by Applicant

Modification of prior Community Service approval to reduce the size of the Tualatin Valley Water District reservoir property from 4.88 acres to 2.8 acres and to add the remainder of the property to the adjacent property to the north through a property line adjustment. Approval of the property line adjustment would increase the area of the lot to the north from 9.48 acres to 11.52 acres.

**ACTION REQUESTED OF BOARD**

- ☐ Affirm Plan.Com./Hearing Officer
- ☐ Hearing/Rehearing
  - ☐ Scope of Review
    - ☐ On the record
    - ☒ De Novo
    - ☐ New Information allowed

## 3. Planning Staff Recommendation

Approval with conditions

## 4. Hearings Officer Decision:

Approval with conditions

## 5. If recommendation and decision are different, why?

N/A

6. The following issues were raised at the hearing (*who raised them?*)

- a. Prohibition of development on the new northerly parcel. (adjacent neighbor).
- b. Require a new conditional use for the reservoir (adjacent neighbor).
- c. Height of existing reservoir (adjacent neighbor).
- d. Consistency with character of the area (adjacent neighbor).
- e. Impact on natural resources (adjacent neighbor).
- f. Development limitations of the property (adjacent neighbor).
- g. Illegality of existing reservoir (adjacent neighbor).

## 7. Do any of these issues have policy implications? Explain.

No, they all relate to application of the Zoning Code.



DEPARTMENT OF ENVIRONMENTAL SERVICES  
DIVISION OF PLANNING AND DEVELOPMENT  
2115 SE MORRISON STREET  
PORTLAND, OREGON 97214 (503) 248-3043

## NOTICE OF REVIEW

26#  
PERMITS 500.00  
TOTAL 500.00  
0000-001 9/ 5/97  
6695 CHUCK 2:50PM

1. Name: Shankar , Vijay and Anne  
2. Address: 4200 NW North Road , Portland , Oregon 97210  
3. Telephone: ( 503 ) 297 9461

4. If serving as a representative of other persons, list their names and addresses:

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5. What is the decision you wish reviewed (e.g., denial of a zone change, approval of a subdivision, etc.)?

Community Service zone designation and Property  
Line Adjustment.

6. The decision was announced by the Hearing Officer on \_\_\_\_\_, 19 \_\_

7. On what grounds do you claim status as a party pursuant to MCC 11.15.8225?

Please refer to accompanying letter dated September 5, 1997, from  
Ty K. Wyman of Bogle & Gates P.L.L.C.

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97 SEP -5 PM 2:31  
MULTNOMAH COUNTY  
PLANNING SECTION

8. Grounds for Reversal of Decision (*use additional sheets if necessary*):  
Please refer to accompanying letter dated September 5, 1997 from

Ty K. Wyman of Bogle & Gates P.L.L.C.

9. Scope of Review (*Check One*):

(a) ☒ On the Record

(b) ☐ On the Record plus Additional Testimony and Evidence

(c) ☐ *De Novo* (i.e., Full Rehearing)

10. If you checked 9(b) or (c), you must use this space to present the grounds on which you base your request to introduce new evidence (Use additional sheets if necessary). For further explanation, see handout entitled *Appeal Procedure*.

Signed: Ty K. Wyman, Atty. for Shankars Date: 9/5/97  
Ty K. Wyman, Attorney for Shankars

**For Staff Use Only**

Fee:

Notice of Review = \$500.00

Received by: \_\_\_\_\_ Date: \_\_\_\_\_ Case No. \_\_\_\_\_

# BOGLE & GATES P.L.L.C.

A Professional Limited Liability Company

LAW OFFICES

TY K. WYMAN

1400 KOIN Center  
222 S.W. Columbia  
Portland, Oregon 97201-6793

Direct Dial: (503) 721-3634  
Main Office: (503) 222-1515  
Facsimile: (503) 721-3666  
Internet Email: twyman@bogle.com

Anchorage  
Bellevue  
Seattle  
Tacoma  
Vancouver, B.C.

73033/00001

September 5, 1997

## VIA HAND DELIVERY

Ms. Kathy Busse  
Planning Director  
Multnomah County Planning Department  
2115 SE Morrison  
Portland, OR 97214

Re: County Case File No. CS 3-97 and PLA 5-97

Dear Ms. Busse:

This firm represents Vijay and Anne Shankar in the above-referenced matter. This letter constitutes the Shankars' Notice of Review, pursuant to Multnomah County Code (MCC) § 11.15.8260, of the Hearings Officer's decision approving the application.

The Tualatin Valley Water District (TVWD) asks the County to approve a substandard lot in the Rural Residential (RR) zone in order to facilitate expansion of an adjacent lot for more intense development. Specifically, TVWD seeks modification of the Community Service overlay zone designation on its 5-acre reservoir site to allow the same development on 3 acres. The severed portion would then be sold to an adjacent property owner to give him a partitionable lot. As abutting property owners, the Shankars are concerned about the intensity of development in this rural area. The question presented is whether the County Code supports density increases in the RR zone, or whether it protects those who seek to protect in the area's rural nature.

As an initial matter, the Shankars wish the Board to know that they have met with the Applicant's representative, Kevin Hanway, and continue to believe that they can reach agreement with the Applicant on a condition approval to the application which would address the Shankars' concerns. However, until such an agreement is reached, this appeal must be pursued.

RECEIVED  
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MULTNOMAH COUNTY  
PLANNING SECTION

**MCC 11.15.8260(B): A Notice of Review shall contain:**

**(1) *An identification of the decision sought to be reviewed, including the date of such decision;***

The decision sought to be reviewed is CS 3-97 and PLA 5-97, which was signed by the Hearings Officer on August 14, 1997.

**(2) *A statement of the interest of the person giving the Notice of Review;***

The Shankars own the southerly abutting lot to the project site. They appeared, through this office and in person, at the July 16, 1997 hearing before the Hearings Officer, in opposition to the application. They also submitted, through this office, a letter (dated July 23, 1997) into the record, further setting forth their opposition.

**(3) *The specific grounds relied upon for review; and***

The grounds for this appeal are as follows:

- 1) The Hearings Officer mistakenly found compliance with Code § 11.15.2224(B) and Plan Policy 2.

Code § 11.15.2224(B) requires that the minimum lot size for the reservoir use be based on "the nature of the proposed use in relation to the impacts on nearby properties."

The Hearings Officer found that the nature of the proposed use does not change with this application, and therefore neither does its impact on adjacent properties. This turns a blind eye to the importance of the density of development. Development on five acres is fundamentally different than development on three acres because it is more dense. This application will allow development at a density greater than the RR five-acre lot size minimum, i.e. 3 separate developments on 14 acres.

The Shankars abut the reservoir property to the south. The lot size of the reservoir was critical to their decision to buy their home, and remains very important to them. A reservoir on five acres fits within they can live with. But a reservoir on three acres will allow development within 10 feet of the Shankars' property in this *rural* zone. The area has very low ambient noise, significantly increasing the impact of any noise on nearby homes. The area is also characterized by pristine views, which should not be interrupted by such close development.

The negative impact on the Shankars of allowing the reservoir use on a substandard lot dictates that the application be denied.

Plan Policy 2 states that "the County's policy is to apply conditions to its approval of land use actions where it is necessary to: (a) protect the public from the potentially deleterious effects of the proposed use." This application requests approval of a Community Service overlay designation on a reduced lot size.

The Shankars voiced concerns about the effect of reducing the TVWD lot by two acres. They suggested that a condition on the approval of this application would resolve their concerns. Specifically, they asked that the application be conditioned that no development take place on the severed two acre area in question.

The Hearings Officer concludes that Policy 2 does not support such a condition because the application does not request approval of a "use" per se. This conclusion fails to recognize that 1) the application is for a use designation (CS), and 2) this Plan policy is an applicable criterion. Obviously, if this application did not involve a proposed use, Policy 2 would not apply.

The Board can alleviate the Shankars' concern and uphold their investment expectation by placing a fairly simple condition on its approval. Specifically, the Shankars suggest that any approval be conditioned to assure that there will be no physical development of the 2 acres which are the subject of the Lot Line Adjustment request. Such a condition is fully supportable under Plan Policy No. 2, Off-Site Effects, which specifically provides for the use of conditions to protect neighbors from off-site impacts. Such a condition would not preclude a future partition of the expanded Lot 31, nor its eventual development with two homes. It would simply assure that no development would take place within what the Shankars had understood to be a buffer area. Without such a condition, the application fails to show compliance with Code § 11.15.2224(B) and Plan Policy No. 2.

The proposed use is a reservoir on a substandard lot. The Board has the authority to condition any approval of this application to protect adjacent property owners. It should use that authority.

- 2) The Hearings Officer mistakenly found that the application complied with MCC § 11.15.7015(A).

This provision requires the proposal to be "consistent with the character of the area". The proposal is not consistent with the character of the area because it reduces an existing developed lot below the five-acre minimum, and will allow development at a higher density than exists or is permitted, *i.e.* three developments on 14 acres. Furthermore, the Shankars bought this property specifically because of the rural environment assured by the RR district, an environment which is jeopardized by this application.

- 3) The Hearings Officer mistakenly found that the application complied with MCC 11.15.2224.

The Applicant requested relief from the five-acre lot size minimum of the Rural Residential (RR) zone, pursuant to Code § 11.15.2224, "Lot Sizes for Conditional Uses." Code § 11.15.2224 allows reduction of the size of a lot below the minimum only for conditional uses "permitted pursuant to Code § 11.15.2212."

Code § 11.15.2212, meanwhile, merely lists conditional uses which "may be permitted" subject to a hearing process. One of those uses which can be permitted as a conditional use is a Community Service Use. Therefore, to fall within 11.15.2224 applies only to lots which have received a Conditional Use permit pursuant to 11.15.2212. The Applicant has not received a Conditional Use permit, and therefore cannot get approval of a reduced lot size under Code § 11.15.2224.

The Hearings Officer concluded that the "records of prior conditional use approvals for the Tualatin Valley property . . . establish that the community service use that exists on the Tualatin Valley property was approved as a conditional use." In fact, the TVWD did not receive a conditional use permit to develop its property.

TVWD received approval of CS 3-86a in 1991. The decision says that it "changes the zone designation from RR to RR/CS." Therefore, the 1991 approval placed an overlay zone on the site. A Conditional Use permit is not an overlay zone. Furthermore, the decision in CS 3-86a considered only MCC § 11.15.7015, which are the criteria for placement of a Community Service zone. A Conditional Use permit, on the other hand, is evaluated under the criteria of MCC § 11.15.7105, *not* § 11.15.7015.

The simple fact is that since nothing in the record indicates that a Conditional Use permit has been obtained, the Applicant cannot obtain approval of a substandard lot under Code § 11.15.2224.

4) The Hearings Officer mistakenly found compliance with Code § 11.15.2218(C) regarding maximum structure height.

The maximum allowed structure height in the RR zone, per MCC § 11.15.2218(I) is 35 feet. The staff report itself indicates that the reservoir is at least 45' from base to top. The Applicant's rebuttal on this issue was that compliance could be assumed from the prior Design Review approval. However, no specific contrary measurement of the height of the structure was presented. Instead, the Applicant claimed that compliance could be assumed from the prior Design Review approval. However, the Applicant is required to establish compliance with this Code section as part of this approval process. The structure is not old enough to be a "grandfathered" non-conforming use. To the contrary, if the structure exceeds the maximum height for the zone, then it is currently illegal and needs a variance. Certainly, no modification of the prior CS permit approval can be approved with this nonconformity.

The Hearings Officer found that the 35-foot maximum structure height in the RR zone does not apply. This finding is curious given that MCC 11.15.2218 was listed as an applicable criterion in the notice, and was addressed in both the application and the staff report. Clearly, in order to obtain a new and different approval of the CS overlay on a smaller area of land, all criteria must be addressed.

In the alternative, the Hearings Officer finds that Code § 11.15.0010 requires measurement of the average height of the structure, and that the average height is less than 35 feet. To the contrary, nothing in MCC § 11.15.0010 on "building height" even discusses average height. Instead, a reference grade point is determined. Nothing in the record establishes that this reference grade brings the height of the structure down to 35 feet.

*(4) If de novo review or review by additional testimony and other evidence is requested, a statement relating the request to the factors listed in MCC .8270(E).*

The Shankars do not request de novo review, nor that additional evidence be added to the record. The Shankars do ask for the opportunity to discuss the impacts of this project directly with the Board.

A completed County Notice of Review form and a check from the Shankars for the \$500 filing fee is enclosed. It is my understanding (via telephone conversation of September 4, 1997 between Carol Lockhart of this officer and JoAnn of your office) that there is no additional deposit for the transcript. Thank you for your assistance in processing this appeal.

Very truly yours,

BOGLE & GATES P.L.L.C.



Ty K. Wyman

Enclosures

cc: Vijay & Anne Shankar  
Kevin Hanway, Tualatin Valley Water District  
Larry Derr, Esq.

BOGLE & GATES P.L.L.C.





MULTNOMAH COUNTY

Department of Environmental Services  
Transportation and Land Use Planning Division  
2115 SE Morrison Street  
Portland, OR 97214 Phone: (503) 248-3043

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## DECISION OF HEARINGS OFFICER

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Case File: CS 3-97 and PLA 5-97

Hearing Date: July 16, 1997

Hearings Officer: Liz Fancher

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**WHAT:** Modification of prior Community Service approval to reduce the size of the Tualatin Valley Water District reservoir property from 4.88 acres to 2.8 acres (CS 3-97) and add the remainder of the property to the adjacent property to the north in a property line adjustment request (PLA 5-97). Approval of the property line adjustment would increase the area of the lot to the north from 9.48 acres to 11.52 acres.

**PROPERTY LOCATION:** Address: 4280 NW North Road

(CS 3-97): Lot 32, Bonny Slope Subdivision, Tax Acct. # R 09060-2440

(PLA 5-97): Lot 31, Bonny Slope Subdivision, Tax Acct. # R 09060-2420

Lot 32, Bonny Slope Subdivision, Tax Acct. # R 09060-2440

**WHO:**     **Applicant:**     Tualatin Valley Water District  
Post Office Box 745  
Beaverton, OR 97075

*Lot 32, Bonny Slope*  
**Property Owner:** Tualatin Valley Water District  
Post Office Box 745  
Beaverton, OR 97075

*Lot 31, Bonny Slope*  
**Property Owner:** Wayne and Mona West  
Post Office Box 482  
Beavercreek, OR 97004

**ZONING DISTRICT:** Rural Residential (RR), Community Service (CS)

**Hearings Officer Decision:** Approve, subject to compliance with specific conditions, the proposal to modify prior Community Service approval to reduce the size of the Tualatin Valley Water District reservoir property from 4.88 acres to 2.8 acres (CS 3-97) and add the remainder of the property to the adjacent property to the north in a property line adjustment request (PLA 5-97). Approval of the property line adjustment would in-

crease the area of the lot to the north from 9.48 acres to 11.52 acres, all based on the findings and conclusions, contained herein.

## CONDITIONS:

1. The applicant shall file the deed restrictions proposed by the Applicant in this application, to restrict future development on proposed Tract 1 (the water district property). The restrictions shall be approved as to form by the County Counsel's Office and recorded by the applicant in the deed records of the County Clerk's Office.
2. The applicant shall complete the process described in the *Applicant's and Surveyor's Instructions for Finishing a Lot Line Adjustment*.

## FORMAT OF DECISION

The Hearings Officer has used the staff report prepared for this application as a starting point for writing this decision. The staff report and this decision reference the statements made by the applicant and adopt those findings as findings in support of this decision, except where noted otherwise in this decision. The sections which begin with the designation "FINDINGS" contain the findings of the Hearings Officer that are added to the findings provided by the applicant. In the event of conflict, the findings of the Hearings Officer control.

## RECORD OBJECTION BY OPPONENTS

On July 30, 1997 new evidence and legal argument was submitted into the record by Lawrence R. Derr on behalf of Wayne West, the owner of Tax Lot 31. On July 30, 1997, the record was closed to all parties except for the applicant. Mr. West is not the applicant in this matter. As a result, the information submitted by Mr. Derr is not admissible and is rejected by the Hearings Officer. Mr. Derr requested that the Hearings Officer reopen the record and admit this evidence. I decline to do so as reopening the record would delay the processing of this land use application. If this decision is appealed, Mr. Derr may enter his comments into the record at that time.

On July 30, 1997, the Hearings Officer received new evidence and legal arguments from Kevin Hanway, on behalf of the applicant. The Hearings Officer is required by ORS 197.763 (6)(e) to accept written argument from the applicant to and through July 30, 1997. The Hearings Officer is not, however, allowed to accept new evidence from the applicant. The materials submitted by Mr. Hanway include legal argument and new evidence. As the Hearings Officer found from her review of the evidence, excluding Mr. Hanway's final submittals, that approval of this application was warranted, she did not consider any part of Mr. Hanway's July 30, 1997 documents in making her decision of this matter. The documents submitted by Mr. Hanway are, however, properly part of the record in this matter.

## DESCRIPTION OF PROPOSAL, SITE AND VICINITY:

1. *Applicant's Description of Proposal:* "Tualatin Valley Water District (Applicant) is a water district serving over 135,000 residents of Washington County. Applicant is the owner of Tax Lot 32, on which it has located a reservoir. The concrete reservoir, with a capacity of 3 million gallons, is partially buried. Applicant proposes a property line adjustment to sever two acres (tract 2) of surplus property from the rear portion of its lot and a

small area (tract 2A) at the northwest corner of the reservoir site. Those areas would be transferred to the owner of Tax Lot 31. Because Tax Lot 31 could, after the adjustment, potentially qualify to partition its lot, this property line adjustment application must be handled as a conditional use. No development or partition is planned at this time by the water district or the owner of Lot 31."

**FINDINGS:** The applicant is required to obtain approval of a modification of its previously issued conditional use permit for a community service use because the applicant is modifying the approved lot size of its property. The size of a parcel in a community service zone is determined during conditional review based upon the application of subjective factors. The current parcel size for the Tualatin Valley Water District property was accepted by the County as appropriate in 1986 and 1991 by the County's approval of CS-3-86 and CS-3-86a.

Approval of the lot line adjustment is required by MCC 11.45.115. Whether the lot line adjustment results in creating a parcel which could potentially qualify for a partition appears to be irrelevant to whether a person is required to file for County land use approval of the adjustment.

**2. Applicant's Description of Site and Vicinity:** "The site is located on the east side of NW North Road, near where that road becomes NW East Road. The site is primarily covered with dense brushy growth and small trees. The land slopes generally to the west, with elevations ranging from approximately 950 feet at the northeast corner to approximately 670 feet at the southwest corner. The reservoir was constructed with its base at an elevation of approximately 775, rising to a maximum elevation of approximately 820 feet. The reservoir area is fenced.

Surrounding properties to the north, west and south are in the Bonny Slope subdivision. This 1923 plat divided the area into roughly 5-acre tracts. The area is characterized by steep terrain, with brush or forest cover. Many of the lots have single family homes; however, most of the Bonny Slope lots immediately adjacent to the subject site remain vacant. A house is located on the lot immediately to the south of the subject site.

Lands to the east are within the City of Portland. These areas are generally upslope from the reservoir site. They are primarily wooded, undeveloped hillsides, and are designated for low density residential uses."

## **ZONING CODE (MCC 11.15) APPROVAL CRITERIA:**

### **1. DIMENSIONAL REQUIREMENTS:**

#### **RURAL RESIDENTIAL DISTRICT (MCC 11.15.2218 Dimensional Requirements):**

**(A) Except as provided in MCC .2220, .2222, .2224, and .7720, the minimum lot size shall be five acres.**  
\* \* \*

**(B) Minimum Yard Dimensions**  
\* \* \*

**Rear 30 Minimum Front Lot Line Length - 50 feet**

#### **COMMUNITY SERVICE OVERLAY (MCC 11.15.7025 Restrictions)**

**A building or use approved under MCC .7020 through .7030 shall meet the following requirements:**

- (A) **Minimum yards in EFU, CFU, F-2, MUA-20, MUF, RR, . . . and R-10 Districts:**
- (1) **Front Yards shall be 30 feet.**
  - (2) **Side Yards for one-story buildings shall be 20 feet; for two story buildings, 25 feet.**
  - (3) **Rear yards shall be as required in the district.**

***Applicant's Response:***

"The location of existing reservoir exceeds all yard requirements. No new improvements are proposed. No minimum lot size is specified for community service uses. Applicant has no plans to expand storage capacity at this site. No improvements are located on or proposed on the portions of the parcel proposed for adjustment and transfer to Lot 31."

**2. LOT AREA REQUIREMENTS (MCC 11.15.2224 Lot Sizes for Conditional Uses):**

**The minimum lot size for a conditional use permitted pursuant to MCC .2212, except (B)(8) thereof, shall be based upon:**

- (A) **The site size needs of the proposed use;**

***Applicant's Response:***

"Applicant has constructed a 3 million gallon concrete water reservoir on the site. The reservoir occupies the western portion of the site, approximately 510 feet from the current rear lot line. After the proposed adjustment, the reservoir will be 130 feet from the adjusted rear lot line, which is more than an adequate setback to accommodate any activities related to the reservoir. This site was selected because it provided the elevation needed to provide adequate gravity-feed service from the reservoir to its service territory. Applicant does not have plans for expansion of the existing reservoir, or any additional reservoirs, making the eastern portion of the lot superfluous for its needs. The adjusted portions of the site would become part of Lot 31, which already exceeds the minimum lot area for this district."

- (B) **The nature of the proposed use in relation to the impacts on nearby properties; and**

***Applicant's Response:***

"No changes are proposed in the use of applicant's property. The reservoir is an unmanned reservoir operation which has no significant impacts on nearby properties. Trips to and from the site are limited to occasional inspection and maintenance by district employees. Potential drainage impacts have been addressed through the construction of drainage ditches, perimeter drains, and an overflow dissipation basin. Tract 2A has been located to assure that the dissipation structure is not affected by any improvements made for access to Lot 31. Potential visual impacts from the use have been minimized by placing the reservoir partially underground. No use is proposed for Lot 31. The portions of Lot 32 transferred to Lot 31 would revert to the RR District designation."

**FINDINGS:** The Hearings Officer agrees that the nature of the community service use is not being changed by this application. The change requested will bring private property ownership closer to the east side of the re-

servior but the person impacted by that change is one of the two owners who have agreed to the boundary line adjustment.

**(C) Consideration of the purposes of this district (MCC 11.15.2202 Purposes):**

The purposes of the Rural Residential District are to provide areas for residential use for those persons who desire rural living environments; to provide standards for rural land use and development consistent with desired rural character, the capability of the land and natural resources; to manage the extension of public services; to provide for public review of non-residential use proposals and to balance the public's interest in the management of community growth with the protection of individual property rights through review procedures and flexible standards.

***Applicant's Response:***

"The existing reservoir is one of the uses permitted in the Community Service overlay zone ("other public utility buildings")."

**3. Community Service Approval Standards: (MCC 11.15.7015 Approval Criteria):**

In approving a Community Service use, the approval authority shall find that the proposal meets the following approval criteria, except for transmission towers, which shall meet the approval criteria of MCC .7035, and except for regional sanitary landfills which shall comply with MCC .7045 through .7070.

**(A) Is consistent with the character of the area;**

***Applicant's Response:***

"The character of this area has not changed since the previous conditional use approval. This is a rural residential neighborhood. The Bonny Slope subdivision consists generally of 5-acre tracts. To the east are wooded undeveloped hillsides designated for low density residential uses. Applicant's reservoir was developed in compliance with the conditions of the earlier approval, which were imposed to minimize visual and drainage impacts on the neighborhood. No changes are proposed to applicant's use on the site. The portions of the site to be transferred to Lot 31 will revert to the RR designation, to preserve its current character."

**FINDING:** Both lots involved in this application are zoned RR at this time. Approval of an amendment to the community service approval will remove the portion of the Tualatin Valley lot which is being added to the adjoining property from the area of the lot which has been approved for a community service conditional use. Approval of the change in size of the lot will not have any impact upon the question of whether the community service use is consistent with the character of the area.

**(B) Will not adversely affect natural resources;**

***Applicant's Response:***

"Applicant's reservoir was developed in compliance with the conditions and design review procedures of the earlier approval, which required preservation of natural features to the maximum extent practical. No new development is proposed for the property."

**FINDINGS:** The modification of the lot size will not change the impact that the community service use will have upon natural resources as the operation will remain the same.

**(C) Will not conflict with farm or forest uses in the area;**

***Applicant's Response:***

"Properties in this area are not used for or designated for agricultural or forest use."

**(D) Will not require public services other than those existing or programmed for the area;**

***Applicant's Response:***

"No public service needs are created by this request as no new development is proposed."

**(E) Will be located outside a big game winter habitat area as defined by the Oregon Department of Fish and Wildlife or that agency has certified that the impacts will be acceptable;**

***Applicant's Response:***

"This site is not identified as a big game habitat area in the Comprehensive Plan or by the Oregon Department of Fish and Wildlife."

**(F) Will not create hazardous conditions; and**

***Applicant's Response:***

"The reservoir was constructed in compliance with the Hillside Development and Erosion Control Permit. The slope below the reservoir appears to be stable. Tract 2A allows an adequate buffer between the dissipation structure on Lot 31 and potential driveway improvements on Lot 31 to prevent any undercutting of the drainage improvements. No new development is proposed for either property."

**FINDINGS:** The approval of this application will not increase the risk of flooding posed by the reservoir as the land being transferred to the adjoining property owner is located uphill from the reservoir.

**(G) Will satisfy the applicable policies of the Comprehensive Plan.**

***Applicant's Response:***

"The following policies of the Comprehensive Plan are applicable to this request: Policy 2 - Off-site Effects; Policy 13 - Air, Water and Noise Quality; Policy 14 - Development Limitations; Policy 22 - Energy Conservation; Policy 37 - Utilities; Policy 38 - Facilities. They are addressed below."

**FINDINGS:** The Hearings Officer's findings regarding the applicability of Plan policies are discussed below.

**(H) Will satisfy such other applicable criteria as are stated in this Section.**

***Applicant's Response:***

"This section does not contain any other applicable approval criteria."

**Staff Comment:** "The other applicable criteria in the CS Section of the code are the yard (setback) restrictions in the preceding MCC 11.15.7025(A) and the required off-street parking standards in MCC 11.15.7025(E)."

**COMPREHENSIVE FRAMEWORK PLAN POLICIES:**

**1. POLICY NO. 2, OFF-SITE EFFECTS.**

THE COUNTY'S POLICY IS TO APPLY CONDITIONS TO ITS APPROVAL OF LAND USE ACTIONS WHERE IT IS NECESSARY TO:

- A. PROTECT THE PUBLIC FROM THE POTENTIALLY DELETERIOUS EFFECTS OF THE PROPOSED USE; OR
- B. FULFILL THE NEED FOR PUBLIC SERVICE DEMANDS CREATED BY THE PROPOSED USE.

***Applicant's Response:***

"The reservoir was constructed in compliance with the plans submitted pursuant to earlier approvals to mitigate or avoid potential off-site effects. No new development is proposed.

No development is proposed for Lot 31. Although the additional area resulting from the property line adjustment would result in sufficient area to site 2 residences, that could not occur without a partition, which would be subject to review and imposition of conditions by the county."

**FINDINGS:** The change in the lot size will not change the use of the Tualatin Valley property in any way. Further, the reduction in the size of the lot will not change the potentially deleterious effects of the reservoir use approved in 1986 and 1991 because the portion of the lot which is being transferred to the Wests is located uphill from the reservoir where it would not be harmed by a sudden or slow loss of water from the reservoir. The impact of the use on views in the area will remain the same before and after the lot reduction because any home placed in the new area of the West lot would be located further from the reservoir than would a home that is placed on the existing West lot, just north of the reservoir and within 10' of the southern boundary of the West property.

**2. POLICY NO. 13, AIR, WATER AND NOISE QUALITY.**

MULTNOMAH COUNTY, ... SUPPORTS EFFORTS TO IMPROVE AIR AND WATER QUALITY AND TO REDUCE NOISE LEVELS. ... FURTHERMORE, IT IS THE COUNTY'S POLICY TO REQUIRE, PRIOR TO APPROVAL OF A LEGISLATIVE OR QUASI-JUDICIAL ACTION, A STATEMENT FROM THE APPROPRIATE AGENCY THAT ALL STANDARDS CAN BE MET WITH RESPECT TO AIR QUALITY, WATER QUALITY, AND NOISE LEVELS.

***Applicant's Response:***

"The reservoir was constructed in compliance with the design review and hillside protection conditions imposed with the earlier approval. No new development is proposed. Future development on the expanded Lot 31 would be subject to conditions imposed under its building permit, or during its land division process, if a partition is proposed."

### 3. POLICY NO. 14, DEVELOPMENTAL LIMITATIONS.

THE COUNTY'S POLICY IS TO DIRECT DEVELOPMENT AND LAND FORM ALTERATIONS AWAY FROM AREAS WITH DEVELOPMENT LIMITATIONS EXCEPT UPON A SHOWING THAT DESIGN AND CONSTRUCTION TECHNIQUES CAN MITIGATE ANY PUBLIC HARM OR ASSOCIATED PUBLIC COST, AND MITIGATE ANY ADVERSE EFFECTS TO SURROUNDING PERSONS OR PROPERTIES. DEVELOPMENT LIMITATIONS AREAS ARE THOSE WHICH HAVE ANY OF THE FOLLOWING CHARACTERISTICS:

- A. Slopes exceeding 20%;
- B. Severe soil erosion potential;
- C. Land within the 100 year flood plain;
- D. A high seasonal water table within 0-24 inches of the surface for 3 or more weeks of the year;
- E. A fragipan less than 30 inches from the surface;
- F. Land subject to slumping, earth slides or movement.

#### *Applicant's Response:*

"The reservoir was constructed in compliance with the design review and hillside protection conditions imposed with the earlier approval. No new development is proposed. Future development on the expanded Lot 31 would be subject to conditions imposed under its building permit, or during its land division process, if a partition is proposed."

### 4. POLICY NO. 22, ENERGY CONSERVATION.

#### *Applicant's Response:*

"The reservoir is a very low level energy user. No new development or energy consuming uses are proposed."

**FINDING:** The Hearings Officer has considered the factors listed in Policy No. 22 when rendering this decision.

### 5. POLICY NO. 31 COMMUNITY FACILITIES AND USES

#### *Applicant's Response:*

"Items A, B, C and D. This site was selected as a reservoir location because its elevation allows Applicant to provide gravity-fed water service to a large portion of its service territory. Maintaining this reservoir site will support the location and scaling of community facilities meeting the needs of the community identified for urban density development inside the urban growth boundary and urban reserves. After the proposed lot line adjustment the remaining site will continue to be capable of serving the water supply needs of this area."

"Items E and F. Water storage is classified as a Community Service Foundation facility. The plan policy specifies the applicable limitations on slopes where such facilities may be located. The slope of this site exceeds the applicable slope limitation for this class of use, and applicant supported its original application for construction of the reservoir with engineering data demonstrating that the associated development limitations could be mitigated. The reservoir was constructed in accordance



with the engineered plans. The proposed lot line adjustment will not affect that engineered slope, and Applicant has proposed conditions to prohibit any non-water related improvements on its retained property."

"Items G and H. The reservoir does not generate traffic which create dangerous intersections or traffic congestion, nor does it generate truck traffic through neighborhood streets. Applicant's employees make occasional visits to the site by automobile or pickup truck for monitoring and maintenance. No change in the level of traffic visiting this site will occur as the result of the proposed lot line adjustment."

"Item I. Applicant's 10-year capital improvement plan does not include any additional water-delivery structures on this site, and Applicant does not anticipate the need for any new reservoirs there at any time in the future. The remaining site will adequately accommodate the existing reservoir, and the structure is located in a way which maximizes the Applicant's convenience and access."

- J. PROMOTE COMPATIBLE DEVELOPMENT AND MINIMIZE ADVERSE IMPACTS OF SITE DEVELOPMENT ON ADJACENT PROPERTIES AND THE COMMUNITY THROUGH THE APPLICATION OF DESIGN REVIEW STANDARDS CODIFIED IN MCC 11.05.7805-11.05.7865.

*Applicant's Response:*

"Item J. The existing reservoir was approved through all applicable design review standards. The only property which might potentially be impacted by the proposed lot line adjustment is Lot 31. The West's, owners of Lot 31, have consented to the proposed adjustment."

- K. PROVIDE FOR THE SITING AND EXPANSION OF COMMUNITY FACILITIES IN A MANNER WHICH ACCORDS WITH THE OTHER APPLICABLE POLICIES OF THIS PLAN.

*Applicant's Response:*

"Item K. Compliance with other applicable comprehensive plan policies is addressed elsewhere in this application."

**6. POLICY NO. 37, UTILITIES.**

THE COUNTY'S POLICY IS TO REQUIRE A FINDING PRIOR TO APPROVAL OF A LEGISLATIVE OR QUASI-JUDICIAL ACTION THAT:

**WATER AND DISPOSAL SYSTEM**

- A. THE PROPOSED USE CAN BE CONNECTED TO A PUBLIC SEWER AND WATER SYSTEM, BOTH OF WHICH HAVE ADEQUATE CAPACITY; OR
- B. THE PROPOSED USE CAN BE CONNECTED TO A PUBLIC WATER SYSTEM, AND THE OREGON DEPARTMENT OF ENVIRONMENTAL QUALITY (DEQ) WILL APPROVE A SUBSURFACE SEWAGE DISPOSAL SYSTEM ON THE SITE; OR

- C. THERE IS AN ADEQUATE PRIVATE WATER SYSTEM, AND THE OREGON DEPARTMENT OF ENVIRONMENTAL QUALITY (DEQ) WILL APPROVE A SUBSURFACE SEWAGE DISPOSAL SYSTEM;  
OR
- D. THERE IS AN ADEQUATE PRIVATE WATER SYSTEM, AND A PUBLIC SEWER WITH ADEQUATE CAPACITY.
- E. THERE IS ADEQUATE CAPACITY IN THE STORM WATER SYSTEM TO HANDLE THE RUN-OFF;  
OR
- F. THE WATER RUN-OFF CAN BE HANDLED ON THE SITE OR ADEQUATE PROVISIONS CAN BE MADE; AND
- G. THE RUN-OFF FROM THE SITE WILL NOT ADVERSELY AFFECT THE WATER QUALITY IN ADJACENT STREAMS, PONDS, LAKES OR ALTER THE DRAINAGE ON ADJOINING LANDS.
- H. THERE IS AN ADEQUATE ENERGY SUPPLY TO HANDLE THE NEEDS OF THE PROPOSAL AND THE DEVELOPMENT LEVEL PROJECTED BY THE PLAN; AND
- I. COMMUNICATIONS FACILITIES ARE AVAILABLE.

***Applicant's Response:***

"No changes are proposed in the reservoir use. It was constructed with the required water, energy and communications utilities. No sewage disposal is required. The storm drainage system and slope treatments were constructed in compliance with the conditions of the earlier approval.

Future development on the expanded Lot 31 would be subject to conditions imposed under its building permit, or during its land division process, if a partition is proposed."

**7. POLICY NO. 38, FACILITIES.**

THE COUNTY'S POLICY IS TO REQUIRE A FINDING PRIOR TO APPROVAL OF A LEGISLATIVE OR QUASI-JUDICIAL ACTION THAT:

**SCHOOL**

- A. THE APPROPRIATE SCHOOL DISTRICT HAS HAD AN OPPORTUNITY TO REVIEW AND COMMENT ON THE PROPOSAL.

**FIRE PROTECTION**

- B. THERE IS ADEQUATE WATER PRESSURE AND FLOW FOR FIRE FIGHTING PURPOSES;  
AND
- C. THE APPROPRIATE FIRE DISTRICT HAS HAD AN OPPORTUNITY TO REVIEW AND COMMENT ON THE PROPOSAL.

**POLICE PROTECTION**

- D. THE PROPOSAL CAN RECEIVE ADEQUATE LOCAL POLICE PROTECTION IN ACCORDANCE WITH THE STANDARDS OF THE JURISDICTION PROVIDING POLICE PROTECTION.

***Applicant's Response:***

"All applicable service providers have been contacted regarding this application. (The county sanitarian was not contacted as no sewage disposal facilities are needed to serve this unmanned site.) No impact is created on the ability of these providers to serve the site as no new development is proposed. Applicant's records do not indicate that there have been any calls to police or fire service providers in relation to this use."

**PROPERTY LINE ADJUSTMENT APPROVAL CRITERIA FROM THE LAND DIVISION CODE (MCC 11.45):**

**MCC 11.45.115 Property Line Adjustment (Lot Line Adjustment):**

A property line adjustment is the relocation of a common property line between two abutting properties. (A) The Planning Director may approve a property line adjustment between two properties, in either the Urban Area or the Rural Area, where an additional lot or parcel is not created and where the existing lot or parcel reduced in size by the adjustment is not reduced below the minimum lot size established by the applicable zoning designation.

[The minimum lot size for the proposed lot containing the Community Service Use is that lot size as determined in an "action proceeding" by a hearing authority under the preceding provisions of MCC 11.15.2224 Lot Sizes for Conditional Uses.]

***Applicant's Response:***

"The applicable standards are in MCC 11.15.2224, and are addressed in this application."

**(C) Property line adjustments approved under subsections (A) and (B) above shall meet the following additional standards:**

- (1) No additional lot or parcel shall be created from any parcel by the property line adjustment;  
and**

***Applicant's Response:***

"The proposed property line adjustment will not result in the creation of an additional lot or parcel. Applicant will retain ownership of the western portion of the property where the reservoir is located. The areas included in the proposed adjustment will become part of the lot to the north, increasing its area to approximately 11.44 acres.

Planning staff has expressed concern that the ordinance would permit Applicant, after the lot line adjustment, to construct a dwelling unit on its retained property. Such a result would be in violation of this subsection of the code, as it would permit the construction of 3 residences (1 on applicant's site, and 2 on the adjusted Lot 31), where currently only 2 are allowed (one residence on each lot, based solely on the area of each lot).

For a number of reasons, Applicant's lot would not be buildable after the lot line adjustment. There will not be adequate depth from the rear of the existing reservoir to the adjusted rear lot line to place a residence.

The slope above the reservoir was already excavated to partially bury the reservoir. There will be only

about 20' between the top of the cut and the new rear lot line. It would not be safe to alter the engineered slope to place a residence in that area; that slope is a rise of 63' over an 80' run (79 % slope). Increasing that slope or placing pilings in that slope creates the potential of making the slope unstable.

In addition, the remaining property below the reservoir is not a buildable site. Much of that area is occupied by a water main and a storm drain line. The vacant portion below the reservoir is very steep, with a 75' rise over 165' run (45 % slope).

Applicant proposes a condition be placed on approval of this application requiring Applicant to record restrictions in favor of Multnomah County which would prohibit the construction of any improvements, other than water-related structures, on Applicant's remaining property. Proposed language for this condition and the deed restriction are attached as Exhibit 1A. Under these restrictions, no residence could be built on Applicant's property. The restrictions could be never be changed without the County's consent. The owner of Lot 31 may later seek approval for a second residence on his adjusted lot, but that would return the number of residences permitted on these two lots to 2, no more than are permitted now.

**[Applicant's Proposed] CONDITIONS OF APPROVAL**

As a condition of approval, Applicant shall execute and record a Declaration of Covenants, Conditions and Restrictions in the Real Property Records of Multnomah County, Oregon, attached hereto and incorporated by reference. The Declaration shall state that the only structures that will be allowed on Applicant's remaining property will be the reservoir, piping and related water facilities, and that non-water related facilities shall not be constructed thereon without the express written consent of the Planning Director of Multnomah County, Oregon, which consent shall be recorded in the Multnomah County Real Property Records."

**FINDINGS:** The Hearings Officer will impose the suggested condition of approval because the applicant has offered to impose such a restriction on its property.

- (2) Owners of both properties involved in the property line adjustment shall consent in writing to the proposed adjustment and record a conveyance or conveyances conforming to the approved property line adjustment; and**

***Applicant's Response:***

"Applicant and the owners of Lot 31 (the adjacent property to the north), have submitted, with this application, written consent to the proposed property line adjustment."

- (3) The adjusted properties shall meet all dimensional requirements in the underlying zoning district designation except for lot area.**

***Applicant's Response:***

"The tentative plan map shows the location of improvements on applicant's property, demonstrating that lot dimension and setback standards are met. Applicant's property will be 2.8 acres after the property line adjustment. Minimum lot sizes in the Rural Residential zone for community service uses are subject to a conditional use process. Those standards are addressed elsewhere in this application.

Lot 31 does not have any improvements. After the adjustment Lot 31 will continue to comply with all of the dimensional and area requirements of the RR zone."

- (4) The right-of-way width between the front line of each adjusted property and the centerline of any adjacent County road shall comply with the applicable provisions of the Street Standards Ordinance as determined by the County Engineer.

***Applicant's Response:***

"The adjustment at the northwest corner of applicant's lot (Tract 2A) will improve access to tax lot 31. The proposed adjustment does not increase the potential traffic impacts from the lots."

**OPPONENTS' OBJECTIONS**

The Hearings Officer makes the following findings of fact and conclusions of law regarding the objections raised by the opponents, Vijay and Anne Shankar. The Shankars own land which adjoins the Tualatin Valley property. The portion of the Tualatin Valley property which will be added to the West property also adjoins the Shankars' side lot line.

**Shankars:** The Hearings Officer should prohibit development of the land which is being added to the West lot under the authority of Comprehensive Plan Policy 2. This prohibition is required by MCC 11.15.2224 (B).

**Hearings Officer:** The Hearings Officer finds that residential development within ten feet of a property boundary is allowed by the Rural Residential District, the district in which the subject properties lie and in which the Shankars invested. That policy allows the Hearings Officer to protect the public from potentially deleterious effects *of a proposed use* but no use approval is being requested in the lot line proceeding. The modification of the conditional use approval for the reservoir does not increase the impact of the *reservoir use* upon the Shankars so may not be imposed as a condition of the modified conditional use approval of the community service use. Instead, the use which is of concern to the Shankars is the future development division and development of the West property with two homes, uses allowed in the Rural Residential zone under prescribed conditions. Whether a 10' setback meets the Hearings Officer's idea of what is or is not appropriate in a rural area is not important where, as here, the County has determined that such setbacks are appropriate for all properties in the RR zone. Further, the Hearings Officer views the request as a "no build" easement, an interest in land, and has grave doubts that the exaction requested by the Shankars would "pass muster" under the Dolan test.

MCC 11.15.2224 (B), likewise, does not compel the Hearings Officer to prohibit development of two acres of the enlarged West property. That code section requires the Hearings Officer to look at the size of the Tualatin Valley tract, not the West tract. The fact that the Tualatin Valley lot will be smaller than it was in the past does not change the nature of the use of the Tualatin Valley tract. The new West lot is not governed by MCC .2224 (B) as no conditional use is being considered proposed for that lot at this time and MCC .2224 (B) is an approval criterion for conditional uses and their lots.

**Shankars:** The Applicant needs to obtain conditional use approval in order to obtain approval for a lot that is smaller than five acres in size.

**Hearings Officer:** The Hearings Officer requested that Planning Division staff submit copies of the records of the prior conditional use approvals for the Tualatin Valley property into the record. Those records establish that the community service use that exists on the Tualatin Valley property was approved as a conditional use. The

application filed in this case is a request to modify the conditional use approval of this community service use. A community service use is listed as a conditional use allowed in the Rural Residential zone. MCC 11.15.2212(A). The community service use on the Tualatin Valley property was permitted under the authority of that code section. As such, the lot size provisions of MCC 11.15.2224 apply to the Tualatin Valley property and authorize the reduction in size requested by the District.

**Shankars:** The Applicant must prove that the Tualatin Valley reservoir complies with the height limitations of the Rural Residential zone.

**Hearings Officer:** The Hearings Officer reviewed the approval criteria for community service uses because the Applicant is requesting to modify the size of the lot. That change may affect the factual assumptions which led to the approval of the original conditional use approval of the community service use. Whether the reservoir does or does not comply with the height limitations of the Rural Residential zone is not relevant to a determination of whether the lot size of the Tualatin Valley property may be modified. The height of the structure is one factor to be considered in determining the proper size of the District's lot but the applicant need not demonstrate compliance with each and every zoning district restriction which applies to its reservoir as a precondition of modifying the size of its lot. If the reservoir violates the height limits of RR zone, the Shankars may take action to compel compliance with that limit by filing a legal action against the District or requesting the County to take enforcement action against the District. Further, the average height of the reservoir is used to determine compliance with MCC 11.15.2218(C) per MCC 11.15.0010. The record indicates that the average height of the reservoir is 35' or less.

**Shankars:** The proposal is not consistent with the character of the area because it reduces an existing developed lot below the five-acre minimum and allows development at a higher density than exists or is permitted.

**Hearings Officer:** The Rural Residential zone provides a flexible lot size for most conditional uses, not a five acre minimum lot size. The five acre minimum lot size applies to permitted and residential uses, including residential PUD developments. It does not apply to other conditional uses. As such, the existence of one community service conditional use and two dwellings in a 14 acre area does not conflict with what is allowed in the Rural Residential zone and is consistent with the planned character of the area. The code sections cited by the Shankars, MCC 15.2224 (1) and 11.15.7015 (A) apply to the Tualatin Valley property only and its conditional use, not to the lot line adjustment application. The Shankars concerns are all directed to the land which is being added to the West property and impacts that flow from uses allowed in the Rural Residential zone, not from a community service use. As such, they do not form a basis for denial of the modification request.

**Shankars:** The proposal may adversely affect natural resources and violate MCC 11.15.7015(B).

**Hearings Officer:** The quoted code section applies to review of the community service use, not to lot line adjustment and to the land which is being added to the West property. As the evidence in the record shows that the smaller size of the Tualatin Valley property will not cause the community service use (the reservoir) to adversely affect natural resources, no violation of MCC 11.15.7015 (B) can be found to exist.

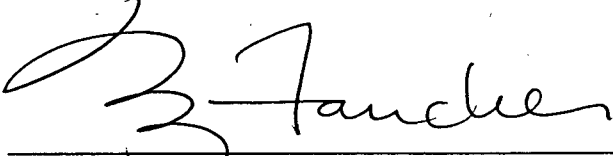
**Shankars:** The application fails to demonstrate compliance with Plan Policy 14.

**Hearings Officer:** The Hearings Officer finds that Policy 14 is a policy which directs the County to take action and does not serve as an approval criterion for land use applications. This policy is implemented by the County's land use regulations, including its design review process and by the application of large lot sizes in areas which are subject to developmental limitations due to factors listed in Policy No. 14. Any development which occurs on the subject property will be subject to the regulations which the County has adopted to effectuate the direction provided by Policy 14.

**Shankars:** The existing reservoir is not one of the uses permitted in the community service overlay zone because it is not a public building and, therefore, violates MCC 11.15.2212.

**Hearings Officer:** MCC 11.15.2212 lists community service uses under the provisions of MCC 11.15.7005 through .7041 as conditional uses. MCC 11.15.7020(A)(6) lists a government building *or use* as a community service use. There is no question that the reservoir is a governmental use as it is a reservoir owned by a governmental entity which stores water to enable the governmental entity to perform its governmental function of supplying water to residents of its district.

DATED THIS 14TH DAY OF AUGUST, 1997.

A handwritten signature in cursive script, appearing to read "Liz Fancher", written over a horizontal line.

LIZ FANCHER, Hearings Officer

**Appeal to the Board of County Commissioners:**

The Hearings Officer's Decision may be appealed to the Board of County Commissioners (Board) by any person or organization who appears and testifies at the hearing, or by those who submit written testimony into the record. An appeal must be filed with the County Planning Division within ten days after the Hearings Officer decision is submitted to the Clerk of the Board. An Appeal requires a completed "Notice of Review" for and a fee of \$500.00 plus a \$3.50 - per- minute charge for a transcript of the initial hearing(s). [ref. MCC 11.15.8260(A)(1) and MCC 11.15.9020(B)] Instructions and forms are available at the County Planning Office at 2115 SE Morrison Street (in Portland) or you may call 248-3043, for additional instructions.

## **CS 3-97 & PLA 5-97 LIST OF EXHIBITS**

### **"A" - Applicant Submittals:**

- A 1 - General Application Form
- A 2 - Applicant's Response to Approval Criteria, 7 pages
- A 3 - Addendum to Applicant's Submittal, 4 pages
- A 4 - Service Provider forms: sewer, water, fire, school, and police
- A 5 - Vicinity and Site plans, 5 pages
- A 6 - Property Owner Consent Form, 2 pages

### **"B" - Notification Information:**

- B 1 - Notice of Public Hearing
- B 2 - Affidavit of Posting

### **"C" - Multnomah County Items:**

- C 1 - Staff Report

### **"D" - Pre-Hearing Submittals**

- D 1 - Letter from Anne & Vijay Shankar

### **"E" - Documents Submitted at 7/16/97 Public Hearing:**

- E 1 - Record of CS 3-86-a (1991 Community Service application & approval)
- E 2 - Record of CS 3-86 (1986 Community Service application & approval)

### **"F" - Documents Submitted after 7/16/97 Public Hearing:**

- F 1 - July 23, 1997 letter from Ty K. Wyman
- F 2 - July 30, 1997 letter from Kevin Hanway & Applicant's Rebuttal (w/ exhibits)
- F 3 - August 5, 1997 letter from Ty K. Wyman

### **"G" - Documents Rejected by the Hearings Officer**

- G1 - July 30, 1997 letter from Lawrence Derr



MEETING DATE: September 30, 1997  
AGENDA #: B-1  
ESTIMATED START TIME: 9:30 AM

(Above Space for Board Clerk's Use ONLY)

## AGENDA PLACEMENT FORM

SUBJECT: Progress Report on the Work of the Local Public Safety Coordinating Council

BOARD BRIEFING: DATE REQUESTED \_\_\_\_\_  
REQUESTED BY: \_\_\_\_\_  
AMOUNT OF TIME NEEDED: \_\_\_\_\_

REGULAR MEETING: DATE REQUESTED: Tuesday, September 30, 1997  
AMOUNT OF TIME NEEDED: 30 minutes

DEPARTMENT: Non-Departmental DIVISION: Chair Beverly Stein

CONTACT: Peter Ozanne or Suzanne Riles TELEPHONE #: 796-2423 or 306-5894  
BLDG/ROOM #: 166/1075

PERSON(S) MAKING PRESENTATION: Peter Ozanne and Suzanne Riles

### ACTION REQUESTED:

☒ INFORMATIONAL ONLY   ☐ POLICY DIRECTION   ☐ APPROVAL   ☐ OTHER

### SUGGESTED AGENDA TITLE:

Progress Report on the Work of the  
Local Public Safety Coordinating Council (LPSCC)

### SIGNATURES REQUIRED:

ELECTED OFFICIAL: \_\_\_\_\_

(OR)  
DEPARTMENT  
MANAGER: \_\_\_\_\_

*Beverly Stein*

CLERK OF  
COUNTY COMMISSIONERS  
97 SEP 25 AM 11:53  
MULTNOMAH COUNTY  
OREGON

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**MULTNOMAH  
COUNTY  
PUBLIC SAFETY  
COORDINATING  
COUNCIL**

**SEPTEMBER 1997**

Multnomah County Public Safety Coordinating Council

Board of County Commissioners Presentation

September 25, 1997

Part 1 .....	Vision, Goals and Value Statement
Part 2 .....	Operating Policies and Procedures
Part 3 .....	Long-Range Planning Committee Schedule for Work Group Plans
Part 4 .....	Mental Health Work Group Executive Summary
Part 5 .....	Juvenile Justice and Delinquency Prevention Work Group Strategic Plan
Part 6 .....	Public Engagement Work Group Preliminary Report
Part 7 .....	Data Standards Work Group Committee Report
Part 8 .....	Bond Technology Program



## Multnomah County Public Safety Coordinating Council

**What is it?** As specified in 1995 by SB 1145 for all counties in Oregon, and by Multnomah County ordinance 839, the local Council is a group that a) plans for the use of state and local resources to serve local offenders, especially youths between the ages of 15 and 18; and b) coordinates local criminal justice policy.

**Vision Statement:** A quality of life that ensures personal safety, security and freedom from fear; where all laws are enforced and all crimes have consequences; a thriving, vital and productive community with supportive and healthy environments for children and families; educational, employment, cultural and social opportunities for all; and a shared sense of community, responsibility, accountability and fairness.

**Goals Statement:** Protect, in order of priority, life, personal safety and property; reduce crime to the maximum extent possible; increase the sense of safety, quality of life and opportunity; protect and respect victims of crime; protect constitutional principles of fairness, equity and due process; and change the future behavior of offenders by providing opportunities to return to the community as productive citizens.

**Council Members:** *Beverly Stein, Multnomah Co. Chair, Public Safety Coordinating Council Chair*

*Executive  
committee  
members  
italicized*

*Mike Balter, State Director, Boys & Girls Aid Society*  
*Frank Bearden, Chief Criminal Judge, Multnomah County Circuit Court*  
*Elyse Clawson, Director, Dept. of Juvenile and Adult Community Justice*  
*Jim Francesconi, Portland City Councilman*  
*Bernie Giusto, Chief of Police, City of Gresham*  
*Bruce Goldberg, MD, Oregon Health Sciences University*  
*Avel Gordly, State Senator, District 10*  
*Judith Hadley, Citizen*  
*Jim Hennings, Director, Metropolitan Public Defender*  
*Linda Jaramillo, Coordinator, Violence Prevention, Multnomah County*  
*Robert Jester, Area Coordinator, Oregon Youth Authority \**  
*Vera Katz, Mayor, City of Portland*  
*Sharron Kelley, Commissioner, Multnomah County*  
*Eric Kvarsten, City Manager, City of Troutdale*  
*Donald Londer, Presiding Judge, Multnomah County Circuit Court*  
*Judy-Ellen Low, Citizen*  
*Carol Matarazzo, Director, Alternative Education, Portland Public Schools*  
*Ray Mathis, Executive Director, Citizens Crime Commission*  
*Sharon McCormack, Crime Prevention, Office of Neighborhood Associations*  
*Gerald McFadden, President/CEO, Volunteers of America*  
*Gussie McRobert, Mayor, City of Gresham*  
*Charles Moose, Chief of Police, Portland Police Bureau*  
*Dan Noelle, Sheriff, Multnomah County*  
*Kris Olson, United States Attorney*  
*Gary Oxman, MD, MPH, Multnomah County Health Department*  
*Lorenzo Poe, Director, Multnomah County Community & Family Services*  
*Chiquita Rollins, Coordinator, Domestic Violence Prevention, Multnomah Co.*  
*Edward Schmitt, Superintendent, Multnomah Education Service District*  
*Michael Schrunk, District Attorney, Multnomah County*  
*Anne Sweet, Community Activist*  
*Ingrid Swenson, Metropolitan Public Defender*  
*Mike White, Oregon State Police \**

\* By statute, state affiliated members may not vote

### Work Groups and Committees: (Chair in parentheses)

Courts and Local Control Offenders (F. Bearden)  
Data Standards (M. Schrunk)  
Evaluation (E. Kvarsten)  
Juvenile Services (E. Clawson)  
Long-Range Planning (vacant)  
Mental Health Needs of Offenders (S. Kelley)  
Public Engagement (P. Ozanne)

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**MULTNOMAH COUNTY  
PUBLIC SAFETY COORDINATING COUNCIL  
VISION, GOALS AND VALUE STATEMENT**

**VISION**

The Public Safety Coordinating Council's vision for Multnomah County is a quality of life that ensures the personal safety, security and freedom from fear of residents, where all laws are enforced and all crimes have consequences; a thriving, vital and productive community with supportive and healthy environments for children and families; a rich variety of educational, employment and cultural opportunities for all citizens; and a shared sense of community responsibility, accountability and fairness.

**GOALS**

In light of that vision, the goals of Multnomah County's public safety system are:

- To protect, in order of priority, life, personal safety and property
- To reduce all crime to the maximum extent possible
- To protect and respect the victims of crime
- To protect constitutional principles of fairness, equity and due process
- To change the future behavior of offenders by providing opportunities for offenders to return to their communities as productive citizens.

To achieve these goals, the public safety system should function as an integrated, cost-effective network of public and private agencies in partnership with its citizens and community institutions with joint responsibility for crime prevention, law enforcement, education, employment training, social services, health, adult and juvenile justice and corrections.

An effective public safety system must also be supported by a shared sense of responsibility, accountability and community justice among all participants in the daily life of our communities, including individual citizens, neighborhoods, churches, schools, businesses and government agencies. Finally, the County's public safety system must be accountable to the public, while criminal offenders must be accountable to the law, their victims, and their communities.

Multnomah County's Public Safety Coordinating Council will design, oversee and advocate the foregoing vision and goals, in partnership with the County's public safety agencies and its local communities and guided by an ongoing public dialogue with citizens throughout the County.

## VALUES

Multnomah County's public safety system must preserve and promote the following values:

- All public safety policies, strategies and operations in the County should be undertaken with recognition that a **comprehensive, balanced approach to public safety** will advance the goals of Multnomah County's public safety system; and that all **policies, strategies and operations designed to prevent crime must focus on its causes, utilizing valid and reliable data and best practices** which have proven effective in other jurisdictions.
- The **equality, diversity and personal rights** of each individual in the County **must be respected and protected**. Any unfair impact on or bias against the County's minority communities or women which is caused by its public safety system must be eliminated;
- **Secure and healthy children and families, strong and relevant education systems, and a shared sense of community, responsibility and justice are essential conditions for safe communities**. Moreover, **crime prevention and intervention strategies are essential to prevent youth involvement in crime**. Therefore, strategies and programs aimed at reducing the risk of youth involvement in crime and increasing youth involvement in education and healthy social activities must be a primary focus of Multnomah County's public safety system.
- **All of the Council's public safety policies, strategies and programs must be developed and operated in partnerships** with private citizens, organizations and businesses; schools, churches and other associations; and public and private agencies providing health, education, and social services in the County; and be guided by an ongoing public dialogue.
- **Progress in achieving Multnomah County's public safety goals must be measured rigorously and reported regularly to the public** through the use of reliable data and valid outcome evaluations;
- The County's **public safety policies and strategies must first target violent crimes against persons**. However, those policies and strategies must also encourage a shared sense of security and community justice throughout the County by focusing on crimes that erode the quality of life and respect for the law in our neighborhoods;
- The **Public Safety Coordinating Council is committed to informing, and being informed by the public** and the media about challenges facing Multnomah County's public safety system and facts regarding the causes and prevention of crime. The Council and public safety agencies in the County must

also gain the public's trust and confidence in the capacity of local government to achieve it's public safety goals, in partnership with the community. The public must be encouraged to assist in preventing and reporting crime.

- **Multnomah County's public safety system must provide a full continuum of law enforcement sanctions and services**, which insures that the County's public safety strategies are flexible, comprehensive and cost-effective. **Such sanctions and services must include community policing strategies** which recognize a shared responsibility between the police and the community in making communities safer and more livable. Community policing encourages a problem solving partnership between citizens and police and emphasizes a customer service orientation that provides supportive, professional services to the community through the promotion of human rights, mutual respect and courtesy.

**MULTNOMAH COUNTY PUBLIC SAFETY COORDINATING COUNCIL**  
**Operating Policies & Procedures**  
**April, 1997**

**Meeting Procedures**

- Council meetings will be conducted as informally as possible, consistent with a full and fair opportunity for each member to express his or her viewpoint on subjects under consideration by the Council. The Chair will discourage protracted or irrelevant remarks, as well as interruptions and comments while other members are speaking.
- Every effort will be made to reach decisions by the Council by consensus. In the event consensus is impossible, a majority vote of members forming a quorum shall be sufficient for the Council to take action.
- While Council members may designate another person to attend meetings in their absence, that person may not vote on their behalf. The regular use of such representatives is discouraged.

**Operating Policies**

- The Council shall, when appropriate, undertake public education programs regarding issues that affect the development and implementation of sound public safety policy.
- To ensure that the council responds to urgent developments between regular Council meetings and to screen proposals and recommendations for consideration by the full Council, the Chair shall appoint an Executive Committee of the Council which will include members designated by statute.
- To facilitate the development of sound public safety policies, strategies, and programs, the Chair shall, from time to time, convene Working Groups chaired by a statutory member of the Council to undertake the study, analysis, and development of proposals and recommendations regarding subjects of interest to the Council.
- As part of its statutory responsibilities to recommend the use of state and local resources for public safety programs, the Council will review future proposed public safety agency budgets in the County and make recommendations to the Board of County Commissioners regarding those budgets.



## Executive Committee

The Chair appoints the following Council members to the Executive Committee:

Frank Bearden	Gerald McFadden
Elyse Clawson	Charles Moose
Jim Francesconi	Dan Noelle
Bernie Giusto	Lorenzo Poe
Judy Hadley	Ed Schmitt
Sharron Kelley	Mike Schrunk
Ray Mathis	

- The Executive Committee shall meet when necessary for the purposes of a) taking action on behalf of the Council when there is insufficient time to convene a meeting of the full Council; b) reviewing recommendations from Working Groups and other interested parties for consideration by the full Council; 3) reviewing future public safety agency budgets and making recommendations to the Council regarding budgeting priorities; d) developing agendas for regular Council meetings; and e) considering matters on behalf of the Council otherwise deemed necessary by the Chair.

## Working Groups

- Working Group on Alcohol and Drug Intervention (chaired by Commissioner Sharron Kelley) - This Working Group submitted a report with recommendations in May, 1996.
- Working Group on Mental Health Needs of Offenders (chaired by Commissioner Sharron Kelley) - This Working Group addressed the unmet needs of the mentally ill in the County's criminal justice system. The Group submitted a report with recommendations in February, 1997.
- Working Group on Juvenile Justice and Delinquency Prevention (chaired by Elyse Clawson) - This Working Group has undertaken, in conjunction with the Commission on Children and Families, to develop a plan by June 1, 1997 to address the needs of Multnomah County's youthful offenders and to prevent the involvement of the County's youth in crime.
- Working Group on Data Standards (chaired by Mike Schrunk) - This Working Group addressed the need for standards and methods for the consistent collection and reporting of data relevant to Council's statutory responsibilities and policy concerns, as well as for the tracking of offenders and the evaluation of the County's criminal justice and correction programs. The Group submitted a report with recommendations in September, 1996. As a result of those

recommendations, two standing committees of the PSCC were created: the Data Standards and Evaluation Committees.

- Working Groups on Implementation of SB 1145 (co-chaired by Dan Noelle and Elyse Clawson) - This Working Group has developed plans for the implementation of community programs and sanctions, and the construction of future jail capacity and alcohol and drug intervention facilities pursuant to implementation of the 1995 Community Corrections Act, formerly known as SB 1145.
- Working Group on the Courts (chaired by Judge Frank Bearden) - This Working Group develops strategies to promote appropriate judicial response to changes in the legal environment (such as SB 1145, the victims' rights measure known as Measure 40, and the property tax limitation measure 47) in such a way as to coordinate current sentencing policies and judicial practices with other parts of the justice system and with public safety policies adopted or under development by the Council.
- Working Group on Public Engagement - This Working Group will examine the public's need for information regarding public safety issues and the County's public safety program, and will develop programs and strategies for disseminating that information.
- Working Group on Law Enforcement Policy & Operations (chaired by Charles Moose) - This Working Group will examine law enforcement policies in the context of the Council's public safety policies and strategies, and will develop proposals to coordinate the operations of law enforcement agencies in the County with the Council's public safety goals and programs.
- Working Group chairs, in consultation with the Council Chair, will appoint members with personal interest or expertise in the topics under consideration by the Working Group. Council members are invited to participate in Working Groups of their choosing, although such participation is not required.

### **Council Retreats**

- From time to time, and no less than once a year, the Council will hold a Retreat of one to two days' duration in order to explore issues in depth concerning policies, visions, and values, and to enhance the effectiveness of the Council's deliberative and decision-making processes by team building.
- The Council's first Retreat will be scheduled during July 1996, beginning on a Friday at 4:00 p.m. and ending on a Saturday at 5:00 p.m. The Retreat will be held at a location within 1-1/2 hours driving time of the Portland Metropolitan area.

**MOSKOWITZ & THOMAS**

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**Christopher P. Thomas**

**Steven A. Moskowitz**

To: LPSCC Executive Committee  
From: Long-Range Planning Committee  
Subj: Schedule for Work Group Plans  
Date: March 27, 1997

We have proposed that the Council adopt a series of topical plans which would be integrated into a comprehensive strategy. You asked us to provide you with a schedule for how such plans would be produced. Outlined below is our recommended schedule. The list of priorities is based on a number of factors, including: what planning tools the Council needs in order to do its work; which areas have already engaged the public's attention; and a sense of which substantive areas flow from one another. The Executive Committee should develop a charge for each working group so that the plan serves the Council's goal of an overall comprehensive strategy.

<u>Priority Number</u>	<u>Description</u>	<u>Date of Submission to Council</u>
1.	Juvenile Justice and Delinquency Prevention	June 1997
<i>Rationale: This area has seen the most significant increase in terms of both rate and seriousness of crimes being committed. It also represents the Council's value of preventing crime.</i>		
2.	Data Standards	June 1997
<i>Rationale: The Council and its member agencies need good data and ways to share it in order to address other areas. A bond has been approved for this purpose.</i>		
3.	Evaluation	June 1997
<i>Rationale: Evaluation findings and procedures are essential for the Council to have in order to guide actions that enhance public safety as efficiently and effectively as possible.</i>		

4. Public Engagement September 1997

*Rationale: In order for the Council to successfully engage the public in a discussion of substantive areas, it needs to have a plan for how to do that. The Citizen's Crime Commission through its Communications Council has already done some work on this topic.*

5. Community and Custodial Sanctions January 1998

*Rationale: The public has shown recently its concern about these two programs. By that date we will have developed some lessons from implementing 1145. The need to site both types of programs has recently drawn considerable public attention. A joint plan can best address the transition between two programs and how human services should be integrated.*

6. Alcohol and Drugs January 1998

*Rationale: The Council has already received a broad set of recommendations in this area. By this time a review and update of alcohol and drug programs, based upon operational experience and fiscal context, should be presented.*

7. Mental Health January 1998

*Rationale: Similar to Number 6.*

8. Judicial System March 1998

*Rationale: Once the Council has determined how offenders and potential offenders should be handled, it is appropriate to review how the courts are functioning as an integral component of the public safety system.*

9. Law Enforcement June 1998

*Rationale: Similar to Number 8. The Council should review how the front-end work of the law enforcement agencies is integrated into the rest of the system and evaluate opportunities for continued collaboration.*

***EXECUTIVE SUMMARY***

**PUBLIC SAFETY COORDINATING COUNCIL  
REPORT OF THE WORK GROUP ON THE MENTAL  
HEALTH TREATMENT NEEDS OF OFFENDERS**

**SEVERELY MENTALLY ILL OFFENDERS SHOULD BE  
IDENTIFIED AND MANAGED BY A SYSTEM OF  
COLLABORATING AGENCIES AND JURISDICTIONS**

February 7, 1997

## Executive Summary

Representatives from several Multnomah County agencies began meeting in March of 1993 as part of a Corrections Mental Health Task Force, reporting to the Multnomah County Public Safety Council. In 1995, this Task Force evolved into the Work Group on the Mental Health Treatment Needs of Offenders under the auspices of the Public Safety Coordinating Council.

From its start in 1993, the Task Force has been committed to providing policy makers with relevant information about mentally ill offenders and finding the most appropriate approaches to address their treatment needs. This Report results from the recognition of a growing and seemingly intractable problem with persons diagnosable or mental health treatment system clients already having diagnoses of "major mental illness" who are in jail for a wide range of offenses.

The Work Group has adopted the following Vision Statement as its guiding premise: *Severely mentally ill offenders will be identified and managed by a system of collaborating agencies and jurisdictions. The goals of this system will be to increase public safety and public perception of its safety, reduce criminal behavior, reduce the number of mentally ill offenders in jail, and manage these offenders cost-effectively.*

This Report provides a general overview of mentally ill offenders in Multnomah County, supported by an extensive data analysis of encounter data in the Multnomah County jails over the past ten years. The analysis is focused on a cohort of 1554 inmates held in jail during 1995 who met the psychiatric criteria of the population under study.

This Report also recognizes that the next two years present a number of new opportunities and challenges for the management of mentally ill offenders. On the positive side, the Crisis Triage Center opened in January; offenders with dual diagnosis of mental illness and substance abuse may receive treatment in the 300 treatment beds scheduled to open as a result of the passage of the 1996 jail levy and funding from SB 1145; and service eligibility will expand as mental health coverage will be integrated into the Oregon Health Plan. Conversely, services funded by Multnomah County are facing significant potential reductions as a result of Measure 47.

The most important of the Work Group findings in this Report are as follows:

A. Multnomah County has a significant and increasing population of seriously mentally ill offenders who are frequently recycling through the criminal justice system. This population is expected to grow further with the implementation of SB 1145, which makes felony offenders, sentenced to twelve months or less, a local community management responsibility.

B. On the average day in 1995, 190 jail beds (13 percent of the total of 1461 available jail beds in Multnomah County) were occupied by inmates with psychiatric alerts.<sup>1</sup> During calendar year 1995, 1554 of the inmates booked in Multnomah County had psychiatric

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<sup>1</sup> There are two basic ways an inmate can get a psychiatric alert: a verified psychiatric history and diagnosis; assessment by Corrections Health staff. Assessment of an inmate's psychiatric status by Corrections Health staff is initiated any number of ways including: self referral by inmates; behavioral observations by other corrections staff; calls from community treatment providers, family members, or other law enforcement officials; requests by the court or probation or parole officers.

alerts.<sup>2</sup> During 1995, these 1554 averaged 2.1 bookings which resulted in new charges.<sup>3</sup> One-third of the inmates with psychiatric alerts who were arrested in 1995 had multiple arrest histories going back six years. Over one-fourth had arrest histories going back eight years. Over the ten-year period from 1986 through 1995, these 1554 inmates averaged nine bookings each.

C. 53.6 percent of these 1554 inmates had no violent person to person crimes during this ten-year period. 63.6 percent of these inmates had no violent person to person felony crimes during this ten-year period.

D. These inmates averaged 24 days in jail per booking, and almost one-half were released from jail within one week of booking. These short stays confirm that the locus of treatment for most of these inmates will not be in the jail system.

E. Currently, a large percentage of inmates with major mental illness do not appear to be well served by the adult mental health system. When service does occur, it tends to be for brief periods. Only 26 percent of these offenders (34 percent of those with Major Mental Illness) were enrolled in a community mental health treatment program ("CMHP") in 1995. Moreover, 41 percent of the CMHP enrollments lasted only one day. Only 11 percent of those with Major Mental Illness had a new psychiatric hospitalization in 1995. Overall, about half have had past contact with the adult mental health system over the past seven years. However, even with these limited service levels, CMHP enrollment is associated with about 12 percent fewer jail days.

F. A substantial portion of the individuals placed on psychiatric alert while they are in jail have a problem with alcohol and/or drugs. Nearly three-quarters of all those placed on psychiatric alert have either a primary or secondary diagnosis of such dependence, and approximately one-third have a primary diagnosis of alcohol and/or drug dependence.

Community mental health services responsive to the needs of the corrections system and the offender population are largely absent. Existing "traditional" behavioral health services often are unable and, for some very valid reasons, unwilling to address the needs of this unique population. Very recently, some specialized services have begun to emerge for dual-diagnosis clients within the local community mental health and alcohol and drug treatment systems but these still have limited access for mentally ill offenders. Necessary ancillary community support services are severely limited or nonexistent for this population.

Work Group recommendations are detailed in the Report, accompanied by an action plan timeline. The most significant of these recommendations are as follows:

1. The County should primarily focus its efforts on offenders with a diagnosis of schizophrenia, other psychotic disorders, and mood disorders.
2. Multnomah County should help offenders with the diagnosis of schizophrenia, other psychotic disorder, or major mood disorder to apply for and maintain the entitlements and services they require, and develop processes by which applications for entitlements (including SSI and SSDI) can be filed while the offender is incarcerated so that services can

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<sup>2</sup> 1554 is an unduplicated count. There were a total of 42,288 bookings in Multnomah County in 1995, counting each booking for inmates with multiple arrests.

<sup>3</sup> Re-bookings on old charges, or bookings which ended in charges being dismissed were excluded from this study.

start seamlessly on release. Enrollment in the Oregon Health Plan should receive particular emphasis.

3. The County should seek financial resources for the primary and behavioral health services for those participants who do not qualify for entitlement programs from state and local government. Because of new federal regulations which make some substance abusers ineligible for entitlements such as SSI and SSDI, alternative resources should be made available for this group.

4. The County should establish interdisciplinary case management teams for mentally ill offenders and assign these teams the responsibility for linking and integrating services to these offenders.

5. The County should expand specialized community-based offender mental health services and require the contracted programs to take the offenders referred to them.

6. The County should develop a housing program for homeless offenders with severe mental illness that would provide them with permanent housing and comprehensive, stable support.. The County should direct CFSD management to develop a package of financial and political incentives for developers to remodel or build appropriate facilities for the mentally ill as well as financial incentives for managers to lease and operate them. Downtown, second-class office space could provide some of the potential sites. Appropriate facilities should be safe, clean and comfortable with accessible kitchens or daily meals. Daily assistance with medications and activities of daily living (laundry, making and keeping appointments) should be available. Payment mechanisms should provide a consistent source of revenue for facility managers, with costs for housing and meals at no more than 90 percent of SSI. Funds should be bundled on the basis of eligibility for SSI, Social Security Disability Insurance, Medicare, Oregon Health Plan, and Food Stamps as well as using housing and corrections funds.

7. The County should maintain a permanent Operations Committee of representatives from each of the cooperating agencies jointly dealing with mentally ill offenders for the purpose of increasing public safety, reducing jail usage, resolving conflicts, sharing information, developing coordinated plans to deal with difficult cases, and facilitating further evaluation of the services to this population.



PUBLIC SAFETY COORDINATING COUNCIL  
REPORT OF THE WORK GROUP ON THE MENTAL HEALTH  
TREATMENT NEEDS OF OFFENDERS

SEVERELY MENTALLY ILL OFFENDERS SHOULD BE  
IDENTIFIED AND MANAGED BY A SYSTEM OF  
COLLABORATING AGENCIES AND JURISDICTIONS

February 7, 1997

**MEMBERSHIP**

Commissioner Sharron Kelley  
Floyd Martinez, Behavioral Health  
Larry Aab, MCSO  
Emily Allen, Metropolitan Public Defender  
Nedra Bagley, Juvenile and Adult Community  
Justice  
Sue Beattie, Mental Health Services West  
Jim Carlson, Budget and Quality  
John Connors, Metropolitan Public Defender  
Leslie Goodlow-Baldwin, Behavioral Health  
Cary Harkaway, Juvenile and Adult Community  
Justice  
John Harlan, Juvenile and Adult Community  
Justice  
Rich Haug, MCSO  
Cathy Horey, Behavioral Health  
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Linda Kaeser  
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Community Justice  
Kathy McCullough, MCSO  
Donlon McGovern, Behavioral Health

Bill Midkiff, Corrections Mental Health  
Norman Miller, Behavioral Health  
Eugene Minard  
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Rex Surface, Developmental Disabilities  
Bill Toomey, Behavioral Health  
Robert Trachtenberg, Office of Commissioner  
Sharron Kelley  
Doug Van Rheen, MCSO  
Sara Westbrook, Portland Police Bureau  
Phillip Windell, Behavioral Health  
Jack Wolinsky, Alliance for the Mentally Ill  
Myra Wolsky, Juvenile and Adult Community  
Justice  
Charissa Zebede, MCSO

# Table of Contents

<b>Executive Summary</b>	<b>1</b>
<b>Report</b>	<b>5</b>
What is Mental Illness?	7
System Design Recommendations	8
A. Mental Health Crisis Triage Center	8
B. Connections to Entitlements and Services	8
C. Interdisciplinary Teams and Supportive Services	13
D. Expansion of Specialized Housing Resources for Mentally Ill Offenders	16
E. Management Initiatives	19
F. Information Sharing	20
Profile of 1554 Inmates with Psychiatric Alerts Jailed in 1995	23
Concurrent Psychiatric Diagnoses	23
Jail Time	26
Booking History	27
Types of Charges	31
Criminal History by Diagnostic Group	33
History of Treatment in the State's Mental Health System	35
Use of State Funded Psychiatric Services	37
History of Services from the County Alcohol and Drug Treatment System	40
<i>Glossary of Entitlement Programs</i>	44
<i>Glossary of Frequently Used Terms</i>	46
<i>Common Acronyms</i>	49

## WHAT IS MENTAL ILLNESS?

This report primarily concerns individuals who may be classified as chronically mentally ill or having a severe and persistent mental illness or major mental disorder. The key points regarding these disorders are that they are not willful and are considered to be disease entities. Current theory holds that these disorders are brought about through very complex and not yet well-understood interactions between genetics, brain-chemistry, and psychosocial stressors. These disorders are generally chronic in nature and there is no known "cure". However, there are treatments available which can reduce severity of symptoms, reduce the likelihood of recurrence of disabling symptoms, improve quality of life and, in many instances, permit individuals with these disorders to go on to lead productive and satisfying lives. These disorders respect no boundaries of age, gender, race, socioeconomic status, or educational level.

The offenders who fit into the chronically mentally ill definitions are seen as having diminished capacity to conform their behavior to socially acceptable standards but may -- with medications, structure and support -- be far less likely to cycle through the justice system due to criminal behavior.

The terms chronically mentally ill and severe and persistent mental illness or major mental disorder refer to those individuals suffering from clusters of symptoms which can impact on a person's total range of functioning, including the experience and expression of mood, the ability to carry out goal directed behavior, the ability to correctly interpret and integrate information, and the scope of cognitive skills (memory, judgment, perception, planning, and organizing).

These disorders include schizophrenia, bipolar mood disorder (manic depressive disorder), major depression. In some instance, certain neurological conditions which produce psychotic symptoms may be included. Psychosis is a term referring to the disruption of the thought, cognitive, and perceptual processes, which leads a person to fail to integrate sensory information into coherent guidelines. The individual then fails to respond appropriately to "reality" and may behave in bizarre, inappropriate, self-destructive or aggressive ways. Mood disorders refer to a group of illnesses which severely effect a person's mood to an incapacitating degree for prolonged periods of time. Major Depression is an illness characterized by a cluster of symptoms (sleep, appetite and energy disturbance, impaired concentration, loss of self-worth) which can ultimately lead an individual to self-destructive or suicidal behavior. Mania or manic disorder refers to a group of symptoms which produce hyperactivity in both behavior and thought, severely impaired impulse control and, in many instances, delusional thinking which can lead to aggressive and/or self-destructive behavior. In bipolar mood disorder, an individual may have episodes of both mania and depression either in discrete episodes or in mixed episodes.

## SYSTEM DESIGN RECOMMENDATIONS

### A. Mental Health Crisis Triage Center

**Recommendation:** Law Enforcement, Corrections and Providence Health Systems (the new provider of crisis mental health services in Multnomah County) should have a strong linkage agreement that addresses the following issues: (1) Transport by a police officer of mentally ill individuals who have committed minor criminal offenses to the Crisis Triage Center rather than to jail; (2) The removal of an individual from the Crisis Triage Center to the jail when a criminal offense has been committed or admitted to; and (3) The referral of an individual from the corrections system to the case management program of the mental health crisis system when corrections staff have been unsuccessful in obtaining outpatient treatment for individuals leaving the jail.

**Action:** The target date is July 1, 1997.

### B. Connection to Entitlements and Services

**Problem:** The profile of psychiatric alert inmates (Section III) indicates that less than 25 percent of this population are enrolled in entitlement programs; Social Security Disability (SSD), Supplemental Security Income (SSI), Veterans' Benefits (VA), General Assistance (GA) or Oregon Health Plan (OHP). The Severely and Persistently Mentally Ill (SPMI), also referred to as Chronic Mentally Ill (CMI) inmates are underrepresented in entitlements which are crucial to receiving outpatient treatment in Community Mental Health programs. In following the histories of SPMI/CMI repeat offenders, it is evident that, left to their own resources, most do not follow through with recommendations to apply for benefits. Or, if they do initiate the process, they do not complete the applications. The nature of the mental disorders experienced by this population largely negates their ability to sustain the energy and goal directed behaviors to complete the process on their own. In order to obtain the entitlement benefits which are necessary for long term treatment, daily structure and support, food and shelter, a proactive stance initiated by the County should aggressively move this population through the entitlements process. If diversion from incarceration, or from recidivism is to have a chance of succeeding, interventions need to occur "at the front end" and the following recommendations from the Report of the Work Group on the Mental Health Needs of Offenders offer ways to attempt to accomplish that end.

**Problem:** Current jail practice allows for "non-contact" interviews in which a secure barrier separates the interviewer from an inmate. Meeting with an inmate under these conditions is frequently a very time consuming activity as it is not given high priority due to the heavy demands of maintaining security in a jail environment. The time intensive nature of conducting interviews under these conditions acts to discourage external agencies from doing business in jail.

**Problem:** Money management is very frequently a major difficulty for the mentally ill. This problem is compounded when the mentally ill individual is also an offender and likely to have co-morbid substance abuse issues. There are methods utilized in case management services to chronically mentally ill clients which impose an external control over the disbursement of entitlement money. This way, a client's resources are directed for basic needs.

**Recommendations:** Multnomah County should help offenders with the diagnosis of schizophrenia, other psychotic disorder, or major mood disorder to apply for and maintain the entitlements and services they need, and develop processes by which applications for entitlements can be filed while the offender is incarcerated.

**Recommendation B1.** Jail management should provide external service agencies with easier access to inmates for release planning and eligibility processing. The current long wait that external agency staff experience trying to conduct business with inmate clients tends to discourage work with offenders. A means should be developed whereby access can be facilitated without jeopardizing security and safety.

**Actions:** The Local Mental Health Authority will set up a series of meetings with the Sheriff (MCSO), Senior and Disabled Services (SDSD), Oregon Health Plan (OHP), State Services to Children and Families (SCF), and community case management service providers. The first task will be to develop an agreement that facilitates access to inmates. The second task will be to develop a plan for facilitating access of entitlement workers to inmates for in-jail, non-contact interviews which should be conducted as early as possible during an inmate's incarceration. These meeting should be convened by February 15, 1997.

**Recommendation B2.** The County should develop a long-term managed care program to provide permanent housing and comprehensive, stable support for homeless offenders with complex psychiatric problems. Funds should be bundled on the basis of eligibility for SSI, Social Security Disability Insurance, Medicare, Oregon Health Plan, and Food Stamps as well as using housing and corrections funds.

**Actions:**

a) The Local Mental Health Authority will take the lead in developing a program to manage the care of identified mentally ill offenders with the possibility of developing into a Metro regional response. The initial steps of this process will be implemented by June 30, 1997.

b) The Local Mental Health Authority will form a work group to;

- begin laying out the steps necessary to study statutory requirements for "bundling" entitlement funding streams
- develop specific strategies and linkage agreements for obtaining housing sites which meet the safety and treatment needs of secure residential treatment facilities serving mentally ill offenders.
- develop strategies to create intensive case management teams.
- develop support programs for independent living.
- develop strategies to create linkages between systems

This work group will develop out of the Permanent Operations Committee which is proposed to have its first meeting by March 15, 1997.

**Recommendation B3.** The County should assist severely and persistently mentally ill offenders to apply for and maintain benefits for which they are eligible. The eligibility process should begin shortly after booking so that more offenders would be funded for transition services at the time of their release.

The County should assist these offenders to apply for and maintain health care insurance, including Medicare, Oregon Health Plan, and private insurance. Health Plan enrollment will become increasingly important to link mentally ill offenders with a resource which will facilitate their admission to mental health and alcohol and drug treatment as well as primary medical and other health care. Offenders are not eligible while incarcerated but policies can allow application materials to be collected during their time in jail.

Entitlement application assistance should be in place at the Mental Health Crisis Triage Center, in jail, and all outpatient service sites. Training in "Choice Counseling" for all staff will insure proper procedure in applying for the Oregon Health Plan. Jail health and counseling staff can assist to complete the application process for OHP while still in jail.

**Actions:**

- a) Secure written agreements from Juvenile and Adult Community Justice (JACJ), in-jail medical and in-jail counseling service providers, community mental health providers and drug and alcohol service providers to work in assisting mentally ill offenders in applying for entitlements. Written agreements will be completed by May 1, 1997.
- b) A subcommittee of Work Group members will meet with entitlement specialists from Senior and Disabled Services, Services to Families and Children, Oregon Health Plan and Veterans Administration to determine what information is required for initial application processes. Meeting will be called by March 15, 1997.
- c) Establish deadline for the provision of training in "Choice Counseling" for participating agencies that identify a need for such. Should be completed by June 1, 1997.
- d) The subcommittee will review current available information brochures and, if necessary, draft a handout document which informs potential applicants of entitlements and requirements and who to contact for assistance in initiating the process. These handouts/brochures can be distributed in the jail, through a treatment provider or community corrections. A rough draft of this handout should be reviewed, modified (if necessary) and ready for publication by June 1, 1997.

**Recommendation B4.** The County should expedite in-jail, non-contact interviews by Senior and Disabled Services and Adult and Family Services to accelerate entitlement enrollment for potentially eligible offenders.

**Actions:**

- a) Senior and Disabled Services has already agreed to provide this service. The Local Mental Health Authority will negotiate for a written agreement from MCSO and Senior and Disabled Services to facilitate in-jail, non-contact interviews by March 15, 1997.
- b) The Local Mental Health Authority will negotiate with Services to Children and Families for an agreement to permit staff to participate in enrollment process via in-jail, non-contact interviews. Seek a decision from them by May 15, 1997.

**Recommendation B5.** The County should provide a mailing location where staff are knowledgeable regarding an offenders status and expand current resources where selected mentally ill offenders can have an official address for receipt of benefits and communications regarding eligibility. Without an address, benefits may be returned to the generating agency. It then can take weeks to months for an individual to recover these funds. If a mentally ill offender is *temporarily* incarcerated, entitlement checks and communications should not be sent back when the offender is, in fact, still eligible. Mail is often handled by individuals who may not be aware of what happens when an entitlement is returned to sender. Provision of a mailing location which can be more aware of the offenders status can avoid this problem. Community psychiatric rehabilitation programs currently serve as payees for money management for many of their clients. As such, the clinic becomes the official address.

**Actions:**

- a) The Local Mental Health Authority will meet with designated administrative staff of Senior and Disabled Services and Services to Children and Families and review administrative law pertaining to this recommendation. If there are no barriers, or if there are barriers which can be readily remedied, options for a mailing location or locations can be outlined. This meeting should be called and convened by March 15, 1995.
- b) If a successful outcome is realized from this meeting, the Local Mental Health Authority will call a meeting with representatives of those Community Treatment Programs providing services to this client population regarding the Programs accepting the designation as a mailing address for benefits (this is already done for case-managed chronic mentally ill clients). This meeting should occur by April 15, 1997.

**Recommendation B6.** The County should encourage clients to utilize direct deposit to avoid returned benefit checks during periods of brief incarceration.

**Actions:** The Local Mental Health Authority will initiate negotiations with Juvenile and Adult Community Justice to include assigning a payee and utilizing direct deposit as added conditions of probation for identified mentally ill offenders. A decision from JACJ will be expected by May 15, 1997.

**Recommendation B7.** The County should develop processes by which entitlements are suspended (rather than canceled) while offenders are incarcerated. Work with entitlement authorities to create a "suspended eligibility status". This recommendation would facilitate the restarting of benefits upon release from jail.

**Actions:**

- a) The Local Mental Health Authority will meet with various entitlement program administrative staff to explore the statutory language governing suspension of benefits. The initial meeting will take place by March 15, 1997.
- b) If the establishment of a "suspended eligibility status" is viable within current administrative law, then further meetings will be scheduled to draft a document outlining the parameters of

suspended status. These meetings would be scheduled contingent upon the outcome of the initial meeting.

**Recommendation B8.** The County should work with advocate organizations to find alternatives for benefits recently lost due to changes in federal regulations which currently exclude mentally ill drug felons from eligibility for certain entitlements. The current Welfare Reform Act is counterproductive to the stabilization of mentally ill offenders in the community. These individuals frequently carry drug felony convictions and denial of welfare payments will virtually assure continued criminal activity to meet survival needs. 29 percent of the 1995 psychiatric alert population were enrolled in publicly-funded alcohol and drug treatment programs during the two most recent fiscal years.

**Actions:**

a) The Local Mental Health Authority will facilitate a meeting with designated advocate groups willing to lend support and leadership to explore all options, including legislation, for developing means of funding treatment for certain dual diagnosed offenders. This meeting should be called by April 15, 1997.

b) A very careful identification, assessment and diagnostic process should be developed within this context to select those mentally ill offenders with dual diagnoses whose eligibility has been denied due to their chemical dependence. This would be developed only if there is an indication that alternative funding sources can be identified or if there is a challenge to the current changes in federal regulations.

**Recommendation B9.** The County should ask these offenders to designate an official payee to receive and disburse entitlement funds.

**Actions:** The Local Mental Health Authority will discuss with Juvenile and Adult Community Justice the idea of including, as part of protocol, discussing entitlements, assigning a payee and utilizing direct deposit for identified mentally ill offenders. JACJ will have information regarding the legality and feasibility of this recommendation by May 15, 1997.

**Recommendation B10.** The County should encourage these offenders to confer power of attorney status on a responsible party who can act whenever the offender's psychiatric condition is such that the offender cannot act in his or her own best interests.

**Actions:**

a) The Local Mental Health Authority will make available the information packet titled "Guide to Oregon's Declaration for Mental Health Treatment".

b) The Local Mental Health Authority will discuss with Juvenile and Adult Community Justice the inclusion of an advanced directive as a part of protocol. This discussion will occur by March 31, 1997.



**Recommendation B11.** The County should ask or fund the District Attorney to provide an attorney dedicated to effectively using the civil commitment system to provide needed mental health treatment. This position would help reduce the frequency of mentally ill individuals clearly in need of treatment getting released from a court hearing and rapidly coming in contact with law enforcement due to their behavior. This position should also serve to aid in advocating for a re-examination of the commitment statutes to modify the current adversarial process in court hearings by proposing a procedure emphasizing the best interest of the allegedly mentally ill person and of the community. The general fund impact of new funding would be about \$60,000 annually. The impact of this position is likely to reduce jail bed usage but increase hospital bed usage due to an increase in commitments.

**Actions:** The District Attorneys' Office will consider a policy which will actively support the Civil Commitment process, and a funding request if necessary (excluding any request from the County prior to FY 1997-1998).

### **C. Interdisciplinary Teams and Supportive Services**

**Problem:** Recent county efforts have not indicated that most mentally ill offenders could be mainstreamed into existing community treatment programs. Deficiencies in the service system have significantly limited the ability to use community services as viable alternatives to the use of hard jail beds for mentally ill. The jail system currently remains the default system for imposing control and treatment for many mentally ill offenders.

There is a very high rate of co-morbidity between mental illness and chemical dependence in the corrections population. While this report focuses on persons with "severe and persistent mental illness", often the complexities of co-morbid conditions make a population with special needs which must be addressed in a manner that demands a redesign of the "system".

Nationally and locally, the service systems for the mentally ill and chemically dependent have been separated with separate categorical funding. This fractured funding has compounded the traditional reluctance of most mental health providers to deal with chemical dependency issues among the mentally ill and the reluctance of most of the alcohol and drug treatment providers to deal with mental illness in the chemically dependent. The additional complication of "offender" status and criminality resulted in more exclusionary decisions in the existing service systems. These decisions have left the mentally ill, alcohol or other drug abusing, offender to be managed within the criminal justice system, which does not have the "right of refusal".

**Recommendation C1.** Establish interdisciplinary case management teams for mentally ill offenders and assign them the responsibility for linking and integrating services to these offenders.

#### **Actions:**

a) The Local Mental Health Authority will take the lead in developing a program to manage the care of identified mentally ill offenders with the possibility of developing into a Metro regional response. The initial steps of this process will be implemented by June 30, 1997.

- b) The Local Mental Health Authority will form a work group to;
- begin laying out the steps necessary to study statutory requirements for "bundling" entitlement funding streams
  - develop specific strategies and linkage agreements for obtaining housing sites which meet the safety and treatment needs of secure residential treatment facilities serving mentally ill offenders.
  - develop strategies to create intensive case management teams.
  - develop support programs for independent living.
  - develop strategies to create linkages between systems

This work group will develop out of the Permanent Operations Committee which is proposed to have its first meeting by March 15, 1997.<sup>4</sup>

**Recommendation C2.** Schedule, whenever possible, the release of mentally ill offenders (with community release plans) at a time of the day that will facilitate immediate access to a community service provider. This particular population is much more likely to quickly re-offend, particularly where drugs or alcohol are involved, if they leave the jail at a time when they cannot immediately access the treatment service which has been arranged. Those with release plans have a better chance of hooking up with a provider if they are released during working hours.

Make transportation available to discharged mentally ill offenders referred to community mental health programs. This simple step could be the difference between the released offender actually getting to a treatment facility or increasing the likelihood of making it to that first contact in the community.

#### **Actions:**

a) The Local Mental Health Authority along with jail and corrections health staff will develop a process to insure the inmate/client is released at a time which will permit timely access to an arranged appointment with a community treatment provider. The initial meeting will be called by June 1997.

b) The Local Mental Health Authority along with jail administrative staff and corrections health staff will develop a process to establish linkage agreements with community treatment providers to arrange transportation for the more acute mentally ill clients. The initial meeting will be called by August 1997

c) Corrections administration will write and submit a budget proposal to cover costs of taxi and/or bus tickets by December 31, 1997.

**Recommendation C3.** Utilize existing services such as case management and Alliance for the Mentally Ill to provide additional family education about mental illness and family support to bolster community support in minimizing re-offending. This recommendation would focus on services already in place and being provided through psychiatric rehabilitation programs for supporting and reforming family bonds. This could also

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<sup>4</sup> Recommendations B2 and C1 are the same.

include providing some financial support to NAMI for expanding their family education program.

**Actions:** The Local Mental Health Authority will initiate a meeting with treatment providers and with Alliance for the Mentally Ill to plan for expanding family education programs to include families of mentally ill offenders. This meeting should be called by August 31, 1997.

**Recommendation C4.** Develop surrogate family connections to provide mentally ill offenders with social and emotional supports to break away from recidivism encouraging environments. Many offenders have no families or such pathological families as to make family support counterproductive. Surrogates can be provided but this would require the establishment of positions or contracting with existing agencies to provide this service. Costs incurred need to be estimated but would be expected to fall in line with current costs of Adult Foster Care or Residential Care Facilities.

**Actions:** The Local Mental Health Authority will research this area to search for successful programs.

**Recommendation C5.** Ability to pay should not be a barrier to a released offender being able to obtain necessary psychotropic medications. Medications are provided in jail and prescriptions provided upon release for those willing to take them. Arrangement should be made with a pharmacy through which an offender can obtain medications quickly upon release. The pharmacies in the quadrant County Health Clinics could serve as the dispensaries. Costs could run quite high for non-entitled individuals but in the main this is meant to serve short term medication needs while a released offender is awaiting intake or a psychiatric appointment.

**Actions:**

- a) The Local Mental Health Authority will facilitate planning with Community Health to determine the feasibility of utilizing Community Health pharmacies. The purpose of this will be for dispensing prescribed medications to select mentally ill offenders until they are granted entitlements which will reimburse for their medications.
- b) If an agreement can be reached with Community Health, the Local Mental Health Authority will facilitate discussions with Corrections Health and Juvenile and Adult Community Justice to develop a budget request by Fiscal Year 98-99 for a medications fund.
- c) Corrections Health should develop a pharmacopeia identifying the medications most frequently prescribed to their psychiatric population.
- d) A plan with a budget request should be in place by December 31, 1997.

**Recommendation C6.** Expand specialized community based offender Mental Health services.<sup>5</sup> Community mental health enrollment is significantly correlated with about 12

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<sup>5</sup> In Multnomah County, there is a small cluster of specialized programs serving mentally ill offenders, two funded by Community Corrections and one funded by a federal grant. These programs have

percent lower number of jail bed days over a ten year period. Publicly-funded Behavioral Health services should be developed to serve the non-billable needs of offenders. The existing contracts Juvenile and Adult Community Justice has negotiated with Mt. Hood Mental Health, Tualatin Valley Mental Health, and Conquest Center should serve as models both for range of services and for cost planning (the current range of costs for limited programs runs between \$64,000 to \$108,000 per annum). Project Respond -- which offers federally-funded pre-and post-release services to homeless, mentally ill offenders -- is another model for the types of services, largely unbillable, needed by the mentally ill offender population.

**Actions:** Juvenile and Adult Community Justice will submit a budget request in FY 1998-1999 for additional funding to expand the existing contracts with Community Mental Health Treatment providers.

#### **D. Expansion of Specialized Housing Resources for Mentally Ill Offenders**

**Problem:** Many of these offenders would have potential to maintain stability in the community and decrease recidivism if they had access to appropriate mental health services and community supports. The lack of housing is a major issue greatly diminishing the ability to maintain vulnerable mentally offenders in the community.

**Recommendation D1.** Current contractual agreements with housing providers between Adult Community Justice and local SRO providers should be expanded. There are a range of services accompanying placement in specialized housing dependent upon the costs of the contracts. The current cost is about \$17 to \$20 per bed-day.

**Actions:** Juvenile and Adult Community Justice will submit a budget request in the FY 1998-1999 budget negotiations for additional funding to expand existing contracts with local Single Room Occupancy hotels or other appropriate housing providers.

**Recommendation D2.** Establish a position (or positions) to be responsible for assisting with housing search and connecting the mentally ill offender with needed support services. This position could also provide assistance for mentally ill offenders in appealing rejections by the Housing Authority, and function as a support service for the purpose of maintaining mentally ill offenders in independent housing if they are capable of independent living. A "boundary spanner" working to assure that members of the target population are enrolled in services responsive to their needs. Housing providers may be more willing to "risk"

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demonstrated some degree of success working with difficult offenders. There are also examples of some offenders who have been mainstreamed from such specialty programs to community mental health services. The programs work because the community clinic staff have agreed to see and assess for treatment responsiveness and for dangerousness anyone referred by Community Corrections. They also work because professional staff from the mental health center go into the jail or to Community Corrections sites to provide assessment and treatment contacts with offenders. This accessibility has led to improved communications and trust, essential ingredients to system integration. The following program approach is recommended to increase the performance of new or expanded programming for these offenders: the parent agency must perceive the corrections system as a primary customer; the program design must address the special needs of the population and the public safety needs of the community; close communication and coordination must take place between the provider and Community Corrections personnel supervising the client.

accepting tenants with mental health , substance abuse, corrections histories if they know that tenant is involved with an agency or agencies which are quickly responsive to the need for intervention and ongoing management. 2.0 F.T.E. with benefits would cost approximately \$70,000 to \$75,000 per annum.

**Actions:** Juvenile and Adult Community Justice will submit a budget request in the FY 1998-1999 for funding to establish at least one position dedicated to a "boundary spanner/housing specialist" role.

**Recommendation D3.** Develop means whereby mentally ill offenders can obtain or retain housing by providing access to funds for move in costs which will allow access to community market housing; assuring continued rental assistance; and providing means whereby mentally ill offenders can retain established housing while temporarily incarcerated. The target population generally does not have available resources to pay up front costs to access market housing when it can be found. This population is particularly vulnerable to loss of housing as they lose entitlement benefits while incarcerated. Many find that they have been evicted for non-payment during brief periods of incarceration if those fall on rent-due dates. Temporary rental assistance to allow someone to maintain something as hard to come by as housing would help to break up one of the major contributors to the revolving door cycle and save public funds otherwise spent on jail, temporary shelter and case management.

**Actions:** The permanent operations committee (see Recommendation E2) will undertake the task of exploring available funding resources, public and private, which could be developed into a pool of money for temporary rental assistance in emergency situations. A future funding request will be prepared (excluding any request from the County prior to FY 1997-1998)

**Recommendation D4.** Establish support services to maintain people capable of independent living in independent housing.

**Actions:** This recommendation is dependent upon the availability of housing to the mentally ill offender population but, given availability, a budget request will be prepared for FY 1998-1999.

**Recommendation D5.** Establish means whereby mentally ill offenders in the community can access livable housing by a) working with Community Action Program in the establishment of more liberal income to rent ratios, b) establishing a "risk pool" to assist those with temporary financial problems to keep existing housing, c) establishing incentives to attract providers in the privatized public housing market to provide housing to this population. An additional premium or other financial incentive can be offered. This could be less costly than funding the entire cost of housing. Consider looking at "Service Payments" already employed in structured residential placements for the mentally ill as a model.

**Actions:**

a) Juvenile and Adult Community Justice and the Local Mental Health Authority will engage in a cooperative effort to approach Community Action Program to negotiate the establishment of more liberal income to rent ratios.

b) The establishment of a "risk pool" can be assumed under Recommended Action D3 in this section and is not anticipated to become an action before the FY 1998/99 budget period.

**Recommendation D6.** Develop a facility to provide stabilization services for offenders with acute mental disorder, including those whose probation or parole violations are due to decompensation of their mental illness and offenders in jail whose early release would create a gap in linkage to community services. This facility would provide the range of services necessary to stabilize and then move an individual into an appropriate community treatment service.<sup>6</sup> Ideally, this facility would serve as an alternative to using the jail for the treatment of mentally ill offenders, and provide an alternative to the use of community hospitals (and the Commitment System).

Provide housing under direct County control to deal with "problem" clients. One of the most pressing needs is housing for offenders in secure, residential placements, especially for offenders with very difficult treatment and management needs. Security is required for the community, the provider and the offender.

**Actions:** Discussions regarding the viability of these recommendations will need to occur at the administrative levels of MCSO, Juvenile and Adult Community Justice and the Local Mental Health Authority. Such discussions are contingent upon an improvement in the fiscal pictures of each division. The first agenda would include a detailed cost analysis of each option described. It is unrealistic to expect such discussion to occur within the next two years.

**Recommendations D7.** Consider developing selected "tax foreclosed" properties for supported housing or rental assistance. These could be rehabilitated with the assistance of Community Service Work Crews.

Direct CFSD management to develop a package of financial and political incentives for developers to remodel or build appropriate facilities for the mentally ill and for managers to lease and operate them. Downtown, second-class office space could provide some of the potential sites. Appropriate facilities should be safe, clean and comfortable with accessible kitchens or daily meals. Daily assistance with medications and activities of daily living (laundry, making and keeping appointments) should be available. Payment mechanisms should provide a consistent source of revenue for facility managers, with costs for housing and meals at no more than 90 percent of SSI.

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<sup>6</sup> Three models have been proposed to deal with the issue.

- a) Halfway house model. This would essentially be a short term residential treatment facility providing care and custody to offenders requiring stabilization in a secure setting but not incarceration.
- b) Contract beds in an existing community hospital. These beds would be dedicated to serve the stabilization needs of offenders and would be located in a secure, closed ward. Costs may be as high as \$400 to \$450 per bed-day via contract with community for-profit hospital.
- c) Acute Psychiatric beds in a facility located on the campus of the proposed new Correctional Facility. Costs would be factored into the building of the new Corrections facility as well as established daily costs for this level of jail services.

**Actions:** CFSD should begin assembling the necessary financial information as soon as feasible, and work in coordination with the permanent operations committee (Recommendation E2).

## **E. Management Initiatives**

**Problem:** For better management of mentally ill offenders, an integrated system should be established in addition to making incremental improvements in the current system. System integration should result in a continuum from initial police contact through booking and reception, with its alternatives, through jail placement and in-custody treatment on to referral to community treatment and support resources. The integrated system should have the capacity to provide diagnostic assessment, treatment planning, in-jail services, discharge planning and community placement for mentally ill offenders. The system should also horizontally integrate primary health care and chemical dependency treatment.

### ***Recommendations***

**Recommendation E1.** Develop and provide a program of cross-training for corrections and treatment system personnel similar to the Crisis Intervention Team training currently provided to law enforcement personnel. Current practices, prior training and work loads encourage separation between law enforcement, Adult Community Justice personnel and community treatment providers. This separation engenders an "us and them" perception that is counterproductive to integrated service delivery. Cross training is necessary to alter these perceptions and provide a shared base of information and knowledge for effectively serving mentally ill offenders. An important element of this training would be to facilitate early identification of mentally ill offenders at all points in the system and recognizing the special needs of individuals in psychiatric crisis.

**Actions:** Extend requests to attend the Local Mental Health Authority/Crisis Intervention Team trainings to all service providers regularly involved with the shared population.

**Recommendation E2.** Maintain a permanent Operations Committee of representatives from each of the cooperating agencies jointly dealing with mentally ill offenders for the purpose of increasing public safety, reducing jail usage, resolving conflicts, sharing information, developing coordinated plans to deal with difficult cases, and facilitating further evaluation of the services to this population. The membership of this committee should come from the Work Group which has already established a history of cooperative work and an understanding of the issues.

**Actions:** The Local Mental Health Authority will issue a mailing to the membership of the Work Group on Mental Health Needs of Offenders calling for a meeting to form a permanent Operations Committee. This meeting will occur by March 15, 1997 and future meetings and agendas will be developed in that meeting.

**Recommendation E3.** Offer and provide the judiciary with focused orientation and consistent sources of information regarding available and effective services for the mentally ill offender population. Awareness of effective programs can make the difference between

willingness to place a mentally ill offender back into the community and into a proven treatment system or placing them in jail.

**Actions:** The realities of time demands on judges negates the likelihood of offering any group orientation similar to what is done with Crisis Intervention Team training. Even so, informational packets should be developed and sent to the judges condensing and describing what is offered so that they might attend at their choice. The Local Mental Health Authority will develop a brochure to provide this information and have it reviewed and ready for distribution in time for the training series to be offered in 1998.

## **F. Information Sharing**

**Problem:** Current practice requires a signed release of information before agencies can exchange data regarding a shared client. This can be a very time consuming process which impairs care providers' ability to develop adequate treatment and discharge plans.

**Problem.** Following arrest, offenders are moved through a series of independent assessments for booking, reception, assignment, pre-trial release, medical and mental health etc. There currently does not exist a uniform means for pertinent information, common to the needs of the generic "system" to follow the offender. This results in a very time consuming process of trying to locate where in the system the needed information resides. This also results in putting an offender through much redundancy which increases the likelihood of losing cooperation and of obtaining false or erroneous information. In addition a significant number of offenders, flagged for psychiatric alert, do not receive an initial diagnostic assessment as they are released quickly. The ability to rapidly gather information can be enhanced by simplifying the assessment process using a form which permits copies to follow an offender through all stages of the procedure.

**Recommendations:** An integrated system requires effective sharing of information in order to achieve sound treatment and management plans and to intervene cost effectively when problems occur. State of the art technology would assist in sharing information quickly. Time, commitment and agreement are required among involved agencies to clarify the information necessary to exchange, develop the procedures to obtain and recognize necessary consents and determine in what forms and where critical information is stored and accessed. Moreover, the County would need to actively seek changes in state and federal law and county contracts to promote the following improvements in information sharing.

The very core of integration is communication. Certain limited but very critical information regarding a possibly mentally ill offender should be promptly and automatically available to the arresting officer, at booking and to the Intake Assessment staff. The minimal medical-psychiatric information immediately available to corrections from a statewide computer base should include the individual's **name, birthdate, dates and location when last seen by (publicly-subsidized) mental health or drug & alcohol personnel, last diagnoses, last medications and prescriber, case manager, legal status (committed, conditional release, etc.) and entitlement eligibility (SSI, SSD, VA, etc.)**. The system should be set up so as to minimize the requirements for written consent to release information. This system would allow corrections staff to promptly notify mental health/drug and alcohol staff of the incarceration of their client. This notification is essential to in-jail case



management or treatment, and prompt follow-up planning for release to the community. Some suicides may be prevented.

**Recommendation F1.** Develop a system-wide agreement between cooperating county agencies, operating under the County aegis, that some necessary treatment and identification information regarding the population being served can be exchanged quickly without a Release of Information.

**Actions:** The Local Mental Health Authority will request an opinion from County Counsel regarding the barriers or lack of barriers between County programs exchanging information regarding shared clients. This request will be submitted by April 15, 1997.

**Recommendation F2.** Develop a system-wide release of information form which specifies the types of information that will be shared, between which agencies, for the purpose of consultation, planning and/or providing treatment, establishing criminal histories or enrollments in any Corrections, A&D or Behavioral Health programs. This Release of Information form should not permit the disclosure of information of an evidentiary nature which could be used in a criminal prosecution. This form would be signed by the offender at point of entry into the system e.g. Jail Intake, Mental Health Crisis Triage.

**Actions:** The permanent Operations Committee, with representatives from all major participating agencies can, as its first task, develop the language necessary for a system wide release of information form. A first draft of the release form should be presented to County Counsel for review and/or approval by May 15, 1997.

**Recommendation F3.** Develop a linked and standardized (or alternatively, an integrated) information system to provide necessary data for cooperating agencies serving the mentally ill offender population.. Such a system would allow for posting "alerts" which would enhance the likelihood for continuity of services regardless of where in the system the offender happens to fall. This integration will require the use of consultants from IRMA (Target Cities information system, currently under development) and ISIS (State's Integrated Supervision Information System) as well as legal counsel to come up with a usable data access system. The intent is to develop a readily accessible information system to expedite decision making which could a) accelerate the imposition of appropriate consequences for Corrections, and b) allow for much earlier interventions from the Behavioral Health System. Both actions should enhance the ability to divert an offender from a more intrusive or expensive level of treatment

**Actions:**

a) The Permanent Operations Committee will arrange to meet with consultants from IRMA and ISIS to explore the feasibility of this recommendation. This task should be initiated by the operations committee by February 1998.

b) The Permanent Operations Committee will request an opinion from County Counsel regarding confidentiality issues once the mechanisms of using IRMA and/or ISIS are known.

c) Once estimated costs are available, a budget request will be submitted by the Permanent Operations Committee to the Board for approval to initiate the development of the data base and the use of the equipment no sooner than needed for Fiscal Year 1999/2000.

**Recommendation F4.** Develop and implement a more uniform means of obtaining and recording vital information in a manner that allows it to follow the offender throughout the entire system. This would provide data for individual treatment plans, discharge plans and both jail and community supervisory plans. In addition, this recommendation would provide a data base for systems planning and evaluation. A data recording form should follow the offender through the various stages of arrest, reception, intake, pre-trial release, medical and mental health assessment, assignment to Community Corrections and community treatment providers.

**Actions:** The Permanent Operations Committee will work toward the development of an information recording form which will facilitate the gathering of vital information in a means which will permit this information to follow the offender and, upon referral to a community treatment program, will be available to that program. The Operations Committee should have a draft of this form available for review and approval by their respective administrations by July 15, 1997.

## Profile of 1554 Inmates with Psychiatric Alerts Jailed in 1995

### Concurrent Psychiatric Diagnoses

During 1995, 1554 inmates with psychiatric alerts were booked in Multnomah County jail. For purposes of this report, these inmates have been placed in five diagnostic groupings.

Table 1 summarizes these five diagnostic groups and shows the presence of other psychiatric diagnoses within each group (comorbidity). There are 159 schizophrenics in the Major Mental Illness group. Of these 159: 11 percent have an alcohol abuse or dependence diagnosis; 37 percent have a drug abuse or dependence diagnosis; 6 percent have both an alcohol and drug abuse or dependence diagnosis. Forty-four percent of the 159 schizophrenics have an additional psychiatric diagnosis other than schizophrenia or substance abuse (for example, "post traumatic stress disorder or "other").

**Table 1: Diagnostic Groups  
of Inmates on Psychiatric Alert  
in Multnomah County Jail--1995**

			% of Category with Co-existing Substance Abuse			% with Other Diagnoses
Diagnostic Group	NUMBER		Alcohol	Drug	Both	
<b>Major Mental Illness</b>		<b>643</b>	<b>16%</b>	<b>45%</b>	<b>13%</b>	<b>45%</b>
Schizophrenia	159		11%	37%	6%	44%
Affective Disorder	492		18%	48%	14%	46%
<b>Personality Disorder</b>		<b>99</b>	<b>10%</b>	<b>65%</b>	<b>13%</b>	<b>62%</b>
<b>Substance Abuse</b>		<b>555</b>	<b>16%</b>	<b>61%</b>	<b>23%</b>	<b>89%</b>
Alcohol only	91		100%			88%
Drug only	339			100%		92%
Both	125				100%	85%
<b>Miscellaneous Diagnoses</b>		<b>59</b>				<b>42%</b>
Mild Retardation	19		No substance abuse			53%
Adjustment Disorder	25		by definition, all			36%
Post Traumatic Stress	17		substance abusers			53%
Unknown, Pending, or "Other"		<b>198</b>	included in above categories			<b>100% (by definition)</b>
<b>TOTAL</b>		<b>1554</b>	<b>13%</b>	<b>45%</b>	<b>14%</b>	<b>70%</b>

In Table 1, groups have priority from top to bottom. For example, a schizophrenic may also have post-traumatic stress disorder and alcohol abuse; the schizophrenic, they would fall in Group 1 and not be counted again in Groups 2 or 3. Being in a group lower on the chart means you do not have any of the diagnoses of groups further up the chart.

While treatment approaches are commonly agreed upon for the Major Mental Illness and Substance Abuse groupings, for Personality Disorders there is no clear agreement on the best approach to treatment; response to treatment can be slow; and personality disorders are often disruptive to treatment programs. This is also the diagnostic group most likely to engage in repeated criminal behavior.

Approximately 72 percent of the psychiatric alert inmates have been diagnosed with alcohol and drug dependence problems, and for 555 (36 percent), it was the primary diagnosis. Twenty-nine percent were enrolled in publicly funded alcohol and drug treatment programs during the most recent two fiscal years. Psychiatric alert inmates with substance abuse problems have similar rates of access to alcohol and drug treatment when compared to all other corrections inmates; however, their retention in treatment is lower. There is a significant inverse relationship between the number of violent felonies with which an individual has been charged and the number of days spent in community-based publicly funded alcohol and drug treatment. Those with more serious charges are probably less likely to be provided access to community-based treatment.

### **Group 1: Major Mental Illness**

This group includes 159 inmates with schizophrenia and 492 with affective disorders. Eight inmates have both conditions. The presence of either of these diagnoses places an inmate in this group, whether or not other diagnoses from Groups 2-5 are present.

The "Major Mental Illness" group most closely approximates those patients who are in state hospitals, although it is unclear what percentage of this group would meet current hospitalization criteria. Patients are usually hospitalized in the state hospital system if they are an immediate danger to themselves or others due to a psychiatric condition and cannot be successfully treated on an outpatient basis. Not all psychiatric alert patients in the Multnomah County jail system meet this level of need; their treatment may not need to be provided in a psychiatric hospital. Assuming that each psychiatric alert patient in jail ought to be in a psychiatric hospital is not what most psychiatric professionals would consider current standards of treatment.

The prognosis for affective disorders is favorable. The clinical picture for most types of schizophrenia has improved significantly over the last few years. While there is no complete cure, the disease is much more controllable than in the recent past.

### **Group 2: Personality Disorders**

Ninety-nine inmates with personality disorders have been placed in Group 2. (An additional 37 personality disorders were placed in Group 1 because they also have a major mental illness.) This small group is important because personality disorders are the most prone of all the diagnostic groups to engage in repeated criminal behavior.

There is no clear agreement on the best approach to treatment; response to treatment can be slow. Personality disorders are often manipulative and disruptive to treatment programs. There has been an ongoing policy debate as to whether personality disorders, in

the absence of a major mental illness, should be a focus of publicly-funded mental health treatment. Given this level of disagreement, formulating an adequate public response in terms of policy and program will be difficult.

### **Group 3: Substance Abuse**

Any inmates with schizophrenia, affective disorder, or personality disorder were placed in Groups 1 and 2, regardless of whether or not they had associated substance abuse problems. (See Table 1 for the percent of Group 1 and 2 inmates who also have substance abuse problems.) Group 3 includes the 555 remaining psychiatric alert inmates with substance abuse problems. Relatively few of the inmates who are booked each year with substance abuse problems receive a psychiatric alert: only those whose behavior warrants further psychiatric analysis receive psychiatric alert status.

Group 3, therefore, is not just substance abusers but is a complex diagnostic group. Besides a substance abuse diagnosis, 89 percent of the 555 have some other psychiatric diagnosis: adjustment disorders—12 percent; post traumatic stress disorder—35 percent; mental retardation—5 percent; “other” or “pending”—49 percent.

State hospitals stopped admitting patients for only alcohol/drug abuse or dependence in the 1970's. The presence of psychiatric disorders in addition to alcohol/drug diagnoses in 90 percent of this group may lead to psychiatric hospitalization. But exclusion of inmates with schizophrenia, affective disorders, or personality disorders by definition tends to reduce the hospitalization risk for Group 3. During 1995, only four percent of this group was hospitalized, the lowest of any of the five diagnostic groups.<sup>7</sup> Overall, most Group 3 patients do not require psychiatric hospitalization.

Group 3 inmates need treatment for alcohol and drug problems, and for some this may require an inpatient setting. Treatment records from the State Office of Alcohol and Drug Abuse Programs show that 35 percent of this subgroup were enrolled in State alcohol and drug programs during fiscal years 1993-4 and/or 1994-5 (see Table 17).

### **Group 4: Miscellaneous Diagnoses**

The preceding three diagnostic groups account for most of the inmate population (excepting the large group of diagnosis “other,” “pending,” or “unknown” which are found in Group 5). A few miscellaneous diagnostic groupings, none of which has been a focus of publicly-funded mental health treatment in Oregon, are combined into Group 4. These include: mild or borderline mental retardation—19 inmates; adjustment disorder—25 inmates; post traumatic stress disorder—17 inmates.

59 inmates were placed in this group, while the number of inmates who have the above three conditions sums to 61. Two of the 59 inmates simultaneously have more than one of the above three conditions (although Table 2 shows that 42 percent also have a diagnosis of “other” or “pending”). Group 4 is relatively small—it occupies only four jail beds on the average day.

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<sup>7</sup> For detail on mental health treatment history by diagnostic group see Tables 14 & 15.

### Group 5: Diagnosis of "Other," "Unknown," or "Pending"

One hundred ninety-eight inmates (13 percent of psychiatric alerts) only had diagnoses of "other" or "pending" or all three diagnosis fields were blank. There is not much that can be said about these inmates from a diagnostic standpoint, given the lack of data. There are at least some members of this group who have significant mental health needs.

### Jail Time

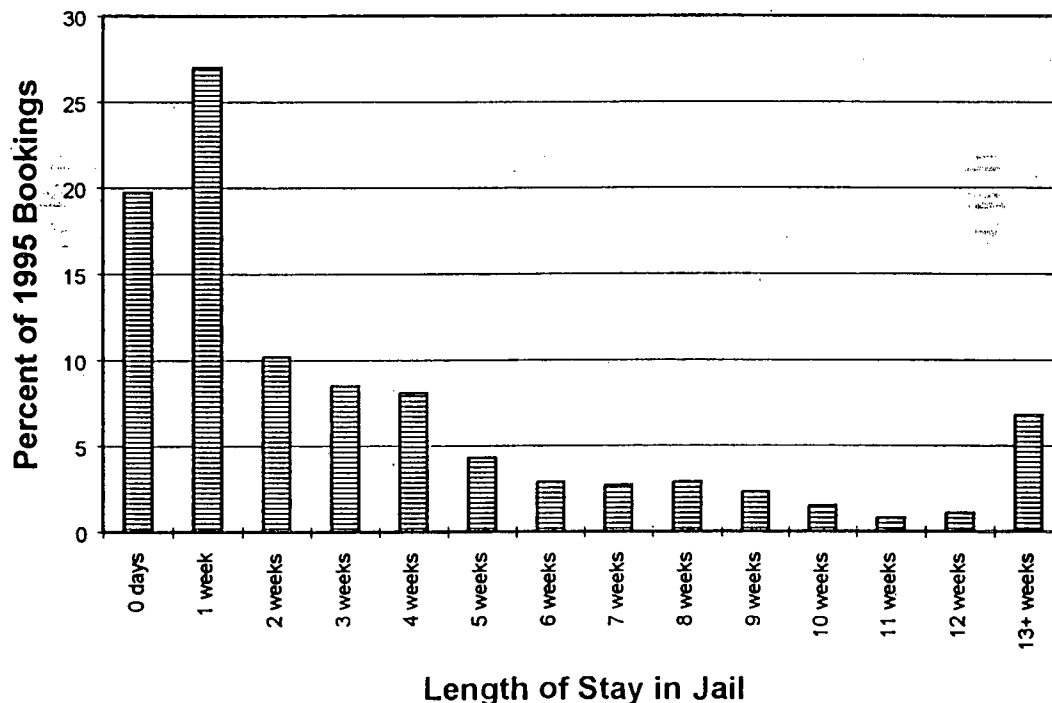
**Table 2**  
**Jail Usage in 1995 by Multnomah County Inmates with Psychiatric Alerts**

	Jail Beds Occupied on an Average Day	Average Jail Days /Booking
Major Mental Illness*	83	25
Personality Disorders*	18	32
Substance Abuse	68	23
Miscellaneous Diagnoses	4	21
Diagnosis unknown/pending/other	<u>17</u>	<u>17</u>
TOTAL	190	24

\*with or without co-existing substance abuse

The distribution of the time these inmates actually spent in jail in 1995 is portrayed in Graph 1.

**Graph 1: 1995 Jail Length of Stay for Psychiatric Alerts**



Graph 1 shows that in 1995 almost 20 percent of these inmates were released the same day they were booked. Almost half were released by the end of the first week. Thus, psychiatric service provision for at least half of bookings will inevitably be community based.

Table 3 shows the relation of total jail days accrued by the 1554 inmates during the 10 year study period and their diagnostic group.

**Table 3**  
**Distribution of 1986-1995 Jail days Accrued**  
**by Diagnostic Group**  
**Inmates on Psychiatric Alert**  
**Multnomah County Jail--1995**

Total Jail Days	0-50	51-100	101-200	201+
Group 1: Major Mental Illness	23%	14%	25%	38%
Group 2: Personality Disorders	2%	5%	18%	75%
Group 3: Substance Abuse	19%	13%	23%	45%
Group 4: Diagnosis "Unknown", "Pending", or "Other"	48%	17%	15%	21%
All Groups Combined	24%	13%	22%	41%

Table 3 shows that personality disorders are much more likely to spend more time in jail while those with diagnoses of "unknown," "pending," or "other" spend less. This short stay may account for the relatively larger percentage of "unknown" diagnoses in Group 4—there is no time to diagnose many of them before release.

#### Booking History

The booking history of the 1554 inmates booked in 1995 with a psychiatric alert (which resulted in new charges which were not dismissed) was reviewed for the ten year period 1986 through 1995. This analysis shows that 22 percent of the 1995 psychiatric alert patients have been active in the jail system in Multnomah County for at least ten years; 33 percent have been active for the last seven years. The behavior of these 1554 individuals has been relatively consistent over this ten-year period. Those inmates who are active during a given year average about two bookings and spend about 50 days during the year in jail (Table 4).

**Table 4**  
**Ten Year Booked and Charged History for all**  
**1554 Psychiatric Alert Inmates Booked in 1995**  
**Multnomah County Jail**

Calendar Year	# of the 1554 inmates who were booked and charged	% of the 1554 inmates who were booked with new charges*	Average Bookings per year per inmate	Average jail days per year per inmate
1986	348	22%	1.8	53
1987	417	27%	2.1	52
1988	454	29%	2.1	55
1989	516	33%	2.0	52
1990	518	33%	2.0	47
1991	569	34%	1.9	50
1992	623	40%	1.9	47
1993	738	47%	2.0	52
1994	948	61%	2.1	46
1995	1435 <sup>8</sup>	92%	2.1	48

Table 4 does not show all psychiatric inmates booked each year. For example, in 1986 there were many more psychiatric alert inmates booked than the 348 shown in Table 4. Table 4 only shows how many of the 1554 psychiatric alert inmates booked in 1995 were also booked in previous years. Thus, Table 4 should not be interpreted to show the actual number of psychiatric alert inmates in the Multnomah County jail system. It only shows that for the 1554 psychiatric alert inmates who were booked in 1995 substantial percentages of these same 1554 inmates were also booked in previous years.

The 1554 inmates over the ten-year period averaged nine bookings and averaged 18 charges (multiple charges—law violations—can be filed at each booking), including two violent crimes against persons. Total jail days averaged 218 over the ten years. Average time in the community between bookings averaged 219 days.

Inmates who repeatedly return to jail are a major concern of the criminal justice system. Table 5 shows the total number of bookings the 1554 psychiatric alert inmates have accumulated during the ten-year study period. Many of these inmates have accumulated a large number of bookings; half have accumulated seven or more bookings.

<sup>8</sup> 119 of the 1554 psychiatric alert inmates (8 percent) were booked in 1995 but charges were either dismissed due to lack of a complainant, lack of evidence, etc. If the inmate was picked up on a charge which was previously filed (e.g., had released on their own recognizance and then failed to appear at court and was re-arrested), these bookings were also not included if additional charges were not filed.



Table 5

**Ten Year History of Bookings by Inmates on Psychiatric Alert in  
Multnomah County Jail During 1995**

Number of Bookings	Number of Inmates	Percent of Inmates	Cumulative Percent
1	105	6.8	6.8
2	124	8.0	14.7
3	117	7.5	22.3
4	130	8.4	30.6
5	103	6.6	37.3
6	105	6.8	44.0
7	95	6.1	50.1
8	95	6.1	56.2
9	84	5.4	61.6
10	69	4.4	66.1
11	84	5.4	71.5
12	54	3.5	75.0
13	57	3.7	78.6
14	42	2.7	81.3
15	35	2.3	83.6
16	41	2.6	86.2
17	40	2.6	88.8
18	24	1.5	90.3
19	19	1.2	91.6
20	25	1.6	93.2
21	15	1.0	94.1
22	18	1.2	95.3
23	16	1.0	96.3
24	13	.8	97.2
25-39	44	2.8	100.0
TOTAL	1554	100.0	

Table 6 shows that diagnostic category is unrelated to the rate at which inmates cycle in and out of the jail system.<sup>9</sup> Personality disorders accumulate a greater total number of bookings, but do not accumulate these at a faster rate than other diagnostic categories.

<sup>9</sup>Rate is the total number of bookings accumulated divided by the number of years since the first booking.

**Table 6**  
**Bookings Per Year by Diagnostic Category**  
**by Inmates on Psychiatric Alert**  
**in Multnomah County Jail--1995**

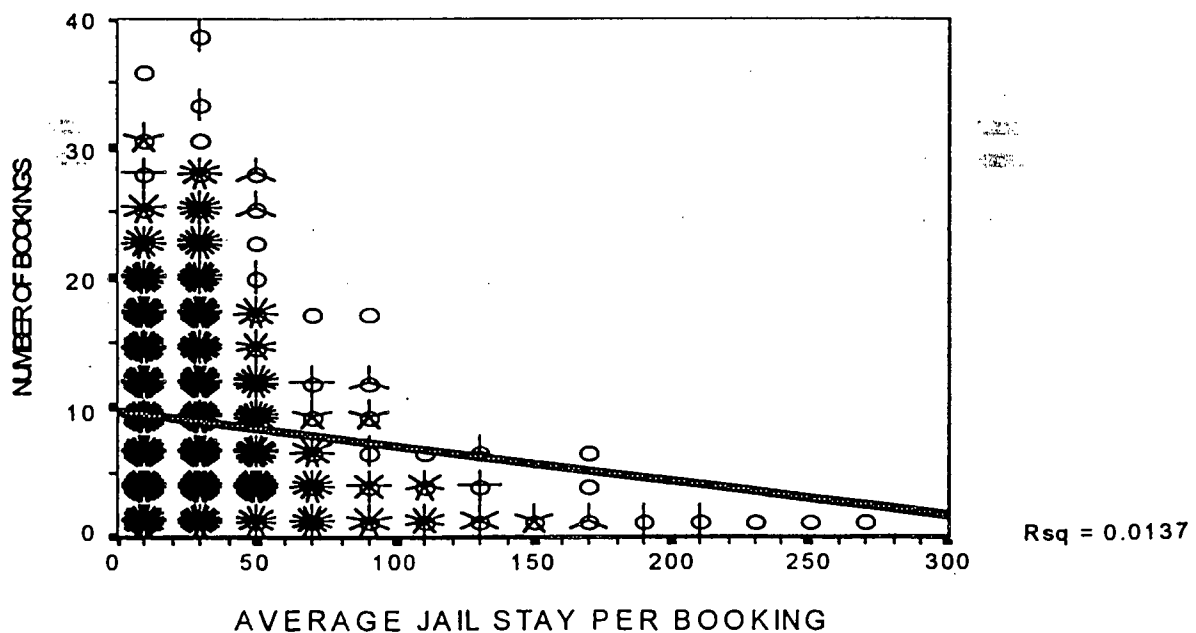
DIAGNOSTIC GROUP	Bookings Per Year				
	Up to 1 per year	Up to 2 per year	Up to 3 per year	Up to 4 per year	More than 4 per year
Major Mental Illness	25%	37%	20%	9%	9%
Personality Disorder	23%	40%	26%	7%	3%
Substance Abuse	20%	44%	19%	7%	10%
Unknown, Pending, or "Other"	29%	37%	15%	9%	11%
<b>All Groups Combined</b>	23%	40%	20%	8%	10%

Differences are not statistically significant; chi-square, .115 level.

In 1995, in Multnomah County, 492 offenders with affective disorders were arrested, charged and jailed. Looking back over a ten year period for this group of 492 offenders, there have been a total of 4474 bookings (an average of 9.1 each) with a total of 8848 criminal charges ranging from A Felony to C Misdemeanor.

Graph 2 shows the relation between length of jail stay and the number of bookings.

**Graph 2: Relation of Average Jail Stay Per Inmate**  
**To Total Bookings Per Inmate**



Most inmates have 20 or fewer bookings and average less than 50 days in jail per

booking. The average inmate has 9 bookings and averages 24 days per booking.<sup>10</sup> The line through the graph (the "least squares line") shows that in general if inmates are held for longer periods of time, they tend to have less bookings. As one moves to the right on the graph (the average jail stay becomes longer), the total number of bookings per inmate decreases; thus, the line slopes down to the right. However, there is a wide variation of inmates above and below the line. For instance, with inmates whose length of stay is 50 days or less, the number of bookings ranges from 1 to 39, with most inmates having from 1 to 20 bookings. Thus, the length of jail stay is not a very good predictor of how many bookings an inmate has accumulated.<sup>11</sup>

### Types of Charges

There is a wide variation in the types of crimes these inmates have been charged with committing. For example, sixteen percent have never been charged with a felony. Graph 3<sup>12</sup> shows there is also wide variation in charges for person to person crimes.

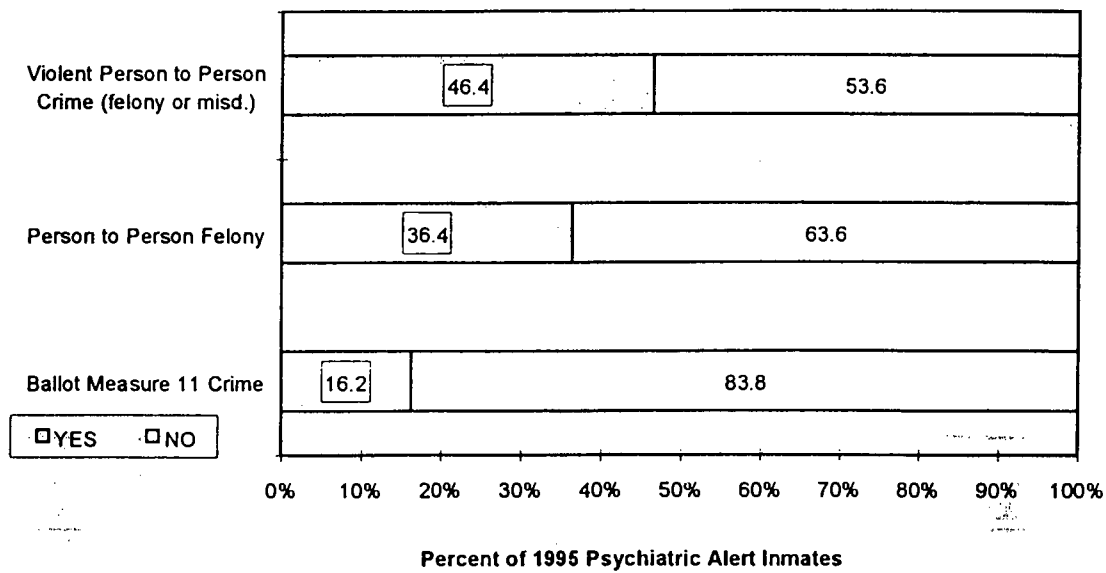
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<sup>10</sup> The star-like clusters represent the number of inmates. At the bottom right-hand corner of the chart are three small circles (without lines extending from them) at the points where the number of bookings = 1 and the average length of stay for all bookings is 230, 250, 270 days respectively. These circles each represent one inmate who meets these characteristics. Immediately to the left is a circle with two lines extending from it. Each line represents one inmate; thus the circle plus the two lines represents three inmates who have one booking each and an average length of stay for all bookings of about 210 days. The circles with the largest number of lines extending from them show the highest concentrations of inmates.

<sup>11</sup> These findings can be expressed statistically. There is a statistically significant relationship between the average length of jail stay and the total number of bookings (.000 level). This means that it is virtually certain that the observed relationship is not due to chance. The relationship is very weak as the average length of jail stay accounts for only about 1.37% of the variation in number of bookings. The remaining 98.63% of the variation is accounted for by other factors. What this means is that increasing the length of the average jail sentence would have some effect on the total number of bookings, but the effect would be very small; other factors control most of the variation in the number of bookings

<sup>12</sup> Graph 3 shows charges not convictions. Charges may have been dismissed, a person may have been found not guilty, or been convicted of a lesser crime.

**Graph 3: Ten Year History of Charges for Person to Person Crimes**



Total charges accumulated by the 1554 inmates during the ten-year study period are shown in Table 7.<sup>13</sup>

<sup>13</sup> Here is an example of how to read Table 7. 27 percent of all charges accumulated by these 1554 inmates over a ten- year period were property crimes; 34 percent of these property crimes were felonies.

Table 7

**Types of Charges Accumulated Between 1986 and 1995  
by Inmates on Psychiatric Alert  
in Multnomah County Jail--1995**

CHARGE CATEGORY	Number of Charges	Percent of Charges	% felony charges
Property crimes	7411	27.0%	34%
Drug charges	3913	14.2%	95%
Holds	3355	12.2%	NA
Traffic charges	2779	10.1%	22%
Parole violations	1905	6.9%	95%
Violent misdemeanors	1635	6.0%	0%
Crimes against the justice system	1580	5.8%	26%
Crimes involving fraud	967	3.5%	82%
Person to person Class A felonies	860	3.1%	100%
Crimes against public order	720	2.6%	0.4%
Person to person Class C felonies	626	2.3%	100%
Ordinance violations	572	2.1%	0%
Person to person Class B felonies	355	1.3%	100%
Other crimes against persons	222	0.8%	26%
Weapons charges	219	0.8%	6%
Escape	197	0.7%	88%
All other	12	0.6%	67%
TOTAL	27463	100%	45%

These differences are important because they have program implications. Inmates with a more serious or violent criminal history require high levels of security while receiving psychiatric treatment. Individuals who commit offenses of lesser danger to the community may be more appropriate for outpatient treatment.

#### Criminal History by Diagnostic Group

The four major diagnostic groups used in this study showed important relationships to criminal history (Table 8).

**Table 8**  
**Distribution of 1986 to 1995 Felony Charges**  
**by Psychiatric Category**  
**Inmates on Psychiatric Alert**  
**Multnomah County Jail**

Number of Felony Charges	None	1-5	6-10	11-14	16+
Major Mental Illness	19%	35%	19%	13%	14%
Personality Disorder	0%	23%	23%	19%	34%
Substance Abuse	11%	33%	24%	15%	17%
Diagnosis "Unknown", "Pending", or "Other"	29%	40%	13%	10%	8%
<b>All Groups Combined</b>	<b>16%</b>	<b>35%</b>	<b>20%</b>	<b>14%</b>	<b>15%</b>

Statistically significant at .000 level; Chi-square.

Inmates with personality disorders are the most likely to engage in a high number of felonies. Inmates with a diagnosis of "unknown," "pending," or "other" are the least likely to commit multiple felonies. Table 8 also shows that there is wide variation within each diagnostic group. For example, there are individuals with major mental illness who have been charged with no felonies while others have been charged with 16 or more. This pattern carries over when only person to person felonies are considered (Table 9).

**Table 9**  
**Distribution of Person to Person Felony Charges**  
**by Psychiatric Category**  
**Inmates on Psychiatric Alert**  
**Multnomah County Jail--1995**

Number of Person to Person Felony Charges	None	One	Two or More
Major Mental Illness	65%	11%	24%
Personality Disorder	36%	14%	50%
Alcohol and/or Drug	65%	13%	21%
Diagnosis "Unknown", "Pending", or "Other"	70%	12%	18%
<b>All Groups Combined</b>	<b>64%</b>	<b>12%</b>	<b>24%</b>

Statistically significant at .000 level; Chi-square.

Again, personality disorders are the diagnostic group most likely to be charged with repeated person to person felonies. Similar tables were constructed which showed the relationship of diagnostic group to how many of each of the following types of crimes had

been committed: Ballot Measure 11 crimes; property felonies; drug felonies; all other felonies; and misdemeanors. For each of these five additional tables (not shown here to save space), the results were similar—personality disorders have been charged with more crimes than any other diagnostic group. The exceptions to this pattern were relatively minor: 1) For drug felonies, the alcohol and drug diagnostic group exceeded even the personality disorders in terms of repeated charges; 2) Individuals with major mental illness and personality disorders each had about 16 percent of the group committing three or more violent misdemeanors.

### History of Treatment in the State's Mental Health System

Data supplied by the Mental Health and Developmental Disability Services Division, Office of Mental Health Programs, permitted a review of all contacts of these 1554 inmates with the State mental health system between 1989 and 1995—a seven year history. This analysis showed that 771 of these inmates (49.6 percent) had a history of enrollment in state mental health programs for an average of six times each. 303 (19.5 percent) had been hospitalized an average of 2.6 times each; 727 (46.8 percent) had community mental health program enrollments an average of 5.3 times each.

Whether or not a person had been hospitalized had no apparent connection with the number of times they had been booked or on the number of days they spent in jail (Table 10).

**Table 10**  
**Relation of Psychiatric Hospitalization with Jail History**

Hospitalized in State System?	Average Number of Bookings	Average Days in Jail
Never	9.2	218
Yes	8.2	222

Differences are not statistically significant: Independent samples test for differences between means

Whether or not an inmate was enrolled in a community mental health program (CMHP) did have a statistically significant effect on total days in jail but not on number of bookings (Table 11).

**Table 11**  
**Relation of Community Mental Health Program Enrollment with Jail History**

Enrolled in a CMHP?	Average Number of Bookings	Average Days in Jail
Never	9.2	232
Yes	8.7	203

Difference in average days in jail is statistically significant at .008: Independent samples test for differences between means

Although the difference in average days in jail is only 29 days (a 12 percent reduction), the difference is statistically significant. Furthermore, 41 percent of CMHP enrollments lasted only one day. The median<sup>14</sup> CMHP enrollment was three days. 75 percent of CMHP enrollments were 28 days or less. Although many enrollments lasted such a short period, the

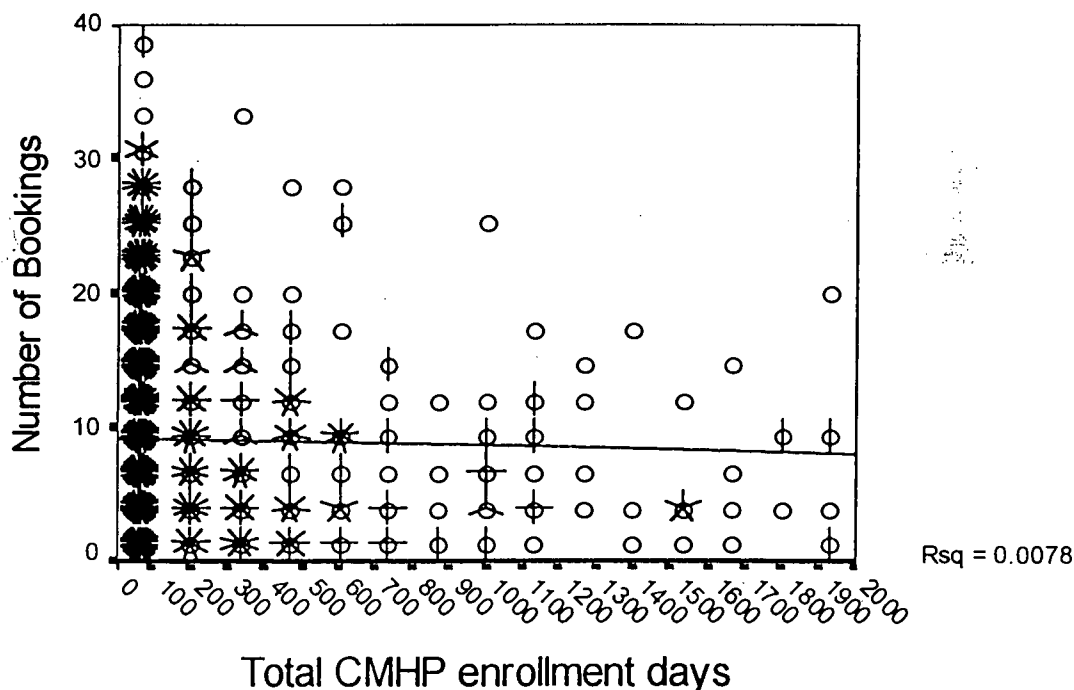
<sup>14</sup> The median CMHP enrollment is the point at which 50 percent of the enrollments are above or below.

association with an overall reduction of 12 percent in jail days shows the potential importance of CMHP treatment in successfully managing this population.

Possibly, more prolonged CMHP enrollment would result in fewer bookings. Graph 4 examines this hypothesis.<sup>15</sup>

**Graph 4**

**RELATION OF TOTAL COMMUNITY MENTAL HEALTH  
PROGRAM ENROLLMENT DAYS TO TOTAL JAIL DAYS**



Graph 4 shows that the length of CMHP enrollment (as opposed to the analysis of enrollment in contrast with non-enrollment in Table 11) is correlated inversely with the number of bookings.<sup>16</sup> As the length of CMHP enrollment increases, there tends to be a reduction in the number of bookings. However, there is not a very large decrease in the number of bookings as the length of CMHP enrollment increases. Moreover, the overwhelming number of inmates receive very short enrollments (50 percent of inmates have accumulated 71 days or less).

The median total days of CMHP enrollment (over the seven year period for which records are available) was 71 days, which produced an average benefit of 29 less jail days. Each inmate spends on the average about 50 days in jail per year.

<sup>15</sup> To make the graph scale easier to read, 58 inmates with CMHP enrollments exceeding 2,000 days are not shown on the graph but are included in the statistical analysis.

<sup>16</sup> There is a statistically significant relationship at the .000 level. The regression line slopes down to the right. the line does not slope very much, even though the relationship is statistically significant.



## Use of State Funded Psychiatric Services

Graph 4 shows the decline in adult psychiatric beds available to Multnomah County since January of 1990. The availability of state-funded hospital beds for Multnomah County has dropped from about 200 during the typical day in 1990 and 1991 to about 100 by 1996.

### Multnomah County Average Census in State Hospital Adult Psychiatric and Local Inpatient Programs—January 1990 to November 1996

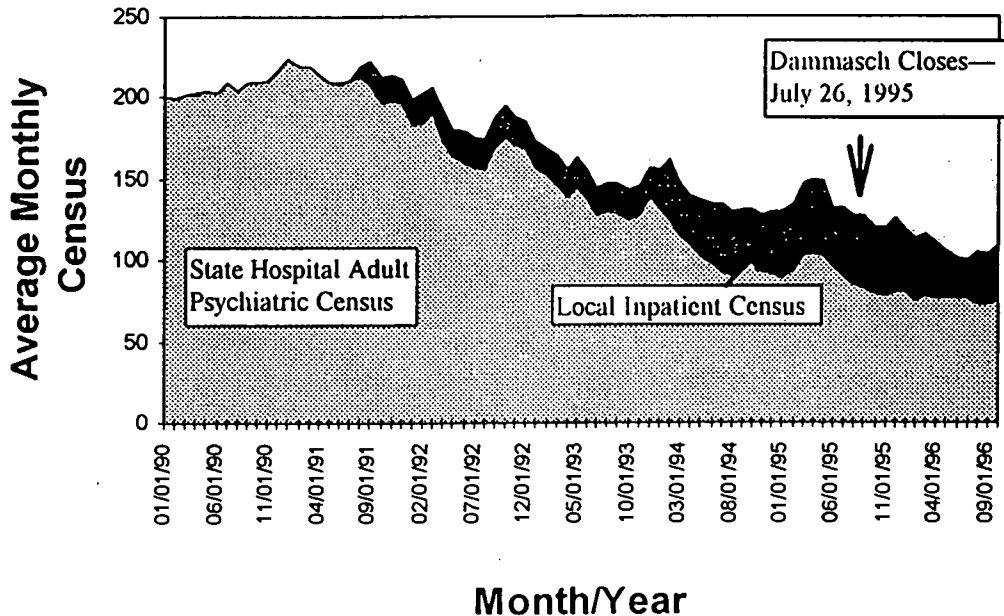


Table 12 shows that only a small percentage of the 1554 inmates has ever been hospitalized in a State psychiatric hospital. Table 12 does not answer the question of whether or not a greater percentage of inmates should have been hospitalized and whether or not this could have reduced involvement in the criminal justice system.

**Table 12**  
**Seven Year State Hospitalization History**  
**for 1554 Psychiatric Alert Inmates**  
**Multnomah County Jail 1995**

Calendar Year	% of the 1554 inmates who were booked (from Table 4)	% of the 1554 inmates who were hospitalized	Average hospitalizations per year	Average length in days of stay for hospitalizations beginning during the year*
1989	33%	3%	1.3	81
1990	33%	4%	1.5	53
1991	34%	4%	1.4	46
1992	40%	4%	1.4	65
1993	47%	4%	1.1	40
1994	61%	5%	1.6	37
1995	92%	7%	1.5	47

\*Note: Excludes hospitalizations of 14 inmates with lengths of stay greater than 2 years; these 14 outliers distorted the average length of the remaining 784 hospitalizations.

The long-term trend in community mental health programs in which these inmates have enrolled is shown in Table 13.

**Table 13**  
**Seven Year State Community Mental Health Program (CMHP) History**  
**for 1554 Psychiatric Alert Inmates**  
**Multnomah County Jail--1995**

Calendar Year	% of the 1554 inmates who were booked and charged (from Table 4)	% of the 1554 inmates who were newly enrolled in a CMHP	Average number of new enrollments per year	Average duration of enrollments beginning during the year*
1989	33%	7%	1.8	72
1990	33%	10%	2.4	50
1991	34%	11%	2.6	40
1992	40%	12%	2.3	36
1993	47%	14%	2.4	28
1994	61%	20%	2.5	36
1995	92%	23%	2.1	51

\*Note: Excludes 140 enrollments with duration greater than 2 years; these 140 outliers distorted the average length of the remaining 3740 enrollments.

Table 13 shows no drop off in the number of new CMHP enrollments occurred during state hospital downsizing. As with hospitalization history, the year 1993 does show a low

point in terms of duration of new CMHP enrollments. However, by 1995 the average duration of new CMHP enrollments had returned to 51 days, well within 1990-91 levels.

Several conclusions can be drawn from Tables 12 and 13: 1) Only seven percent of the 1554 psychiatric alert inmates were hospitalized in a State psychiatric hospital during 1995; only 23 percent were newly enrolled in community mental health programs; 2) The number of hospitalizations declined only slightly in 1993 but the number of new CMHP enrollments per year did not decline. Both the average length of stay of hospitalizations and the duration of CMHP enrollments did decline in 1993; this may indicate stress on the system during the downsizing of Dammasch in particular and the state's adult psychiatric hospital beds in general; 3) By 1995 both hospital length of stay and duration of CMHP enrollment had returned to levels which characterized the early 1990's.

Table 14 shows how many of the 1554 inmates entered into a new hospitalization in 1995. (It does not count hospitalizations which may have started in 1994 or before and extended into 1995).

**Table 14**  
**1995 Psychiatric Hospitalizations of 1554 Psychiatric Alert Inmates**

<b>DIAGNOSTIC GROUP</b>	<b># of Inmates in Group</b>	<b># Newly Hospitalized in 1995</b>	<b>% of Group Newly Hospitalized in 1995</b>	<b>Average Days Hospitalized in 1995</b>
Major Mental Illness	643	69	11%	92
Personality Disorders	99	7	7%	17
Substance Abuse	555	20	4%	37
Diagnosis "unknown" or "pending"	198	17	9%	57
<b>ALL GROUPS COMBINED</b>	<b>1554*</b>	<b>113</b>	<b>7%</b>	<b>47</b>

**\*Note:** Totals include 59 patients in miscellaneous diagnosis group who are not shown in the above table.

Table 14 shows that the Major Mental Illness group is hospitalized at a greater rate and for longer than other diagnostic groups.

Table 15 counts all of the 1554 inmates who were active in a CMHP during 1995, regardless of whether or not their enrollment began before 1995.

**Table 15**  
**Number of 1554 Psychiatric Alert Inmates**  
**Active in 1995 in a Community Mental Health Program (CMHP)**

<b>DIAGNOSTIC GROUP</b>	<b># of Inmates in Group</b>	<b># Active in CMHP in 1995</b>	<b>% of Group Active in 1995</b>	<b>Median Days Active Since Date of Enrollment</b>
Major Mental Illness	643	220	34%	123
Personality Disorders	99	24	24%	6.5
Substance Abuse	555	106	19%	27.5
Diagnosis "other", "unknown" or "pending"	198	36	18%	72.5
All Groups Combined	1554	398	26%	69.5

**\*Note:** Totals include 59 patients in miscellaneous diagnosis group who are not shown in the above table.

Table 15 shows that 34 percent of psychiatric alert patients with a Major Mental Illness were actively enrolled in a CMHP sometime during 1995. 66 percent of the Major Mental Illness group were not enrolled—thus their mental health needs would probably have to be met entirely by Corrections Health staff or a special effort would be needed to enroll them in a CMHP upon release from the jail. Table 15 also confirms that inmates with a diagnosis of "other", "unknown" or "pending" cannot be ignored as 18 percent of them have a diagnosis which results in a relatively long CMHP enrollment.

In sum, a large percentage of the Major Mental Illness group and other diagnostic groups do not appear to be served by the State adult mental health system. When service does occur it tends to be for brief periods. However, even brief enrollments in community mental health programs are correlated with reduced use of the jail.

#### **History of Services from the County Alcohol and Drug Treatment System**

72 percent of psychiatric alert inmates suffer from substance dependence problems (Table 16). Most treatment professionals would probably agree that treatment for the dependence must precede or at least coincide with treatment for the mental health problem in order for the individual to reach stability. While 72 percent of the inmates placed on psychiatric alert suffer from substance dependence problems, Table 16 shows that 29 percent were enrolled in the publicly-funded alcohol and drug treatment system over this two year period.<sup>17</sup> Nevertheless, the ratio of treatment enrollment to need is somewhat higher than the estimates for all inmates who are booked into the corrections system and who have an alcohol or drug abuse or dependence problem: the treatment system serves only about 20 percent to 25 percent of the latter group.

<sup>17</sup> Data supplied by the Oregon State Office of Alcohol and Drug Abuse Programs.

**Table 16**  
**Alcohol and Drug Treatment Enrollment by**  
**Mental Illness Diagnostic Group**

Diagnostic Group	# of Inmates	A&D Dependent:		Enrolled in A&D Treatment		
		N	% of Diag. group	N	% of Diag. Group	% of Dependent
Major Mental Illness	644	481	75%	190	30%	40%
Personality Disorder	99	87	88%	21	21%	24%
Substance Abuse	555	555	100%	195	35%	35%
"Unknown", "Other" or "Pending"	198	un- known	---	45	23%	----
TOTAL	1554*	>1,123	>72%	458	29%	~38%

\*Note: Totals include 59 patients in miscellaneous diagnosis group who are not shown in the above table.

Based on their own reports, those placed on a psychiatric alert were nearly twice as likely to have reported being arrested at least once and more than twice as likely to have reported being arrested two or more times. Of the major diagnostic groupings, those in Diagnostic Group 3 (primary diagnosis of substance abuse) were most likely to be enrolled in treatment (see Table 14). Slightly less than a third of those in Diagnostic Group 1 (Major Mental Illness) were enrolled, although that group represented approximately 40 percent of the diagnosed dependence cases. The somewhat lower rate among those with a Personality Disorder is likely a reflection of their more serious criminal charges and longer stays in custody. Apart from those for whom the A&D dependence is the primary diagnosis, those with a personality disorder are most likely to also have a problem with alcohol and/or particularly drugs (see Table 3).

Table 17 shows that overall, the 458 psychiatric alert inmates who did receive treatment averaged 2.5 treatment episodes for an average total of 200 days, or about 6.5 months over the two year period.<sup>18</sup> Both of these mean values are significantly higher than those for the general population served in the County's publicly funded alcohol and drug treatment system--1.8 episodes for a total of 163 average days.<sup>19</sup>

<sup>18</sup>The data reviewed measure how many times individuals were enrolled and how long they stayed enrolled, not how much treatment they received.

<sup>19</sup>The comparison group is comprised of all adults—age 18 or over—served by an alcohol or drug treatment provider located in Multnomah County, apart from those cited and referred under the laws prohibiting Driving Under the Influence of Intoxicant (DUII).

**Table 17**  
**A&D Treatment Episodes and Length of Stay**  
**by Mental Illness Diagnostic Group**

Diagnostic Group	Average # of Treatment Episodes	Average Days of Enrollment per Treatment Episode
Major Mental Illness	2.4	205
Personality Disorder	1.9	144
Substance Abuse	2.7	194
"Other", "Unknown"	2.6	241

While there is some variation among the major diagnostic groups, all averaged at least two treatment episodes over the two year period for a total of at least 144 days, or nearly five months. Those with a primary diagnosis of alcohol or drug dependence registered the largest average-number of episodes (2.7), but show a slightly smaller number of days (194). Those diagnosed with a personality disorder had the lowest number of episodes and lowest average time in treatment. Nevertheless, the group averaged nearly five months total enrollment in some form of alcohol and drug treatment. The diagnostic group of "other", "unknown", or "pending" stands out with the highest number of treatment episodes and longest length of stay in treatment.

Table 18 shows that compared with all adults who sought publicly funded alcohol and drug treatment in Multnomah County during this period, the 1554 inmates were significantly less likely to complete all the provider requirements for treatment (17 percent versus 25 percent). Completion rates also differed significantly among the major mental health diagnostic groups. Those with a primary diagnosis of alcohol or drug dependence were most likely to complete both their first and last episodes in fiscal year 1994-95. However, the rates were comparable for those with a primary diagnosis of major mental illness, and indeed higher in fiscal year 1995-96. Both these groups comprise variations on the theme of "dual diagnosis"—mental illness combined with substance abuse. The Major Mental Illness group has a primary psychiatric diagnosis but most also have secondary substance abuse problems. The Substance Abuse group has a primary substance abuse diagnosis, but 89 percent have some other co-existing psychiatric diagnosis (see Table 2).

**Table 18****A&D Treatment Completion  
by Mental Illness Diagnostic Group**

Diagnostic Group	FY 1994-95 1 <sup>st</sup> Episode	FY 1994-95 Last Episode	FY 1995-96 1 <sup>st</sup> Episode	FY 1995-96 Last Episode
Major Mental Illness	15%	25%	18%	26%
Personality Disorder	6%	6%	0%	14%
A&D Dependence	21%	28%	14%	19%
"Other", "Unknown"	9%	6%	9%	12%
TOTAL	17%	23%	15%	21%
General Trt. Population	25%	29%	24%	28%

It appears that individuals in the Major Mental Illness and Substance Abuse groups had about the same access to enrollment in treatment. Those with a diagnosis of a major mental illness were also as likely to complete treatment as those with a primary diagnosis of substance abuse. Both groups engaged in more treatment episodes and spent more time in treatment, compared with the rest of the population engaged in publicly funded, non-DUII substance abuse treatment. However, members of both groups were less likely to complete their treatment, compared with the entire population participating in publicly funded treatment.<sup>20</sup> The substance abuse treatment providers should be trained to work with the members of the psychiatric alert population, and improved training may help to improve the rate at which treatment is completed.

<sup>20</sup> A partial explanation for the low rate of treatment completion may be the high rates at which members of these groups reported using opiates and cocaine and the high rates of administration by injection. Methadone providers have by far the lowest rates of treatment completion and those participating in methadone treatment have by far the longest stays in treatment.

## GLOSSARY OF ENTITLEMENT PROGRAMS

**GENERAL ASSISTANCE (GA).** These benefits are entitled by anyone determined to meet disability criteria and the disability is a result of a mental disorder. Often the disability is considered to be temporary (of six months or less duration) or, chronic and the recipient is awaiting award of SSD or SSI. GA recipients are covered under Oregon Health Plan and are required to choose a Health Maintenance Organization (HMO) provider.

**DISABILITY DETERMINATIONS** is a state function under Human Resources. They review all applications. They also review all "evidence" provided by qualified practitioners, licensed physicians and psychologists. In order to meet evidentiary requirements the data must fit a strict definition of mental disorder and, due to that disorder, inability to engage in work activity for gainful employment. This process can take at least six months. Approximately 70 percent of first applications are denied. Approximately 70 percent of these denials are reversed upon appeal which can take another six months.

**OREGON HEALTH PLAN (OHP).** This medical insurance plan is operated by the State of Oregon and is managed as a Medicaid benefit. Recipients are required to select from a list of Health Maintenance Organizations (HMO's) and the choice determines the limits and locations of their mental health benefits. For individuals who are not recipients of SSI or GA, OHP eligibility is based on personal income limits established by the State. These limits are fixed on a percentage of "poverty level" income.

**SOCIAL SECURITY DISABILITY (SSD).** These benefits are entitled by anyone determined to be disabled as a result of a chronic mental disorder who has been employed and has earned a sufficient number of "quarters" or credits to qualify. SSD recipients are entitled to Medicare benefits. Benefit checks are issued by regional Federal authority.

**SUPPLEMENTAL SECURITY INCOME (SSI).** These benefits are entitled by anyone determined to be disabled as a result of a chronic mental disorder who has not been employed or who has not been employed long enough to earn sufficient credits. SSI recipients are entitled to Medicaid benefits but can opt for Medicare after a two year period. In Oregon the Medicaid coverage is provided under Oregon Health Plan. This is a Federal program managed by each state and benefit checks are issued by the State.

**VETERANS' BENEFITS (VA).** The benefits are entitled by anyone determined by VA standards to be disabled as a result of a chronic mental disorder if it is established that the mental disorder is "Service Connected". Medical and Psychiatric coverage is provided through regional VA inpatient and outpatient facilities. This is a Federal program.

**RANGE OF BENEFITS.** OHP, Medicaid does pay for medications. It will reimburse physicians and nurse practitioners for brief office visits for medication reviews. It does not reimburse providers for housing or daily structure and support. It will reimburse for brief crisis counseling but not for long term psychological treatment. Medicaid has very limited benefits for inpatient care.



Medicare is divided into two benefit sections, A and B. **Medicare A** is essentially reimbursement for inpatient services and B for outpatient services. While neither A nor B pay for medications they do reimburse physicians for office visits for medication reviews. **B** will reimburse for Daily Structure and Support Services which are often referred to as case management services. Clients with **Medicare A and B** are eligible for long term services. Medicare recipients frequently are issued Medicare A initially and then are eligible for B after a period of time. It is confusing because some recipients are awarded A and B right off the bat and others are not.

The Corrections population we are most likely to be dealing with will not be SSD eligible but, more likely, SSI eligible as long as they meet chronic mental illness criteria. New Federal regulations exclude chemical dependence as a qualifying disorder so that the mental disorder will have to have primacy in a diagnostic hierarchy.

Although the criteria of mental disorder "causing" the inability to obtain or maintain gainful employment exists for General Assistance the determination process is much quicker and dependent upon the evaluation of a single, qualified practitioner. However, language is extremely important and a practitioner needs to be familiar with disability requirements to write reports which satisfy evidentiary requirements.

## GLOSSARY OF FREQUENTLY USED TERMS

**Adult Behavioral Health:** a program of the Department of Community and Family Services of Multnomah County. Currently the regional mental health authority. The forthcoming title will be Local Mental Health Authority (LMHA).

**acute care:** 24-hour inpatient psychiatric care for emergent mental health crises or, care for an acute episode of a mental health/psychiatric disorder.

**allegedly mentally ill person (AMIP):** a person who has entered the precommitment system either on a hold because of danger to self or others due to mental illness or by a two-party petition because of danger or inability to care for basic needs to the degree that the AMIP is at imminent risk of endangerment due to mental illness.

**AMI, NAMI, OAMI:** the Alliance for the Mentally Ill is a national (NAMI) advocacy group including a large concentration of families of mentally ill persons. The Oregon group is known as OAMI. AMI is the local organization.

**axis one diagnosis:** Diagnosis refers to an identification of psychiatric disorder specified by the Diagnostic and Statistical Manual III-R or IV (DSM III-R, revised third edition or fourth edition). Axis I is the first of five axes (groups of specifying conditions) describing the illness. Axis I names the diagnosis. Examples of Axis I diagnoses would be; Schizophrenic Disorder, Chronic Undifferentiated Type or, Bipolar I Disorder, Manic Type or Post Traumatic Stress Disorder.

**care management (also managed care):** A strategy for controlling systems of care to maximize benefit for participants through appropriate levels, types and duration of services while minimizing costs. Techniques such as preauthorization are used.

**case management (also psychiatric rehabilitation):** 1) Administratively coordinating services within and across systems for a particular individual (case, client) according to a plan for treatment/care/services. Activities are provided for the client, but not necessarily directly to the client; rather they focus on brokerage and coordination with other organizations; 2) non-treatment activities with the client which focus on that client receiving services according to the treatment/care/service plan.

**chronic mentally ill (CMI) also, severe and persistently mentally ill (SPMI):** Terms used to identify a population of individuals experiencing mental disorders which are currently incurable but symptomatically treatable and which are considered to have biological as well as sociological /psychological bases. The terms are used exclusively to describe individuals with schizophrenia, bipolar disorders (manic-depressive), major depression and certain types of neuropsychological disorders which express themselves in psychotic symptoms.

**commitment:** One outcome of a circuit court hearing which conveys the responsibility for an individual's care to the Oregon Office of Mental Health Services for a period not to exceed one hundred and eighty days. Commitment is usually to an inpatient service either at a state or

locally contracted hospital. It may also be to an outpatient service provided by a community mental health agency.

**crisis:** An unstable or crucial time whose outcome will make a decisive difference for better or worse; a paroxysmal attack of pain, distress, or disordered function. A mental health crisis comprises self- or other-defined state of crisis involving a mental disorder or emotional distress which will lead to strong negative consequences if no intervention occurs.

**Crisis Intervention Team (CIT):** A designated group of Portland Police Officers who have expressed special interest in intervening in crisis situations which are brought to the attention of the police. CIT officers receive specialized training provided through the Division of Community and Family Services. A representative of CIT participates in meetings of the Psychiatric Emergency Operations Team (PEOT).

**crisis respite:** Respite services provides temporary rest and relief for a client (or in some cases a client's family). The service is designed to prevent the escalation of symptoms and is provided by trained relief staff generally in a safe setting that aids in the stabilization of the person or situation.

**crisis stabilization:** Mental Health services which interrupt the escalation of a crisis, identify a crisis resolution plan, and provide services to the client until the client can resume pre-crisis level of functioning.

**director's hold:** the taking into custody by order of a state certified designee of a local Mental Health Authority of an allegedly mentally ill person, perceived to pose imminent danger to self or others, for a hospital hold in a psychiatric facility or other state-approved holding facility for a period of investigation not to exceed five court working days.

**discharge planning:** Case management during an inpatient or incarceration episode to expedite and facilitate entry of a mentally ill individual into lesser restrictive levels of service/supervision within the community.

**diversion:** 1) a set of activities calculated to allow a person to enter a less restrictive or less intensive level of care/supervision than the one at which the person presents. 2) Specific to involuntary commitment process, the 14 day period of intensive treatment when an investigator, psychiatrist and the client agree to a treatment plan. 3) Specific to Corrections, a process by which the court agrees to a plan allowing an offender to be deferred from a jail sentence in order to participate in an alternative community program under supervision.

**dual diagnosis:** An individual has more than one diagnosis, generally a mental health diagnosis and, either a chemical abuse/dependence diagnosis or a developmental disabilities diagnosis. For offender populations this most often refers to a mental disorder with a co-morbid chemical dependence diagnosis.

**hold (also involuntary hold):** The taking into custody by order of a hospital hold of an allegedly mentally ill person, perceived to pose an imminent danger to self or others, within an approved psychiatric holding facility for a period not to exceed five working court days. A court investigator who is a mental health professional and a designee of the community mental

health program director makes a determination, based on evidence, to either release the individual from the hold or recommend a commitment hearing to occur.

**Notice of Mental Illness (NMI):** A formal document prepared by a licensed physician in consultation with another licensed physician or prepared by a member of the Involuntary Commitment Program. This document notifies the court that an individual is alleged to be mentally ill and posing an imminent danger to self or others or, in the case of a two-party petition, so incapacitated by mental illness as to be unable to meet basic needs and at imminent risk.

**PEOT:** The Psychiatric Emergency Operations Team is a coordination group staffed by the Community and Family Services Division (DCFS) which includes middle managers from psychiatric hospitals, law enforcement (CIT), quadrant mental health agencies, Senior and Disabled Services (SDSD). PEOT coordinates and problem solves situations involving clients in emergencies. This especially involves persons entering the involuntary commitment process or, often, persons who need treatment but fail to meet commitment criteria yet are still at risk in the community.

**QMHP:** A Qualified Mental Health Professional is, minimally, a licensed psychiatrist, licensed physician, licensed psychologist (generally a Ph.D. or D. Psy.), a masters level psychologist, social worker or psychiatric nurse, a professional with a graduate degree in another mental health related field, or other person judged by the Oregon Division of Mental Health to have sufficient competence through education or experience.

**two-party petition:** Two persons can initiate the investigatory phase of commitment proceedings by giving a Notice of Mental Illness (NMI) to a designee of the Involuntary Commitment Program who then files the NMI with the court. The allegedly mentally ill person is not hospitalized unless demonstrably dangerous to self or others due to mental illness, but is investigated and may be referred to a commitment hearing.

**voluntary/involuntary:** Most mental health services are voluntary, that is provided at the request of or the consent of the client. Precommitment services are involuntary in that the person has refused voluntary services but is mentally ill and perceived to be imminently dangerous to self or others or at imminent risk due to inability to care for basic needs. Mentally ill inmates can refuse mental health treatment in jail and the Jail Health staff must initiate a Notice of Mental Illness to invoke precommitment services to determine if the inmate meets commitment criteria and treatment can then be imposed in an approved psychiatric facility, not the jail.

## Common Acronyms

**EH:** Emanuel Hospital in N. Portland, is a certified holding facility and is contracted to provide psychiatric beds for court committed patients.

**EOSH:** Eastern Oregon State Hospital, located in Pendleton.

**JACJ:** Juvenile and Adult Community Justice, formerly Community Corrections. This includes adult parole and probation and, recently added, juvenile justice services.

**MCDC:** Multnomah County Detention Center is located in the downtown area of Portland and is the maximum security jail for the county.

**MCCF:** Multnomah County Correctional Facility is a medium security facility located near Troutdale.

**MCRC:** Multnomah County Restitution Center is a work release facility, minimum security, located in the downtown area of Portland.

**MCIJ:** Multnomah County Inverness Jail is located east of the airport near Marine Drive. It generally houses inmates determined to require medium level of security and has larger dormitories and larger open day areas.

**MCSO:** Multnomah County Sheriff's Office.

**OHSU:** Oregon Health Sciences University, located in Portland is a certified holding facility and is contracted to provide psychiatric beds for court committed patients.

**OSH:** Oregon State Hospital, located in Salem.

**PAMC:** Portland Adventist Medical Center, located in Portland, is a certified holding facility and is contracted to provide psychiatric beds for court committed patients.

**PMC:** Providence Medical Center, located in Portland, is a certified holding facility and is contracted to provide psychiatric beds for court committed patients. The Mental Health Crisis Triage Center is now located on the PMC campus.

**POSH:** Portland Oregon State Hospital, the unofficial but commonly used name for Oregon State Hospital, Portland Campus. Located near the Rose Garden/ Coliseum Complex, the former Holladay Park Hospital. It was formed after to closure of Dammasch State Hospital to provide a limited number of psychiatric beds for court committed patients likely to need longer periods of hospitalization than provided by the private hospitals under contract.

**OSP:** Oregon State Penitentiary, located in Salem.

**PPB:** Portland Police Bureau

# Draft Strategic Plan for Juvenile Justice And Delinquency Prevention

~~ Selected Plan Elements as of June 11, 1997~~

## Preamble

The following Strategic Plan for Juvenile Justice and Delinquency Prevention is a plan for our community to work in partnership to reduce juvenile crime. This plan has been developed as a collaborative effort led by the Multnomah County Department of Community Justice, with sponsorship from the Multnomah Commission on Children and Families [MCCF] and the Local Public Safety Coordinating Council [LPSCC.] This document is meant to provide a strategic focus for the full spectrum of governmental, non-profit and citizen groups committed to working towards juvenile justice and delinquency prevention in Multnomah County.

The scope of this planning effort was defined to meet State statutory requirements upon the LPSCC and the MCCF which require planning for delinquency prevention as well as for youth most at risk of progressing into the corrections system. At the outset of this planning effort, it was agreed that prevention strategies would address youth who, by their own behavior, are demonstrating that they are at-risk of delinquency. Therefore, this plan does not include many important, earlier prevention strategies. Participants in this planning process want to communicate our consensus that research demonstrates that early interventions to support healthy growth and development of children are effective in reducing risk of delinquency. We support the MCCF as the body which has primary responsibility for this broader scope of planning for children and families.

This plan for Juvenile Justice and Delinquency Prevention is consistent with and complemented by the MCCF Strategic Plan, the LPSCC Evaluation and Data Standards plans, the Governor's Crime Prevention Plan and with the Comprehensive Plan of the United States Office of Juvenile Justice and Delinquency Prevention [OJJDP.] As a future step in report development, those specific connections will be identified.

The various partners involved in implementing this plan will assume different roles such as provider, funder, catalyst or advocate; and those

roles may vary from one strategy to another. As the next step in developing this strategic plan, it is necessary to identify who is willing to commit to implementation of each strategy. If no one steps forward to take responsibility for achieving a strategic direction or step, those particular ideas may be dropped from the final plan.

The attached report sections are the core of a broader report which will be developed in the coming weeks. There will be many different audiences for this information and several different documents may ultimately be published. The following "Table of Contents" offers current thinking on the topics to be included in the report.

# Proposed Table of Contents

## Executive Summary

### About this Plan

- Scope of the Planning Effort
- Process & Participants
- Guiding Principles

### Conditions and Trends

- Broad Societal Trends
- Citizen Perceptions of Crime
- Actual Crime Trends
- Overview of the Juvenile Justice System
- Profiles of Youth

### Promising Theory & Practice

- Causes of Juvenile Delinquency
- Promising Practices in Prevention & Juvenile Justice

### Strategic Goals, Directions and Steps

- Benchmark Goals
- Shared Philosophies
- Strategic Goals, Directions and Steps

### Next Steps

- Identifying Who Will Do What and By When
- Responding to Future Legislative Actions

### Appendices

- Bibliography
- Glossary
- Linkages with Other Plans



## GUIDING PRINCIPLES & VALUES FOR THE PLANNING EFFORT

- ⇒ Keep outcome and action focused -- set the stage for implementation
- ⇒ Identify and build-on existing, successful approaches
- ⇒ Look for "leverage points" to stimulate systemic changes
- ⇒ Aim for sustainable change in systems and services
- ⇒ Strive for scale to create a measurable impact
- ⇒ Strive to develop sustainable agreements among key partners
- ⇒ Take a resource-rich perspective on the environment

## BENCHMARK GOALS

- Reduce juvenile crime
- Increase high school completion
- Increase citizen satisfaction

## SHARED PHILOSOPHIES

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In all that we do, we will work together to....

1. Develop a culture of collaboration among governmental and non-profit agencies, school professionals, community members and youth to support our benchmark goals and juvenile justice strategies, even within a climate of funding cuts;
2. View every contact with juveniles as an opportunity to build on youths' strengths and to attend to underlying criminogenic needs – even while imposing consequences for unacceptable behavior; and
3. Strive to increase our collective skills in the planning and provision of services which are sensitive to differences in culture and gender.

## STRATEGIC GOALS

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*1. In order to prevent juvenile delinquency:*

Support at-risk, acting-out and delinquent youth to complete high school and to engage in structured, meaningful activities after school.

*2. In order to prevent and intervene early in juvenile delinquency:*

Challenge and support parents, schools and neighborhoods to raise expectations about youths' acceptable behavior, to increase mutual respect among youth/adults and to improve youth/adult skills to respond appropriately.

*3. In order to hold youth accountable, ensure equitable treatment and reduce recidivism:*

Improve the ability of the Juvenile Justice System to provide swift, sure and appropriate consequences when youth violate the law.

*4. In order to protect public safety and to minimize long-term costs:*

Direct specialized resources towards youth at greatest risk of committing violent crime or serious, repetitive crimes.

*5. In order to improve the consistency and effectiveness of our various separate and collaborative efforts to reduce juvenile crime:*

Educate community members, partners and staff on what works to prevent juvenile crime and routinely evaluate the extent to which local policies and practices support those best practices.

## STRATEGIC GOALS, DIRECTIONS AND STEPS

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### STRATEGIC GOAL # 1

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*In order to prevent juvenile delinquency:*

Support at-risk, acting-out and delinquent youth to complete high school and to engage in structured, meaningful activities after school.

#### 1.1. STRATEGIC DIRECTION: Infuse more adults into schools.

##### STRATEGIC STEPS

- 1.1.1. Increase opportunities and incentives for parents and family members to volunteer in schools.
- 1.1.2. Establish parent volunteer centers in the schools to increase recruitment and volunteer coordination.
- 1.1.3. Recruit businesses to volunteer staff time for in-school help.
- 1.1.4. Give high school students academic credit , tuition vouchers or cash for mentoring / tutoring younger kids.
- 1.1.5. Recruit area college students to assist in school classrooms, tutoring or mentoring.
- 1.1.6. Collocate various governmental and social services for youth and families on school campuses as new schools are built or redeveloped.

1.2. STRATEGIC DIRECTION:

Expand educational advocacy on behalf of at-risk/acting-out kids.

STRATEGIC STEPS:

- 1.2.1. Support the continuation of school advocacy programs through the family center system.
- 1.2.2. Train and support parents to advocate effectively for school and community services their children need.
- 1.2.3. Assign Juvenile Court Counselors to work in selected schools on a trial basis.
- 1.2.4. Consider revising school financing formulas to provide incentives for student retention.
- 1.2.5. Support "student retrieval" efforts to get youth back in schools.
- 1.2.6. Work to obtain State funding for extension of the school year in the secure custody classrooms at the Juvenile Justice Complex.

1.3. STRATEGIC DIRECTION:

Support expansion and development of alternative school placements for at-risk/acting-out youth.

STRATEGIC STEPS:

- 1.3.1. Provide tutoring, conflict management and other services for alternative classrooms serving youth involved in the juvenile justice system.
- 1.3.2. Establish a Court school.
- 1.3.3. Support development of a range of options for special classrooms or alternative schools for kids not succeeding in mainstream classes or schools.
- 1.3.4. Increase vocational skills training, including career academies which align with a selected Certificate of Advanced Mastery strand[s].

1.3.5. Support school to work apprenticeship opportunities.

1.4. STRATEGIC DIRECTION:

Provide after-school activities for at-risk/acting-out youth.

STRATEGIC STEPS:

1.4.1. Draw upon established community groups, including churches and other religious centers, to operate drop-in centers to build community and connect young people with culturally-competent, caring adults.

1.4.2. Recruit and train adults to lead Boys and Girls Clubs and other youth development groups which would expressly welcome troubled kids.

1.4.3. Build on existing programs by contracting with organizations which apply youth development philosophies and have demonstrated success with this population.

1.4.4. Help restore/enhance community schools programs.

1.4.5. Create more community service opportunities, perhaps using the VISTA or Americorp programs.

1.4.6. Recruit area college students to voluntarily staff after-school/evening programs.

1.4.7. Replicate the "Student Success Groups" model from Grant/Madison for culturally and gender-specific interest groups.

1.5. STRATEGIC DIRECTION:

Develop strategies to get kids directly home following school, after-school or evening activities.

1.6. STRATEGIC DIRECTION:

Advocate for continued or expanded funding of services to at-risk youth [Level 7] through the Youth Investment System.

## STRATEGIC GOAL # 2

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*In order to prevent and intervene early in juvenile delinquency:*

Challenge and support parents, schools and neighborhoods to increase mutual respect among youth/adults, to raise expectations about youths' acceptable behavior and to improve youth/adult skills to respond appropriately.

### 2.1. STRATEGIC DIRECTION:

Create a comprehensive climate change in a school(s) or neighborhood(s) wherein there is a measurable decrease in acting-out and delinquent behavior, an enveloping sense of mutual respect and clear strength in youth/adult communication and conflict resolution skills.

#### STRATEGIC STEPS:

- 2.1.1. Explore the possibility of implementing an intensive, school-based conflict resolution skill building program involving youth, parents and teachers using the NYC model "Resolving Conflict Creatively Program," as recommended through the Bryne Grant process.

### 2.2. STRATEGIC DIRECTION:

Increase parent training and support for parents of at-risk, acting-out and delinquent youth in elementary, middle and high schools.

### 2.3. STRATEGIC DIRECTION:

Hold parents, youth and schools accountable for school attendance.

#### STRATEGIC STEPS:

- 2.3.1. Expand student retrieval programs.
- 2.3.2. Increase truancy programs, including all ages of kids and using a variety of program designs.

2.3.3. Systematically prioritize school attendance and completion in juvenile probation/parole plans and start measuring results.

2.4. STRATEGIC DIRECTION:

Support efforts to develop and apply the concepts of "community justice" through community courts and other initiatives.

2.5. STRATEGIC DIRECTION:

Increase parental involvement in all stages of the juvenile justice process.

STRATEGIC STEPS:

2.5.1. Build partnerships with parents in supervision and skill-building for youth by encouraging parental involvement from the moment a youth first has contact with law enforcement or the juvenile justice system.

2.5.2. Use Court authority, if necessary, to ensure parental involvement in probation planning, skill building and family counseling sessions.

2.5.3. Explore the possibility of adjusting Counseling and Juvenile Court operating hours to facilitate parental involvement.



### STRATEGIC GOAL # 3

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*In order to hold youth accountable, ensure equitable treatment and reduce recidivism:*

Improve the ability of the Juvenile Justice System to provide swift, sure and appropriate consequences when youth violate the law.

#### 3.1. STRATEGIC DIRECTION:

Build law enforcement and juvenile justice system capacity to intervene decisively with juveniles committing status offenses.

##### STRATEGIC STEPS:

- 3.1.1. Establish receiving centers at Police Precincts which are staffed by Juvenile Counselors and which are available to Police Officers to drop-off juvenile status offenders; juvenile could be interviewed and held while efforts are made to contact parents and to successfully refer youth, and their families as appropriate, to needed services.
- 3.1.2. Support system improvements in services for homeless or runaway youth in accordance with recommendations the Citizens Crime Commission study group.
- 3.1.3. Develop strategies to address runaway and homeless youth as required by pending State legislation regarding the Governor's Crime Prevention Plan.

#### 3.2. STRATEGIC DIRECTION:

Develop and use standard, point-valued criteria at key decision points in the Juvenile Justice system to improve cost-effectiveness, consistency and equity.

##### STRATEGIC STEPS:

- 3.2.1. Complete design and implementation of the Case Classification system in order to use quantified information regarding each youth's risk of recidivism,



service needs and strengths in developing case plans and responses.

3.2.2. Develop guidelines for staff to follow in determining appropriate consequences for youth when they commit probation violations of various levels of seriousness.

3.2.3. Identify and respond to gender and racial inequities in the system through staff training in the provision of gender and culturally-specific services.

3.2.4. Fully implement automation of Case Classification instruments.

3.2.5. Establish criteria and decision-making processes for the use of detention as a consequence for youth who have committed probation or parole violations.

### 3.3. STRATEGIC DIRECTION:

Reduce processing requirements on decisions to impose consequences on youth for delinquent behavior, while ensuring their legal rights are protected.

#### STRATEGIC STEPS:

3.3.1. Increase the authority of Juvenile Court Counselors and Supervisors to impose consequences for violations without returning to Court within the framework of a structured system which ensures process rights and protects against inappropriate permissive or punitive decisions.

3.3.2. Explore expansion of the use of alternatives to formal prosecution for a broader class of delinquent youth.

3.4. STRATEGIC DIRECTION:

Reduce the wait time for youth to start sanction programs and increase the percent of youth completing sanctions by setting more realistic, enforceable expectations and by increasing overall sanction programs capacity.

STRATEGIC STEPS:

3.4.1. Implement strategies to increase the percent of youth making full payment of Court-ordered restitution.

3.4.2. Expand day reporting program capacity.

3.4.3. Expand community service program capacity.

3.4.4. Increase use of electronic monitoring.

3.5. STRATEGIC DIRECTION:

Continue to develop innovative strategies and programs to use as consequences for delinquent behavior.

3.5.1. Develop a Juvenile Weekend Forest Camp Program.

3.5.2. Develop and implement "sole sanctions" in lieu of probation supervision in appropriate cases.

3.6. STRATEGIC DIRECTION:

Increase access for acting-out and low/medium risk delinquent youth to community-based services.

3.6.1. Recognize the inherent challenges and increased resources needed to work with these youth by structuring contracts and performance measures to acknowledge different levels of case difficulty.

3.6.2. Formalize agreements to ensure that agencies do not routinely refuse to serve acting-out and low/medium risk delinquent youth.

3.6.3. Reevaluate systemic gaps in mental health and drug and alcohol services available to juveniles and develop strategies to increase services.

## STRATEGIC GOAL # 4

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*In order to protect public safety and to minimize long-term costs:*

Direct specialized resources towards youth at greatest risk of committing violent crime or serious, repetitive crimes.

### 4.1. STRATEGIC DIRECTION:

Develop policies and practices to support the allocation of supervision and services resources to juveniles based upon risk of recidivism.

#### STRATEGIC STEPS:

- 4.1.1. Combine the quantified Risk Assessment Instrument and the Capacity Management system tools in Detention and link with the Case Classification tools being developed for Probation.
- 4.1.2. Improve advocacy and referral efforts on behalf of youth during adjudication by ensuring that the public defenders assigned have specialized staff support to assist in evaluating youth needs and recommending alternatives to detention.
- 4.1.3. Establish standards for probation supervision based upon risk of recidivism.
- 4.1.4. Review the staffing patterns in Juvenile Justice to determine the optimal balance of Juvenile Court Counselors to Juvenile Counseling Assistants.

### 4.2. STRATEGIC DIRECTION:

Identify and help children under 12 who appear at risk of committing violent crime or serious, repetitive crimes.

- 4.2.1. Provide training and consultation for teachers and other adults working with children to identify sexually active or violent children under 12.

4.2.2. Increase the skills of teachers and other adults working with these children to make referrals to appropriate agencies for services, including Juvenile Justice when indicated.

4.2.3. Assess the system of services available for this under 12 population and recommend any systemic or programmatic improvements needed.

4.3. STRATEGIC DIRECTION:

Make youth at risk of committing violent crime or serious, repetitive crimes the primary focus for services provided directly by Juvenile Justice staff.

STRATEGIC STEPS:

4.3.1. Establish a specialized Youth and Family Skill Development unit in Juvenile Justice.

4.3.2. Using a collaborative approach, review and modify the design of systems and programs for gang-involved youth.

4.3.3. Develop Countywide program strategies for youth involved with drug trafficking.

4.3.4. Realign the Assessment, Intervention and Treatment Program services to focus on youth at risk of Ballot Measure 11 offenses.

4.3.5. Continue to maintain a leadership role in coordinating and evaluating the continuum of community-based and secure residential treatment services for sex offenders.

4.4. STRATEGIC DIRECTION:

Improve the accessibility of intensive, developmentally appropriate outpatient and residential programs for medium and high risk youth at risk of placement in the OYA Youth Correctional Facilities.

4.4.1. Use the newly established Alternative Placement Committee to collect data to analyze practices and trends in the use of residential services.

**4.5. STRATEGIC DIRECTION:**

**Support youth returning to the community after residential placements or time in the State Training Schools or Accountability Camps by preventing abrupt interruptions in services and supervision.**

**STRATEGIC STEPS:**

- 4.5.1. Explore reallocation of State and local resources to increase capacity for intensive, developmentally appropriate outpatient and residential programs based in the community.**
- 4.5.2. Develop strategies and programs to provide continuing support for youths and their families after residential placements.**
- 4.5.3. Continue the newly established Alternative Placement Committee to provide Multi-disciplinary Team [MDT] review of all residential placements of Multnomah County youth.**
- 4.5.4. Review and improve practices to support the successful transition of youth back to a local school after leaving State training schools.**

## STRATEGIC GOAL # 5

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*In order to improve the consistency and effectiveness of our various separate and collaborative efforts to reduce juvenile crime:*

Educate community members, partners and staff on what works to prevent juvenile crime and routinely evaluate the extent to which local policies and practices support those best practices.

### 5.1. STRATEGIC DIRECTION:

Educate community members, partners and staff on "what works" to prevent juvenile crime with particular attention to cultural and gender-specific differences.

#### STRATEGIC STEPS:

- 5.1.1. Implement a two stage public information strategy to; first, educate the public about the juvenile justice system and juvenile crime; and later to promote values of reducing risk of crime, operating cost-effectiveness and advocacy for development of alternative programs and practices.
- 5.1.2. Secure funding to leverage the voluntary efforts of organizations such as the League of Women voters to increase the understanding of citizens and elected officials.
- 5.1.3. Train all Juvenile and Adult Community Justice staff in the research findings of "what works" by Don Andrews and other experts.

### 5.2. STRATEGIC DIRECTION:

Improve information systems capacity to communicate, exchange and analyze data within and across agencies serving dependent or delinquent youth.

## STRATEGIC STEPS:

- 5.2.1. Participate in the creation and implementation of common data standards to support the exchange of data across justice system agencies.
- 5.2.2. Explore Internet-based strategies for on-line communication and data exchange with community-based providers.
- 5.2.3. Act as a pilot site for the new statewide Juvenile Justice Information System [JJIS.]
- 5.2.4. Make automated data available at the desk-tops of program managers in formats which support independent analysis and data-based decision making.

## 5.3. STRATEGIC DIRECTION:

Build capacity to routinely evaluate the effectiveness of current programs and systems.

## STRATEGIC STEPS:

- 5.3.1. Use collaborative approaches in designing and conducting evaluations of departmental and contracted programs.
- 5.3.2. Increase the use of focus groups, questionnaires and other tools to gather information about the experiences of youth, families and partners in the juvenile justice system.
- 5.3.3. Design and implement departmental systems for routine management review of key results and other programmatic performance data.
- 5.3.4. Continue data collection and assessment to determine if it is possible to predict which youth are at risk of Ballot Measure 11 crimes.

# CONTINUUM OF INVOLVEMENT WITH THE JUVENILE JUSTICE SYSTEM

## The OJJDP Comprehensive Planning Framework:

YOUTH "OUTSIDE" THE SYSTEM		CONTINUUM OF GRADUATED SANCTIONS				
All Youth	→ Youth at Greatest Risk →	Immediate Intervention → [ DIVERSION ]	Intermediate Sanctions → [ PROBATION ]	Community Confinement → [ RESID. CARE ]	Training Schools → [ OYA SCHOOLS ]	Aftercare

## State of Oregon - Governor's Juvenile Crime Prevention Task Force Framework :

PRIMARY PREVENTION	SECONDARY PREVENTION	TERITIARY PREVENTION
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## Local Strategic Goals Along The Continuum :

### 1. *In order to prevent juvenile delinquency:*

Support at-risk, acting-out and delinquent youth to complete high school and to engage in structured, meaningful activities after school.

### 2. *In order to prevent and intervene early in juvenile delinquency:*

Challenge and support parents, schools and neighborhoods to raise expectations about youths' acceptable behavior, to increase mutual respect among youth/adults and to increase youth/adult skills to respond appropriately.

### 3. *In order to hold youth accountable, ensure equitable treatment and reduce recidivism:*

Improve the ability of the Juvenile Justice System to provide swift, sure and appropriate consequences when youth violate the law.

### 4. *In order to protect public safety and to minimize long-term costs:*

Direct specialized resources towards youth at greatest risk of committing violent crime or serious, repetitive crimes.

### 5. *In order to improve the consistency and effectiveness of our various separate and collaborative efforts to reduce juvenile crime:*

Educate citizens, partners and staff on "what works" in reducing juvenile crime and routinely evaluate the extent to which local policies and practices support those best practices



**MULTNOMAH COUNTY PUBLIC SAFETY  
COORDINATING COUNCIL**

**MEMORANDUM**

**TO:** Executive Committee  
Public Safety Coordinating Council

**FROM:** Public Engagement Working Group

**DATE:** September 11, 1997

**SUBJECT:** Preliminary Report of the Public Engagement Working Group

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**I. INTRODUCTION**

Following establishment of the Public Engagement Working Group and its work assignment from the Executive Committee in early June of this year,<sup>1</sup> the Working Group met in June and July to identify public relations and communications issues facing the Public Safety Coordinating Council, and to develop recommendations to the Council to address those issues. In particular, the Working Group considered possible strategies (a) to establish a sufficient level of citizen understanding and confidence in local government's ability to promote the public's safety so that the Council can develop rational and effective policies with public support and (b) to develop public understanding and support for the Council's proposed Strategic Plan for Juvenile Justice and Delinquency Prevention.

In the course of its deliberations, the Working Group identified the following communication needs of the Council and its individual members. However, in order to deploy the resources and expertise of its members efficiently and to address the needs of the Council effectively, the Working Group requests further guidance from the Council regarding its interest in and commitment to the following proposals.

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<sup>1</sup> A list of members of the Public Engagement Working Group is attached.

## II. CRISIS MANAGEMENT PLANS

The Public Engagement Working Group recommends that each agency and official on the Public Safety Coordinating Council with direct public safety responsibilities develop a Crisis Management Plan. Such a plan should be designed to provide immediate information, perspective and support services to the public when crises or tragic events involving public safety raise alarm over problems of crime and local government's capacity to deal with those problems. For example, a recent series of shooting deaths in Portland caused valid public concerns about the increasing availability and use of firearms among juveniles, as well as more speculative concerns about interrelationships between these shootings and possible increases in the local rate of homicides. The Working Group believes that a Crisis Management Plan, designed to respond immediately to such concerns, is an essential condition to the public's understanding of the nature and extent of local crime problems, and to a rational dialogue between Multnomah County's citizens and their elected officials about cost-effective, long-term strategies to combat crime.

A Crisis Management Plan has at least four components. First, the officials or agency heads responsible for policies or operations relating to a crisis event need to identify staff responsible for undertaking an immediate "situation analysis," including (a) gathering accurate and relevant facts, (b) identifying and eliminating rumors in the organization and (c) developing a coherent and consistent message to the public. Second, the responsible official or agency head should initiate immediate contacts with local media to provide the relevant information, agreed-upon message and appropriate background or context regarding the event, as well as an explanation of the strategies and operations in place to respond to that event and similar ones in the future. The Council should consider coordinating this approach to the media by establishing a delegation of key elected officials and law enforcement authorities on the Council who would advocate balanced media coverage of crisis events, including explanations of the scope and frequency of similar incidents, assessments of the actual threat to public safety caused by such incidents, and a review of the operations and strategies in place to prevent or mitigate these incidents. Third, the responsible official's or agency's staff is also assigned ongoing responsibilities for (a) collecting and analyzing background data likely to be relevant to

anticipated crisis events (such as data on local crime rates or agency performance measures), (b) developing information which provides context and perspective for crisis events (such as information on the nature and extent of similar occurrences and agency strategies to deal with those occurrences), and (c) briefing the responsible official or agency head on these matters. Finally, a crisis response team composed of professionals is established and trained to respond to crisis events. This team makes direct contact with local communities and other affected constituencies, providing support services such as crisis counseling, dissemination of relevant information, and listening to the reports and complaints of concerned citizens. A Crisis Management Plan should be reviewed and reconsidered every two years.

The Working Group identified several recent examples of the positive effect of effective crisis management planning. The Department of Juvenile and Adult Community Justice and its spokesperson were particularly effective in providing background information and perspective to the media and the public on the recent release of sex offenders into local communities and in explaining the safeguards and strategies established by the Department to protect the public's safety. Portland Public Schools has established crisis response teams to respond to incidents of violence in schools, with counseling and support services to address the resulting trauma and concerns of students and their parents.

### **III. A PUBLIC ENGAGEMENT PLAN**

By the term "Public Engagement Plan," the Working Group refers to communication strategies designed to engage interested citizens and the Public Safety Coordination Council in a dialogue about the Council's long-term, comprehensive plans to promote public safety in Multnomah County. The Working Group understands that the Council's first priority in this regard is a Public Engagement Plan for the release of its Strategic Plan for Juvenile Justice and Delinquency Prevention. The Working Group also understands that this Strategic Plan is currently being developed through an inclusive, broad-based planning process that includes participation by affected constituencies and stakeholders, which has recently been expanded to address issues and concerns relating to law enforcement, gun and gang violence prevention, recreation, and employment strategies. Therefore, the Public Engagement Plan should be designed to provide information and promote feedback from interested communities and citizens

about the content of the proposed Juvenile Justice and Delinquency Prevention Plan after it is developed through the Council's current planning process.

While the Public Engagement Plan will involve a substantial amount of staff time and resources, this plan should be among the easiest available communication strategies to develop and implement. The Council can draw upon recent and ongoing local efforts for models of effective public engagement plans. These local efforts include joint meetings recently sponsored by Multnomah County and the City of Portland to examine the implications of Ballot Measure 47. Another example is Portland's ongoing Neighbor Safe program. These local efforts demonstrate the capacity of local governments represented on the Council to organize and administer an effective Public Engagement Plan. Because such a plan must identify and assess the interests and concerns of a variety of different stakeholders and communities, and tailor its communication strategies to those different interests and concerns, the Plan might more accurately be considered a "Publics Engagement Plan."

The Public Engagement Plan for the Council's Strategic Plan for Juvenile Justice and Delinquency Prevention should include at least the following components: (1) advanced publicity, including announcements and background stories in local media; (2) a series of scheduled meetings in neighborhoods throughout Multnomah County, using established community organizations such as neighborhood associations to provide the necessary forums; (3) attendance of all Council members at these meetings, especially those elected officials and public safety administrators with whom the public is familiar; and (4) follow-up strategies, including direct mailing and local media reports, which communicate the results of the engagement process and the adjustments made in the Council's proposed Strategic Plan as a result of that process. As with Portland's Neighbor Safe program, it may be necessary for the Council and its members to recruit support and resources from the private sector to implement this Public Engagement Plan.

The Working Group also recommends another time-honored and effective means for the Council to communicate and engage the public in its long-term plans for public safety: a speakers bureau. Council members should consider participating in speaker programs such as

Multnomah County's Outspeak Program, which provide ready opportunities for the Council to deliver its message to interested and influential community groups that are always looking for interesting topics and speakers. (A description of the Outspeak Program is attached.)

#### IV. A PUBLIC INFORMATION CAMPAIGN

The greatest communications challenge facing the Council is the public's lack of understanding and confidence in the ability of local government to address problems of public safety. Without a sufficient level of public understanding and confidence, the Council may not be able to secure the necessary public support for the rational and effective policies it intends to propose and implement. Therefore, the Working Group recommends that the Council consider undertaking an aggressive, professional public information campaign designed to address the public's fears and perceptions about crime and public safety, using the experience and methods of modern communications technology.

Obviously, an important component of communicating with the public about crime is the dissemination of accurate information about its causes and about realistic solutions. The Working Group reviewed several outstanding sources of such information that have been recently produced by the Citizens Crime Commission and The League of Women Voters. (Copies of this material are attached.) However, of equal, if not more, importance is a clear recognition of and a direct response to the public's fears and perceptions about crime. The emergence of a powerful crime victims movement across the country, and the recent wave of ballot measures designed to take criminal justice policy out of the hands of state legislatures reflect a failure of the traditional, dispassionate approach to criminal justice policy which has too often ignored the powerful public emotions stirred by crime and punishment. The Council's public information campaign must acknowledge and address citizens' emotional reactions to crime if the Council's public safety policies are to receive widespread understanding and support.

The Working Group believes two fundamental conditions are necessary for the Council to initiate an effective public information campaign. First, professional experts must be hired to organize and conduct the campaign. The staff of the Council and its individual members do not have the time or expertise to initiate an effective public information campaign, which should

include (a) "message development" (such as polling, interviewing experts and opinion leaders, and conducting focus groups), (b) "message discipline" (agreeing to a clear consistent message and sticking to it, so the audience will "get it," and (c) "message delivery" (identifying all options to spread the message, and selecting the most effective means to reach target audiences).

Second, all members of the Council must agree to publicly support and convey the central message of the campaign designed to address public fears and perceptions -- whether that message turns out to be, for example, "Keep kids in school!" "Target drug abuse!" "Crack down on quality-of-life-crimes!" or "Stop the illegal sale of fire arms!"

Because a professional information campaign will be relatively costly,<sup>2</sup> and will probably require significant fundraising efforts, the Working Group suggests the option of targeting a region of the County, or several effected neighborhoods with differing problems and resources. These options would limit the campaign's costs, while still permitting the Council to evaluate the campaign's effect on public understanding and support of rational public safety policies.

## V. CONCLUSION

The Working Group assumes that most members of the Public Safety's Coordinating Council with direct responsibility for public safety have already developed Crisis Management Plans with the features described in this report. If not, members of the Council should develop and implement such plans as soon as possible, and consider the advantages of collective and cooperative responses to crisis events through the Council's organizational structure. The Working Group also concludes that the Council and its members have the collective experience and expertise to develop and implement a Public Engagement Plan for dissemination of its Strategic Plan for Juvenile Justice and Delinquency Prevention.

Therefore, the Working Group recommends that the Council focus particular attention on the wisdom and utility of a Public Information Campaign for developing public understanding

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<sup>2</sup> One of our Working Group members, with extensive experience developing and managing such campaigns, estimates a total cost as high as \$300,000.

and support of the Council's long-term policies. This campaign would require the commitment of all Council members, despite their varying public safety perspectives and responsibilities, to a unified and consistent approach to informing the public about issues of crime and public safety. Moreover, the campaign will require professional expertise and, therefore, will be costly. Before devoting further efforts to develop the plan for such a campaign, the Council should consider (1) the goals it wishes to achieve, (2) the outcomes it can reasonably expect, and (3) whether these goals and outcomes justify the time and expense involved.

PUBLIC SAFETY COORDINATING  
COUNCIL

DATA STANDARDS COMMITTEE  
REPORT

June 26, 1997



**PUBLIC SAFETY COORDINATING COUNCIL  
DATA STANDARDS COMMITTEE  
MEMBERSHIP ROSTER**

**Michael D. Schrunk, Chair**  
Multnomah County District Attorney

**Chief Charles A. Moose, Ph.D.**  
Portland Police Bureau

**Sheriff Dan Noelle**  
Multnomah County Sheriff's Office  
**Don Hargrove**

**Chief Bernie Giusto**  
Gresham Police Department  
**Bonnie Plane**

**Chief Mark Berrest**  
Troutdale Police Department  
**Barbara Brower**

**Chief Gil Jackson**  
Fairview Police Department  
**Sgt. Doug Aden**

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## TABLE OF CONTENTS

Executive Summary.....	Page 1
Background.....	Page 3
Public Safety Bond Technology Program.....	Page 4
Policy Recommendations.....	Page 7
Data Appropriate for Evaluation.....	Page 9
Next Steps.....	Page 10
Appendix 1 - Chronology of Data Standards Committee.....	Page 12
Appendix 2 - Bond Technology Program Project Criteria .....	Page 14
Appendix 3 - Bond Technology Program Proposals.....	Page 15
Appendix 4 - The Contracting Process.....	Page 17
Appendix 5 - Minutes .....	Page 18
Appendix 6 - The Time Frame.....	Page 66

## I. EXECUTIVE SUMMARY

### Charge

The Public Safety Coordinating Council commissioned the Data Standards Committee to meet the following charge:

The Data Standards Committee is responsible for making recommendations, providing guidelines, prioritizing, and monitoring the following:

- Development and implementation of the Public Safety Bond Technology Program;
- Policy recommendations regarding data standards adopted by the PSCC; and,
- That data is appropriate for evaluation.

### Action

The Committee completed its work in the following fashion:

#### 1. Development and Implementation of the Public Safety Bond Technology Program

The first charge -- development and implementation of the Public Safety Bond Technology Program -- was completed by developing criteria, reviewing proposals, and developing recommendations to the PSCC to fund 22 projects from nine Multnomah County public safety agencies, the Evaluation Committee of the PSCC, and Multnomah County Information Services Division. The Bond Technology Program was funded through the Public Safety Bond approved by voters in May, 1996. The 1996 bond issue included \$7.5 million specifically for "computer equipment and technology infrastructure for public safety and criminal records processing and tracking."

#### 2. Development of Policy Recommendations

The second charge -- policy recommendations regarding data standards adopted by the PSCC -- was met by developing new policy recommendations and reviewing the previously approved recommendations made by the Data Standards Working Group. The Committee determined that two of the Working Group's recommendations were not being accomplished and approved funding from the Bond Technology program to assist with the completion of the recommendations. The completed set of recommendations are included on page 7 of this report.

## Data Standards Committee Report

### 3. Data is appropriate for evaluation

The third charge -- to assure that data is appropriate for evaluation -- was the driving force behind the Committee's additional policy recommendation and the funding recommendation for a data warehouse. These two recommendations will move Multnomah County closer to being able to evaluate public safety issues in a timely manner.

### Next Steps

The Committee recommends that an oversight consultant or consulting firm be hired to provide external review and coordination of the many projects funded. Additionally, the Committee recommends the immediate approval of ten projects and the provisional approval of the remaining projects with full funding contingent upon the findings of the consultant's risk assessment report.

## II. BACKGROUND

The Data Standards Committee was established by the Public Safety Coordinating Council (PSCC) at their January 10, 1997, meeting and charged with responsibility for making recommendations, providing guidelines, prioritizing, and monitoring the following:

- Development and implementation of the Public Safety Bond Technology Program;
- Policy recommendations regarding data standards adopted by the PSCC; and
- That data is appropriate for evaluation.

The roots for the Data Standards Committee go back to the 1995 Oregon Legislative Session wherein the Local Public Safety Coordinating Councils were established by state statute. Multnomah County's Local PSCC was formed and began operation in November, 1995. Another key action took place six months later with the passage of the Public Safety Bond by Multnomah County voters in May 1996. Included in the Public Safety Bond was the technology program, \$7.5 million for computer equipment and technology infrastructure for public safety and criminal records processing and tracking. Just prior to the passage of the bond the PSCC established a Data Standards Work Group to develop standards and methods for :

1. The consistent collection and reporting of data relevant to the Council's statutory responsibilities and policy concerns;
2. For tracking offenders; and
3. Evaluating the county's criminal justice and corrections program.

Between May and October 1996 the Data Standards Work Group identified and reviewed basic policy questions focusing on the charge and formulated policy recommendations. These were included in a final report in September 1996 which was submitted to the PSCC in October and reviewed by the group at their November 21, 1996, meeting.

As a result of the Data Standards Working Group's recommendations, the PSCC established two separate committees, the Evaluation Committee and the Data Standards Committee on January 10, 1997. Later in the month the Data Standards Committee commenced a series of meetings to fulfill their three fold charge. Phase one of the Committee's work is completed with this report. A chronology of the Data Standards Committee's work is found in Appendix 1.

### **III. THE PUBLIC SAFETY BOND TECHNOLOGY PROGRAM**

Developing the Public Safety Bond Technology Program was the task that took the greatest amount of the Committee's time. This was due to the desire to carefully construct a program and set of projects which would accomplish both short and long term objectives for agencies and to assure the County tax payers that the funds were being spent wisely. The projects were evaluated using three steps: development of project criteria, a peer review process, and use of an oversight contractor.

#### **Project Criteria**

The first step the Committee took was to establish criteria for the projects to meet. These were developed over the course of three meetings and reviewed at each subsequent meeting. The criteria established by the Committee were:

1. Provide each criminal justice agency the foundation it needs to accomplish its mission to minimize crime as efficiently and effectively as possible and communicate with partner agencies.
2. Ensure that each agency's database is written or moving toward the CJIS standards adopted by the PSCC.
3. Link each agency with the core public safety agencies in Multnomah County. Core public safety agencies include the courts, the Public Defender, the District Attorney, the Department of Juvenile and Adult Community Justice, Multnomah County Sheriff's Office, and all public law enforcement agencies in Multnomah County.
4. Projects with a multi-agency impact will receive priority.

A list of how each proposed project meets the criteria is found in Appendix 2. The projected costs of each project can be found in Appendix 3.

#### **Peer Review**

During the development of the criteria and for the remainder of the Committee's meetings presentations were made by the criminal justice agencies. The presentations were of two types: information gathering and agency proposals. The Committee determined early in its process to schedule some presentations solely to help members learn about certain technologies or issues. Committee members heard about the following issues: data warehousing, internet firewalls and security, the Portland Police Data System (PPDS), and the State of Oregon Criminal Justice Information System (CJIS). In addition briefing materials were distributed including a Bureau of Justice Assistance monograph entitled, "System Integration: Issues Surrounding Integration of County-Level Justice Information Systems."

## Data Standards Committee Report

The agency presentations focused on proposals by criminal justice agencies for funding. They provided an opportunity for members to ask questions and seek clarification of the proposals being made. The Committee received proposals from the following agencies: Multnomah County Sheriff, Gresham Police Department, Multnomah County Juvenile and Adult Community Justice, Multnomah County District Attorney, the Multnomah County Courts, Multnomah County Information Services Division (ISD), Portland Police Bureau, Fairview Police Department, Troutdale Police Department, and the Evaluation Committee of the Public Safety Coordinating Council.

Summaries of the projects reviewed for funding follow:

**Data Standards Committee:** 1. Oversight Consultant.

**Multnomah County Sheriff:** 1. Video conferencing/video arraignment, 2. Automated inmate interview process, 3. Bar coding of inmates, 4. Scheduling program for video conferencing, and 5. Upgrade Kodak imaging system.

**Gresham Police Department:** 1. Court Coordinating System, 2. X-Imaging System (attaching to the Sheriff's system), and 3. Upgrading their records system.

**Multnomah County Courts:** 1. Advanced office automation and groupware.

**Department of Juvenile and Adult Community Justice:** 1. Juvenile Justice Information System and, 2. Adult community justice.

**District Attorney's Office:** 1. PPDS data extract, 2. Juvenile case tracking system, 3. Direct query of mainframe by PC, 4. Improve data transfer from OJIN, and 5. Community court infrastructure.

**Information Services Division:** 1. Data warehouse.

**Metropolitan Public Defender:** 1. Connection to ISD's backbone.

**Evaluation Committee:** 1. Decision Support System.

**Troutdale Police Department:** 1. Police Records Management System.

**Fairview Police Department:** 1. Police Records Interface System.

**Portland Police Bureau:** 1. Laptop MDT/Report Writing Demonstration Project, 2. Equipment for hostage negotiation and computer criminal unit.

## Oversight Contractor

The third step in the evaluation of projects is the use of an oversight contractor.

The Committee recognizes the public's heightened awareness of large scale public information systems' failures. In order to help assure the taxpayers of Multnomah County are receiving appropriate value for the commitment they have made with their tax dollars, it is recommended that the County hire an external oversight consultant or consulting firm to provide the following services:

1. Review of proposals to integrate projects and identify opportunities between proposed projects, current city/county/state projects and recommendations about how to tie projects together if possible.
2. Conduct a risk assessment of each of the proposed projects.
3. Identify/quantify ongoing operational costs of proposed systems.
4. Identify potential for technology transfer between agencies and with agencies which are not part of the project.
5. Conduct a post implementation review.
6. Assist agencies in turning proposals into Requests for Proposals.

It is the view of the Committee that these services are an appropriate control and assistance mechanism for the Bond Technology Program and that such an expenditure is a prudent use of bond funds. The consultant would report to the Data Standards Committee in collaboration with the full Public Safety Coordinating Council and Multnomah County Chair's Office.



## IV. POLICY RECOMMENDATIONS

The Data Standards Committee also developed policy recommendations for the PSCC. In doing so the Committee built upon the earlier work of the Data Standards Working Group. Of the six Policy Recommendations made by the Working Group on Data Standards all but two were implemented. Upon review of those recommendations and in response to other issues which arose during committee discussions, the Data Standards Committee recommends approval of the following policies:

**Recommendation 1:** Contracts written with service providers include requirements that appropriate program data is captured and maintained in a manner designated to facilitate data sharing/exchange and evaluation.

**Recommendation 2:** Every database in use by public safety agencies adheres to CJIS standards and identifies defendants by a unique identifier, preferably their SID number, when appropriate and available.

**Recommendation 3:** Ensure that the LPSCC's Data Standards Committee make data easily available for a) evaluation research purposes, and b) broader operational use within the criminal justice system. Due consideration should be given to the following concepts:

1. Client-specific data, including history on individuals that begins from the earliest point possible and can be tracked across all agencies that serve criminal justice clients, should be provided to appropriate researchers.
2. Criminal justice practitioners should be provided with on-line access to operational data that display how past offenders profiled like a current offender have fared after being subjected to the various sentencing choices available. This will allow justice practitioners to track program and sanction performance for various categories of offenders.
3. Criminal justice practitioners should receive training in how to use data to support their decision-making processes: that is, how to use data rather than intuition and guesswork to ask questions and frame logical issues about managing offenders.
4. Client-specific criminal justice data should be made available to appropriate service providers for both operational and evaluation purposes.
5. As a prerequisite to client specific data, confidentiality and access protocols must be developed to protect individual confidentiality and privileged information.
6. Allocate funding to ensure access to all relevant cross-agency data to support justice policy and program decision-making.

## Data Standards Committee Report

In addition, the Committee reiterates two policy recommendations from the Data Standards Working Group:

**Recommendation 4:** Establish minimum levels of privacy and security standards for adoption by all criminal justice agencies.

**Recommendation 5:** Prepare disaster avoidance and data recovery standards for use by criminal justice agencies.

## **V. DATA APPROPRIATE FOR EVALUATION**

This component of the charge, that data is appropriate for evaluation, was addressed in two fashions: through specific projects in the Bond Technology program and through policy recommendations. The Committee realized that it was necessary for agencies to communicate and share data for effective evaluation to occur. Such communication and data sharing can best occur when agencies have computer systems which are reliable and set up to communicate with other agencies.

The Committee believes that the adoption and use of the State CJIS standards will enable agencies to share data more effectively. This belief caused the Committee to make the use of CJIS one of the criteria for project funding and to make adherence to CJIS a policy recommendation.

The Committee also had lengthy discussions about a data warehouse which could be used solely for the evaluation of data within the criminal justice system. The data warehouse gathers data from a variety of databases (District Attorney, Sheriff, Portland Police, and Courts) and links the data together. The queries of that data could give researchers a systemic view of the data and activity within the criminal justice system.

Finally, the Committee also included in its recommendations a policy drafted by the Evaluation Committee which specifically addresses the collection and use of data for evaluation.

## VI. NEXT STEPS

### Provisional Approval

The Committee recommends to the PSCC that provisional approval be given for projects at their July 17, 1997, meeting. There are ten projects which the Committee believes should start during the summer of 1997 because they have few interagency linkages and are ready to proceed. These projects include: Oversight Consultant (Data Standards Committee), Connect to ISD Backbone (Metropolitan Public Defender), Upgrade Kodak Imaging System (Sheriff), Equipment for Hostage Negotiation and Computer Crime Unit (Portland), FY98 PC's and Networks (Multnomah County ISD), Court Coordinating System (Gresham), MCSO's X-Imaging System (Gresham), the Police Department's Records System Upgrade (Gresham); Police Records Interface System (Fairview); and the Community Court Infrastructure (District Attorney). These projects will be subject to a post implementation review by the Oversight Consultant.

The remaining projects would be given full funding contingent upon the risk assessment and allocation by the Oversight Contractor. The initial assessment will be completed in early October with the final analysis completed in early December. Projects receiving acceptable risk assessments may be eligible for funding prior to December. This pause in the progress of the program, August through December, is necessary for the consultant or consulting group to review the Bond Technology Program. It is the Committee's belief that this time is relatively short and the end product is worth the wait. The waiting period should be used to draft intergovernmental agreements between agencies, prepare RFPs and RFIs and start on the data gathering stage of many projects.

### Action Steps

The steps which are necessary are as follows:

1. Oversight Contractor begins work in early August 1997.
2. Once the projects are approved by the PSCC, each non Multnomah County agency will enter into an intergovernmental agreement (IGA) or personal service agreement (PSA) with Multnomah County ISD for the funding of their project(s). The contract process will be managed by Multnomah County ISD.
3. Beyond the standard contract language, the contracts will contain a work plan and assurance that the project meets the Data Standards Committee's criteria. Contracts will be set up on a reimbursement basis, with draws based upon the requirements of the work plan.
4. Contracts will be taken before the Board of County Commissioners for approval, even the small IGA and PSA contracts. This will allow the Board to see the broad range of projects funded (for more detail of the contracting process see Appendix 4).

## Data Standards Committee Report

5. Once the contract is approved by the Board of County Commissioners, work on the various projects can begin. Full funding is contingent upon the Oversight Contractor's approval. Work can begin immediately on the ten exception projects.
6. The Data Standards Committee will resume meeting on September 3, 1997. The meeting will consist of project status reports and an update on oversight work.
7. The first report back to the PSCC will be at the October 1997 meeting.

During the evaluation performed by the Oversight Consultant, it is possible that projects could generate savings due to linkages, economies of scale or changes to the project. It should be understood that any savings generated by project changes will go into an Opportunity Fund. This Fund will pay for additional projects or enhancements upon Committee approval.

# APPENDICES

## CHRONOLOGY OF THE DATA STANDARDS COMMITTEE

November 1995	Multnomah County establishes the Local Public Safety Coordinating Council (PSCC).
April 1996	PSCC established a Data Standards Work Group to develop standards and methods for: 1) The consistent collection and reporting of data relevant to the Council's statutory responsibilities and policy concerns; 2) For tracking offenders; and; 3) Evaluating the county's criminal justice and corrections program. PSCC appointed Mike Schrunk Chair of the Data Standards Work Group.
May 1996	Public Safety Bond passed by Multnomah County voters.
May 14, 1996	First meeting of Data Standards Work Group.
June 11, 1996 July 16 August 13 September 24	Data Standards Work Group identifies and reviews basic policy questions focusing on charge and formulates a final report and policy recommendations for the PSCC.
October 17, 1996	Data Standards Work Group report scheduled for presentation to PSCC.
November 21, 1996	Data Standards Work Group report reviewed by PSCC.
January 10, 1997	PSCC establishes a standing Evaluation Committee and Data Standards Committee.
January 29, 1997	Data Standards Committee commences to meet to fulfill charge and develop recommendations for Public Safety Bond Technology Program.

## Data Standards Committee Report

### APPENDIX 1

February 12, 1997

February 26

March 19

March 26

April 9

April 23

May 14

May 28

#### Data Standards Committee:

- Develops criteria for use of Public Safety Bond Technology Program funds.
- Develops guidelines for proposals for Public Safety Bond Technology Program dollars.
- Develops policy recommendations for PSCC.
- Reviews presentations from criminal justice system and Information Services Division representatives.
- Develops draft report for presentation to PSCC at the June 3, 1997, Executive Committee Meeting.

June 11, 1997

Data Standards Committee does final review of draft report.

June 19, 1997

Final report submitted to full PSCC.



## BOND TECHNOLOGY PROGRAM PROJECT CRITERIA

1. FOUNDATION - Provide each criminal justice agency the foundation it needs to accomplish its mission to minimize crime as efficiently and effectively as possible and communicate with partner agencies.
2. CJIS - Ensure that each agency's database is written or moving toward the CJIS standards adopted by the PSCC.
3. LINKS - Link each agency with the core public safety agencies in Multnomah County. Core public safety agencies include the courts, the Public Defender, the District Attorney, the Department of Juvenile and Adult Community Justice, Multnomah County Sheriff's Office, Corrections, and all public law enforcement agencies in Multnomah County.
4. MULTI - Projects with a multi-agency impact will receive priority.

	Foundation	CJIS	LINKS	MULTI
Oversight Consultant	X	X	X	X
Evaluation - Decision Support	X		X	X
Courts - Advanced office automation				X
DAJCI - JJIS	X	X	X	X
DAJCI - Sanction and Case Tracking System	X	X	X	X
MPD - Connect to ISD Backbone	X	X	X	X
DA - PPDS Data Extract			X	
DA - Juvenile Case Tracking	X	X		
DA - Direct mainframe query	X			
DA - OJIN data transfer	X		X	
DA - Community Courts	X			X
SO- Video conferencing			X	X
SO - Automate inmate interviews		X	X	X
SO - Bar code inmates		X	X	X
SO- Scheduling video conferencing			X	X
SO- Upgrade Kodak imaging			X	X
PPB - Laptop MDT Report Writing Demonstration	X	X		X
PPB - Equipment for Hostage Negotiation & Computer Crime Unit	X			
Gresham - Court coordination		X	X	X
Gresham - X-Image	X			X
Gresham - Upgrade records system			X	X
Troutdale - Police Records Management System	X	X	X	X
Fairview - Police Records Interface System	X		X	X
ISD - Data Warehouse	X	X	X	X

SO - Sheriff's Office

DAJCI - Department of Juvenile and Adult Community Justice

DA - District Attorney

ISD - Multnomah County Information Services Division

MPD - Metropolitan Public Defenders

PPB - Portland Police Bureau

## SUMMARY OF BOND TECHNOLOGY PROGRAM PROPOSALS

Data Standards Committee

- Oversight Consultant .....\$350,000
- Opportunity Fund .....130,731
- Subtotal .....\$480,731

Evaluation Committee

- Decision Support System.....\$350,000 .....\$350,000

Multnomah County Courts

- Advanced Office Automation and Groupware .....\$396,024 .....\$396,024

Department of Juvenile and Adult Community Justice

- Juvenile Justice Information System .....\$750,000
- Adult Community Justice, Sanction and Case Tracking Syst. ....902,231
- Subtotal .....\$1,652,231

Metropolitan Public Defender

- Connect to ISD backbone.....\$80,371\* .....\$80,371

District Attorney's Office

- Improve data transfers .....\$200,000
- Juvenile Case Tracking System .....807,170
- Community Court Infrastructure .....150,000\*
- Subtotal .....\$1,157,170

Multnomah County Sheriff

- Video conferencing/video arraignment .....\$706,432
- Barcode inmates .....377,500
- Scheduling program for video conferencing.....20,000
- Upgrade Kodak imaging system.....189,034\*
- Subtotal .....\$1,292,966

Portland Police Bureau

- Laptop MDT Report Writing Demonstration .....\$353,375
- Equipment for Hostage Negotiation and Computer Crime Unit.....42,200\*
- Subtotal .....\$395,575

Gresham Police Department

- Court Coordinating System .....\$7,650\*
- X-Imaging System .....35,650\*
- Records System .....66,204\*
- Subtotal .....\$109,504

Troutdale Police Department

- Police Records Management System.....\$54,775 .....\$54,775

Fairview Police Department

- Police Records Interface System .....\$12,400\* .....\$12,400

Information Services Division

- Data Warehouse .....\$815,013 ..... \$815,013

Multnomah County Flat Fee Program (upgrade and expand computers and networks)

- Sheriff's Office .....\$160,100
- District Attorney's Office ..... 38,120
- Adult Community Justice ..... 362,850
- FY98 Flat Fee Obligations ..... 262,200\*
- Subtotal ..... \$823,240

TOTAL BOND TECHNOLOGY PROGRAM .....\$7,620,000

\*Projects recommended to receive provisional approval (\$1,195,700)

## THE CONTRACTING PROCESS

Awarding of information technology bond dollars will likely involve several different types of contracts. Different types of contracts have different legal and policy requirements and the routing process may vary. These contracts are broken down into classes as follows:

**Class I** - Professional service agreements (or for non-profits) greater than \$2,500 and less than \$50,000 per vendor or division annually do not require Board of County Commissioner approval, but need to be routed through Contracts. An Inter-Governmental Agreement (IGA) that does not exceed \$25,000 doesn't require BCC approval but should be routed through Purchasing. Both require a Contract Approval Form (CAF), a Contractor Selection Statement and a Contract Information System (COINS) number.

**Class II** - Includes any of the following and requires a memo siting the selection process and is routed through purchasing.

- Professional service agreements (non-profits) over \$50,000 per vendor, per year and is not an IGA. A Professional Services Agreement is one performed by an independent contractor in a professional capacity. No BCC approval is required.
- Grants, except IGA's.
- Construction.
- Public Contract Review Board contracts. Are contracts for the purchase, lease or lease/purchase of goods, equipment, software licensing agreements and construction of public improvements. These must be competitively procured (ORS chapter 279) and the procurement process is administered by purchasing.
- All retroactive contracts, except IGA's
- Contracts awarded through a formal competitive process.

A CAF and COIN number are also required along with County Counsel's signature.

**Class III** - Intergovernmental Agreements (IGA's). Written agreements that exceeds \$25,000 per fiscal year between Multnomah County and another unit of government as defined in ORS 190.003. A CAF and COIN number are also required, along with County Counsel's signature. Class III Contracts require BCC approval.

**Interdepartmental Agreements** - Written agreements between Multnomah County Departments that clarifies working relationship, and explicitly indicates amount of money involved, and how and when the money will be transferred and for what. A signature is required from both department heads. This action does not require BCC approval.

## THE TIME FRAME

June 11, 1997: Data Standards Committee Meeting: Approves the report which contains the proposals, policy recommendations and next steps.

June 18: Subcommittee meets again to finalize recommendations to the PSCC.

June 24: Complete Final Draft of Data Standards Committee Report to the Public Safety Coordinating Council. Distribute to PSCC members. [DA]

June 25: Intergovernmental Agreements sent to agencies. [ISD]

June 30: RFP completed for oversight consultant or consulting group. [ISD]

July 1: PSCC Executive Council meets.

July 14: All intergovernmental agreements to Clerk of the Board by noon. [ISD]

July 17: PSCC Meeting - Approves Data Standards Committee's following action items:

1. Specific Allocation of funds for consultant or consulting group.
2. Provisional allocation of funds for projects with exceptions.
3. Approval of Policy Recommendations.
4. Approval of Timeline.

July 22: Briefing for Board of County Commissioners regarding Public Safety Bond Technology Program. [DA, ISD, other committee members]

July 24: County Board of Commissioners meets to approve intergovernmental agreements and review program. [DA, ISD, other committee members]

July 25: Funds available.

August 1: Oversight services begin. Consultant or consulting group begins meeting with project managers.

September 3: Data Standards Committee meets for update on oversight work.

## Data Standards Committee Report

### APPENDIX 6

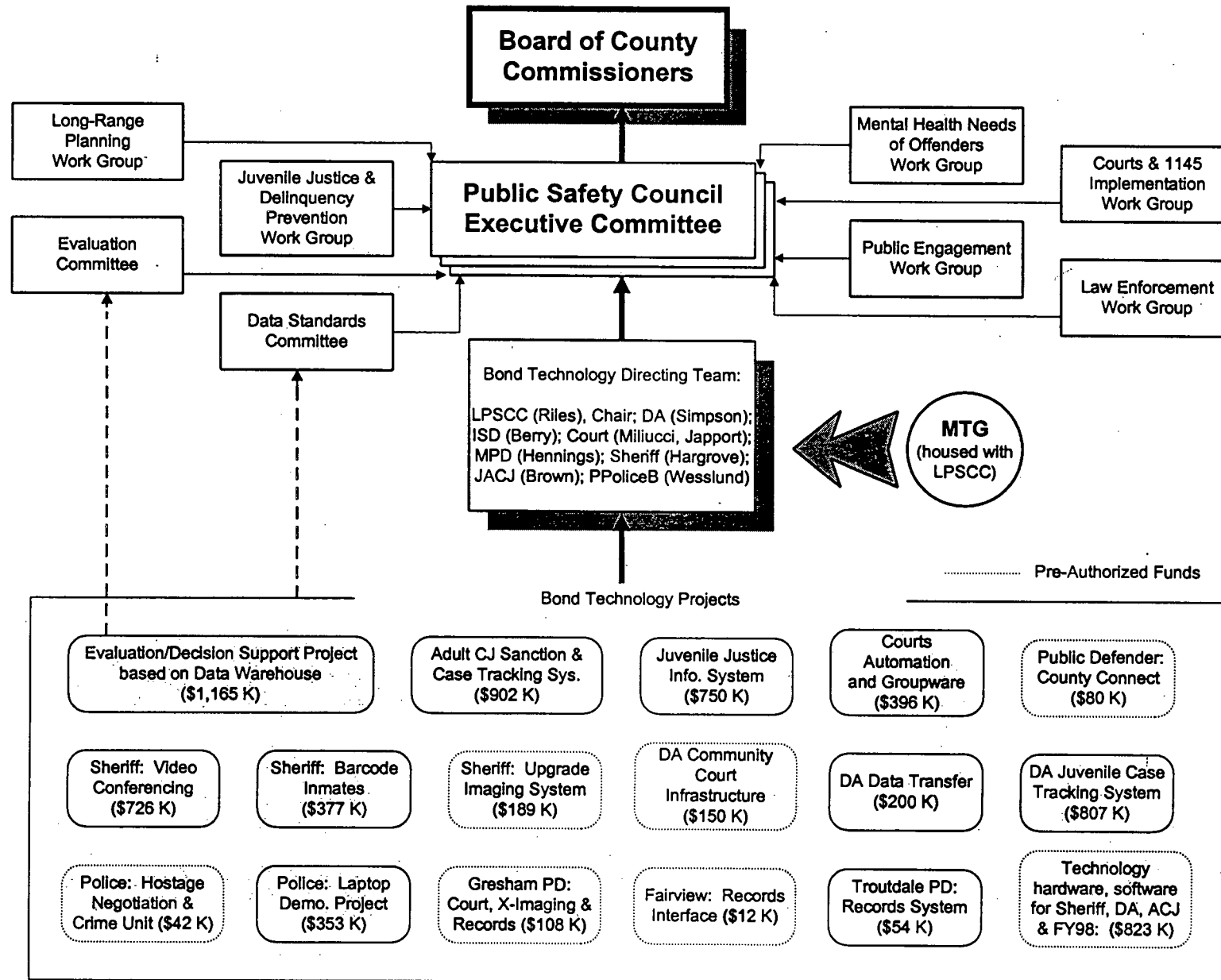
- October 1: Data Standards Committee meets to prepare Preliminary Risk Assessment Report for Public Safety Coordinating Council meeting on October 16. At this point projects would be reviewed again by the Data Standards Committee and changes made if necessary.
- October 7: PSCC Executive Committee meets.
- October 16: PSCC Meeting. Review of Oversight Report. Approval of projects (with possible amendments).
- October 17: Funding authorized.
- November 19: Data Standards Committee meets.
- December 1: Final Risk Assessment Report delivered to Data Standards Committee.
- December 10: Data Standards Committee meets to review Final Risk Assessment Report.
- January 7, 1998: Data Standards Committee meets with oversight consultant or consulting group to review status of projects.

# Multnomah County Public Safety Coordinating Council

## Bond Technology Program

### MTG Oversight Reporting Structure

September 19, 1997



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# MULTNOMAH COUNTY PUBLIC SAFETY COORDINATING COUNCIL

## PROPOSAL FOR QUALITY ASSURANCE AND OVERSIGHT

Qualifications and Approach

September 2, 1997



MANAGEMENT  
CONSULTANTS

MTG MANAGEMENT CONSULTANTS, L.L.C.  
1111 Third Avenue, Suite 2700  
Seattle, Washington 98101-3201  
(206) 442-5010 FAX (206) 442-5011  
[mtg@mtgmc.com](mailto:mtg@mtgmc.com)

*Formerly a Division of ECG Management Consultants, Inc.*



# COMPANY OVERVIEW

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- MTG Management Consultants, L.L.C., is an independent management consulting firm based in Seattle.
- MTG was formerly a division of ECG Management Consultants, Inc., and was formed on January 1, 1997, to focus on the unique management and technology issues facing the public sector.
- The firm has been providing consulting services to public sector agencies (as MTG and ECG) since 1973.
- Since 1981, MTG has completed more than 275 projects in 15 states, involving more than 80 different city, county, and state agencies.
- MTG provides a wide range of management and technology consulting services, including:
  - » Strategic and tactical information technology and business planning.
  - » Requirements definition and system acquisitions.
  - » Quality assurance and project management.
  - » System design and productivity improvement.

# RECENT RISK ASSESSMENT AND QUALITY ASSURANCE EXPERIENCE

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State	Agency	Project Description	Development Budget	Project Duration
Washington	Employment Security Department	Business Process Reengineering	N/A	18 months
		Data Entry, Storage, and Retrieval System	\$1.0 to \$3.0 million	9 months
Washington	Department of Ecology	Water Quality Permit Management System	\$1 million	18 months
Washington	State Patrol	WASIC and WASIS	\$3 million	18 months
Oregon	Secretary of State	System Migration	\$600,000	18 months
Oregon	Employment Department	Computing Environment Migration	\$7 million	13 months
Oregon	Department of Transportation	Licensing System Development	\$50 million	4 years
Oregon	Office of Medical Assistance Programs	Managed Care System Development	\$3 million	18 months
		Acquisition of Point-of-Sale System	\$2 million	5 months

# RELEVANT EXPERIENCE

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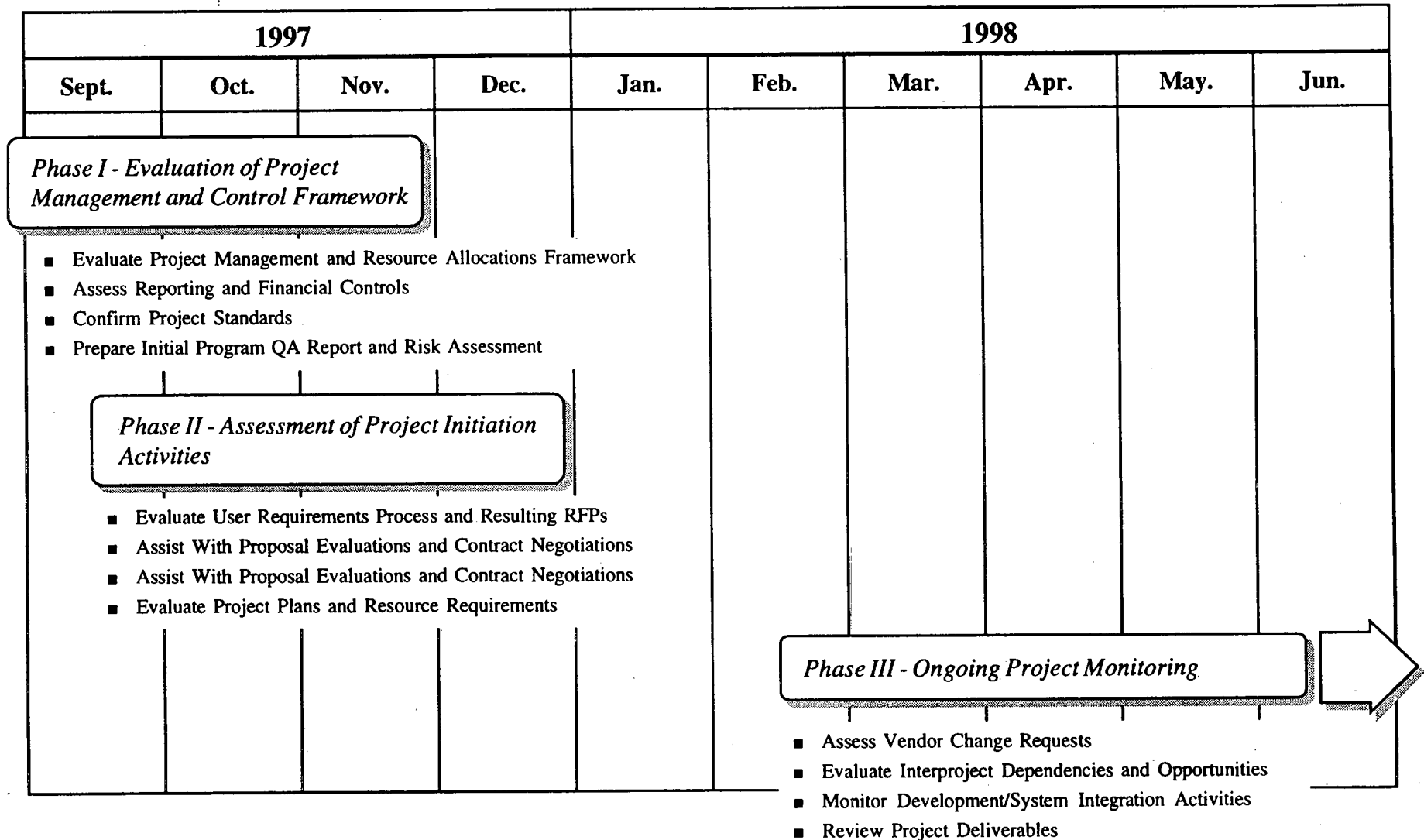
- Criminal Justice Records Needs Assessments
  - » Arizona (three counties), Delaware (three), Idaho (11), Kansas (13), Nebraska (10), Nevada (eight), Ohio (six), Oregon (11), and Washington (four).
  - » Developed process flow models.
  - » Reviewed information technology environments.
  - » Audited a sample of criminal justice records.
  - » Included police, sheriff, jail, prosecutor, courts, parole.
- Criminal Justice Records Improvement Plans
  - » Arizona (1992), Nebraska (1992/1996), Kansas (1996), Nevada (1994), Ohio (1995/1996), and Washington (1991/1996).
  - » Strategic and tactical plans.

## RELEVANT EXPERIENCE *(continued)*

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- Criminal Justice Systems Planning and Design
  - » Washington - Criminal History Information Systems Architecture.
  - » Oregon - Criminal Justice Information System Design.
  - » Nebraska - Criminal History System Design.
  - » Washington - Justice Information Network Design.
  - » Kansas - CJIS Architecture.
  - » Montana - MCJIS Strategic Plan.
- Criminal Justice Policy and Process Improvement
  - » New legislation - Nebraska criminal justice records laws.
  - » Criminal history training and auditing - Nebraska, Arizona.
  - » Technical infrastructure definition - Oregon Department of Corrections.

# APPROACH



# APPROACH

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## PHASE I - EVALUATE PROJECT MANAGEMENT AND CONTROL FRAMEWORK

Task 1 - Project Initiation and Confirm QA Workplan

***Deliverables:***        ***Definition of QA Processes***  
                              ***QA Meeting Schedule***

Task 2 - Review Governance Structure

***Deliverable:***        ***Governance Process Summary Report***

Task 3 - Evaluate Project Management and Resource Allocations Framework

***Deliverable:***        ***Project Management, Structure, and Resource Assessment Report***

Task 4 - Assess Reporting and Financial Control

***Deliverable:***        ***Financial Controls Assessment Report***

Task 5 - Confirm Project Standards

***Deliverable:***        ***Description of Project Standards***

Task 6 - Prepare Initial Program QA Report and Risk Assessment

***Deliverables:***        ***Draft Project QA Analysis Risk Assessment Report***  
                              ***Final Project QA Analysis Risk Assessment Report***

# APPROACH (*Continued*)

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## PHASE II - ASSESS PROJECT INITIATION ACTIVITIES

Task 7 - Evaluate User Requirements Process and Resulting RFPs

***Deliverable:***            ***Evaluation of Users Requirements Process Report***

Task 8 - Assist with Proposal Evaluations and Contract Negotiations

***Deliverable:***            ***Evaluation of the Contract Negotiation Process***

Task 9 - Evaluate Project Plans and Resource Requirements

***Deliverable:***            ***Assessment of Initial Project Plan and Resource Requirements***

Task 10 - Assess Conformance with Standards

***Deliverable:***            ***Project Standards Conformance Assessment***

Task 11 - Prepare Baseline Project QA Report and Risk Assessment

***Deliverable:***            ***Baseline Risk Assessment Report***

# APPROACH (*Continued*)

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## PHASE III - ONGOING PROJECT MONITORING

Task 12 - Assess Vendor Change Requests

***Deliverable:***                ***Change Order Assessment Summary***

Task 13 - Evaluate Inter-Project Dependencies and Opportunities

***Deliverable:***                ***Inter-Project Dependencies and Opportunities Summary***

Task 14 - Monitor Development/System Integration Activities

***Deliverable:***                ***Monthly Summary System Development Activities and Issues***

Task 15 - Review Project Deliverables

***Deliverable:***                ***Monthly Deliverable Summary Report***

Task 16 - Monitor Individual and Consolidated Project Expenditures

***Deliverable:***                ***Monthly Financial Status Summary***

Task 17 - Review Individual and Consolidated Project Plans and Resource Allocations

***Deliverables:***                ***Monthly Work Plan/Schedule Status Summary***

***Monthly QA Status Reports***

***Weekly CIO Briefings***

***Periodic Steering Committee QA Briefings***



## APPROACH (*Continued*)

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### PHASE IV - IMPLEMENTATION AND POSTIMPLEMENTATION REVIEWS

Task 17 - Evaluate System Testing and Acceptance

***Deliverable:***        ***Testing Process Evaluation and Recommendations***

Task 18 - Conduct Operational and Users Readiness Assessment

***Deliverable:***        ***Description of Operational Impact and Recommendations***

Task 19 - Monitor Implementation Activities

***Deliverable:***        ***Implementation Activity and Issues Report***

Task 20 - Conduct Postimplementation Review

***Deliverable:***        ***Postimplementation Assessment Report***

MEETING DATE: SEP 30 1997  
AGENDA #: B-2  
ESTIMATED START TIME: 10:00am

(Above Space for Board Clerk's Use ONLY)

**AGENDA PLACEMENT FORM**

SUBJECT: Sale of approximately 64 acres at Edgefield to the City of Troutdale

**BOARD BRIEFING:**

DATE REQUESTED: September 30, 1997

REQUESTED BY: Commissioner Kelley

AMOUNT OF TIME NEEDED: 45 minutes

**REGULAR MEETING:**

DATE REQUESTED:

AMOUNT OF TIME NEEDED:

DEPARTMENT: Nondepartmental

DIVISION: Commissioner Sharron Kelley

CONTACT: Wayne George

TELEPHONE #: 248-5071

BLDG/ROOM #: 421/3rd

PERSON(S) MAKING PRESENTATION: Wayne George, John Thomas

**ACTION REQUESTED:**

☒ INFORMATIONAL ONLY   ☐ POLICY DIRECTION   ☐ APPROVAL   ☐ OTHER

**SUGGESTED AGENDA TITLE:**

Discussion concerning the sale of approximately 64 acres at Edgefield to the City of Troutdale

**SIGNATURES REQUIRED:**

ELECTED

OFFICIAL: Sharron Kelley

(OR)

DEPARTMENT

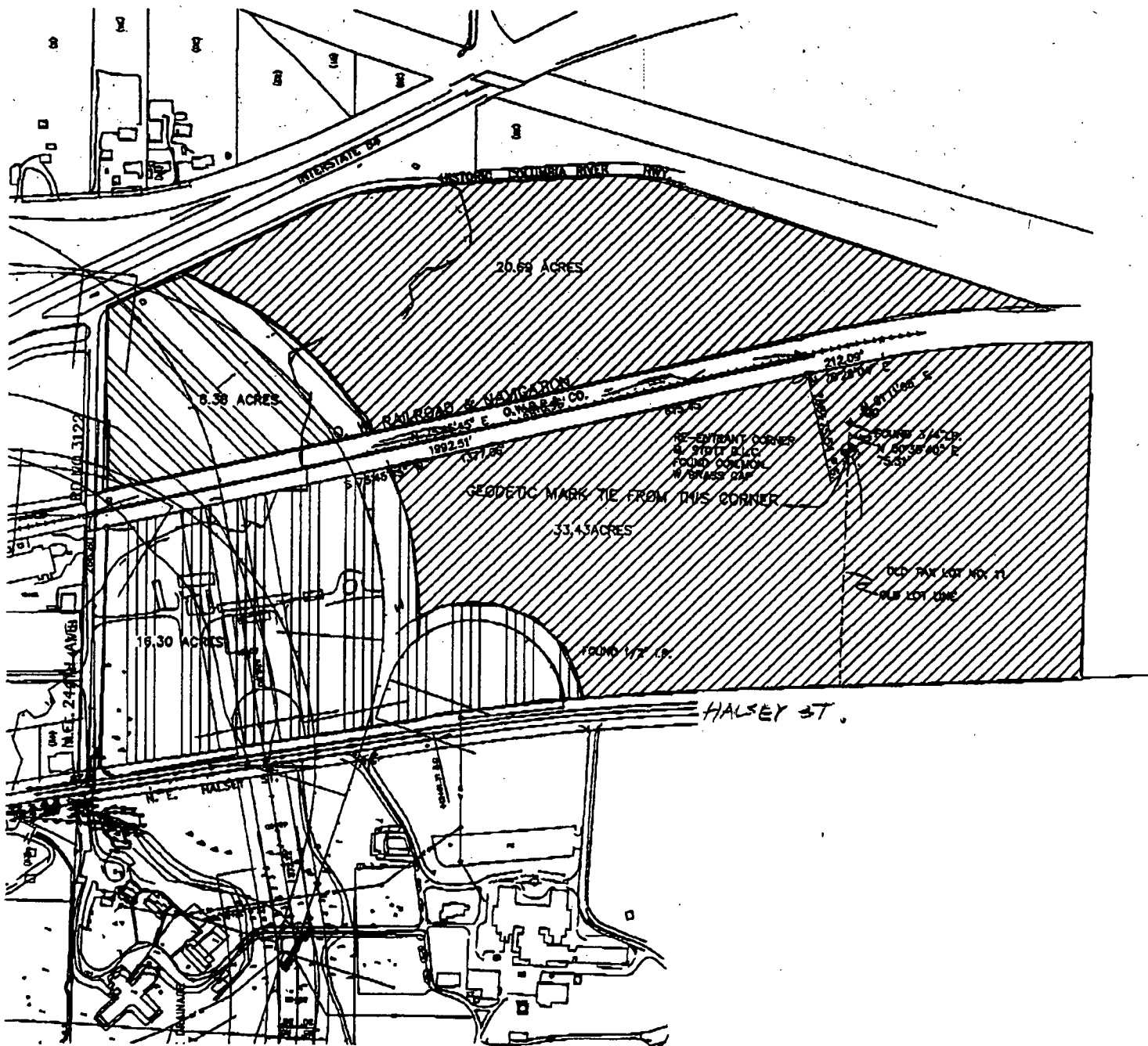
MANAGER: \_\_\_\_\_

BOARD OF  
COUNTY COMMISSIONERS  
MULTNOMAH COUNTY  
OREGON  
97 SEP 23 PM 4:30

ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES

Any Questions: Call the Board Clerk @ 248-3277







**INTERNATIONAL  
TIME TRAVELLER  
PARKS**

**A COMPREHENSIVE INFORMATION  
MEMORANDUM FOR  
INTERNATIONAL TIME TRAVELLER  
PARKS, INC.**

**\*\*\*\*\***

**PORTLAND, OREGON: MAY 1997**

## **CONFIDENTIAL INFORMATION**

The information, data and discussions contained in this business plan concerning the intellectual properties, creation and services of the Time Traveller Parks group of companies are considered confidential and proprietary. This information should not be distributed to others without the prior written consent of International Time Traveller Parks Inc. c/o Compass International Corporation at Suite 501, 14 East 60th Street, New York, NY 10022.

International Time Traveller Parks Inc. do not warrant or represent the accuracy of this information. This information is furnished for discussion purposes only and does not constitute an offer to sell securities nor does it constitute a solicitation to purchase securities. Additional information may be obtained by calling or writing:

The Business Affairs Director  
Euro Center Time Traveller Parks (Jersey) Ltd.  
Queen Anne House  
11 Charlotte Street  
Bath BA1 2NE  
Telephone: 44 1225 317152 Fax: 44 1225 317235

## **MEMORANDUM OF RISK**

International Time Traveller Parks Corporation is a developmental stage company and as such carries inherent risks. Management believes this business plan fairly represents the risks and opportunities existing within this industry. Management does not warrant or represent the discussions and financial information contained in this business plan.

## OVERVIEW

International Time Traveller Parks Inc. is seeking capital for the establishment, near Portland, Oregon of a new kind of theme park which, in this case, we are calling THE DISCOVERERS OF THE NORTHWEST. This is one of four Time Traveller Parks we aim to start developing during 1997; the others are planned for Toronto, Canada; Edinburgh, Scotland and Berlin ( Potsdam ), Germany.

International Time Traveller Parks Inc. will use experienced architect/engineers, filmmakers, multi-media specialists and theme park designers and operators to create, a series of Time Traveller Parks; theme parks that tell exciting, true historical stories that relate to the areas in which the parks are located. *Unlike conventional (funfair) theme parks, ours will really have themes.*

This is a new concept, based on a lot of existing well-tried technology, conceived and operated by experienced people who have all created or operated their particular aspect of the Park successfully many times before.

This business plan addresses both the wider business and financial dynamics of International Time Traveller Parks Inc. and, more specifically, that of Oregon's Discoverers of the Northwest Park.

International Time Traveller Parks Inc., the company which has proprietary rights in the Time Traveller Park concept, will take the leading role in designing, building and managing the four Parks and such further Parks as are likely to follow world-wide. It is their view that all the Parks should have a maximum initial capital cost of no more than that budgeted for Oregon - around \$US 40m.

The independent feasibility study, submitted by the experienced Dallas company Leisure and Recreation Concepts (LARC), submitted with this Business Plan, demonstrates the likelihood of a strong performance in Year One of the Oregon Park's operations and steady growth thereafter. It shows an EBITDA return on capital employed of between 16% and 25%.

If similar results hold true for the other three Parks, all located near cities with fairly similar demographics, a public offering for International Time Traveller Parks Inc. should come sooner rather than later. This would provide a compound annual return on investment of more than 35%.

While we have decided to concentrate on these four parks in year one, future locations are already being offered to us. Among these: Cape Town, Shanghai, New Delhi, Salt Lake City, Sao Paulo, Mexico City, Hawaii and Prague...

## MISSION STATEMENT

Our mission is to entertain and inform our visitors in equal measure. We do not believe the glib Hollywood phrase: "No-one got poor underestimating the taste of the American people".

We recognise:

- Our duty to all the people of the Northwest to present the stories from their history, which is their heritage, truthfully and entertainingly - boring people is almost as big a crime as lying to them.
- That the approximately 150 employees who will work in our Park, welcoming and caring for our visitors, will be ambassadors not only for us but for the people of Oregon and Washington States. Our duty is to train them with that in mind.

We pledge:

- That our Time Traveller Park will be sensitive to the feelings of ALL the people whose stories we tell.
- That we will not shrink from the truth.



## TABLE OF CONTENTS

	Page
CONFIDENTIAL INFORMATION	i
MEMORANDUM OF RISK	i
OVERVIEW	ii
MISSION STATEMENT	iii
EXECUTIVE SUMMARY	1
Market Potential	1
Business Description	1
Competitive Advantage	2
Financing Plans	5
Cost Mitigation for Time Traveller Parks	6
Benefits of Sponsorship	6
Government Support	7
MARKET POTENTIAL	8
Total Available Market	8
Ancilliary Uses for Attractions & Pavilions	9
Current Status	10
Corporate Operating Structure Diagram	11
Corporate Operating Structure	12
Overview	12
The Development Company	12
Design, Construction and Management of Parks	13
The Development Financing for the Subsidiary	13
Companies	13
The Oregon Park	14
Financing the Subsequent Parks	14
MANAGEMENT	15
Board & Management of ITTP	15
Management for the Oregon Park	18
The Oregon Time Traveller Park Management	18
Organisation Chart	19

THE OREGON PARK FINANCIAL FEASIBILITY	20
Summary	20
General Assessment	21
Break even Analysis	21
Warranted Investment	22
BUSINESS DESCRIPTION	23
Approaching the Time Traveller Park	23
Lewis and Clark and Sacajawea - The Dark Water Ride	24
Sailing with Drake	25
My Great Adventure	26
The Loggers	27
The Native American Experience	28
The Park's Other Attractions	29
MARKET DEMAND ANALYSIS	31
Patterns of Market Penetration	31
Attendance	32
Operating Calendar	34
Distribution of Attendance	34
MARKET OVERVIEW	37
The Media Climate of our times	37
A new Medium out of Old Media	37
MARKETING	39
A Steering Group	39
'Brand' Identity	39
Budget	40
Markets	40
Marketing Tools	40
Advertising Media	40
Public Relations	41
Merchandising	41
Educational Program	41
CAPITAL COSTS FOR THE OREGON PARK	42
THE OREGON PARK - FINANCIAL PROJECTIONS	43
FINANCIAL DYNAMICS OF ITTP	44

## EXECUTIVE SUMMARY

### Market Potential

The Financial Times of London reports that:

*"Current US yearly investment in theme parks generally tops US\$ 3.3 billion with attendance over the 100 million mark, the world figure is well over double that, with Europe and Japan being the other leading markets".*

Local participation will be important:

*"TIME TRAVELLER THEME PARK WOULD BRING HISTORY TO LIFE - OREGON AUDIENCE ENTHUSIASTIC" - reported The Oregonian Business Section on 1st March 1996, summarising interviews with Chet Orloff, Oregon Historical Society Executive Director, Gail Chehak of the Affiliated Tribes of Northwest Indians and Randolph L. Miller, President of Moore Company and Chairman of The Ambassador Program, a group of top executives working to bring new business to Oregon.*

### Business Description

International Time Traveller Parks Inc. is a Delaware Corporation which will act as the holding and equity funding company for a series of parks in different countries. It will have, as subsidiary companies, corporations incorporated in Oregon; Ontario, Canada; Edinburgh, the United Kingdom and in the Lande of Brandenburg, Germany.

Each subsidiary company will be very similar in scale, capitalisation and organisation to that planned for the first Time Traveller Park, THE DISCOVERERS OF THE NORTHWEST in Oregon. Each park will be dissimilar mainly in the historical stories it has to tell. Among many others, for instance, Scotland will feature Mary, Queen of Scots and the murders of Rizzio and Lord Darnley, her secretary and husband respectively. Germany's will include Frederick the Great, composer, flautist, gardener and brilliant winner of Battles. Canada's will feature Mackenzie, whose first crossing of the North American continent inspired President Jefferson to commission Lewis and Clark to undertake their expedition.

Using all the latest technology of motion picture, video, simulators, three dimensions, Pepper's ghost et cetera, blended with the time honoured illusions of the theater and grand opera, these stories will come to visitors as a rich and amazing experience.

Exhaustive research has been undertaken on the proposed plan for the Oregon park by Leisure and Recreation Concepts Inc. of Dallas, Texas, one of the leading planners, designers and managers of theme parks in the world (see attached Feasibility Study). The salient conclusions of their study tell us that the park is:

- An entertaining and informative theme park celebrating the fascinating heritage of the Northwest and its peoples, for which a comprehensive polling of Oregon and Washington residents has shown considerable local enthusiasm.
- High in potential profitability: \$7 million first full year net earnings are projected, rising to a projected \$8 million in Year 5 - giving average earnings on revenue of over 37% (EBITDA) over the 5 year period. The Park is projected cash flow positive in Year 1 of operation and is projected to give a highly satisfactory 16-25% EBITDA return on capital employed.
- Already fully costed, with a well researched feasibility study, including detailed financial budgets and projections.
- Already contracted to have key management and contractors, with the park site already available. Worldwide promotional support is on hand from the Euro Center public relations companies.
- Estimated to need only 18 months from full finance to park opening.

### Competitive Advantage

The first in the field. There is no replica of a Time Traveller Park, as proposed here, in the world. Each of our parks will have at least five pavilions featuring major history-related attractions, with many subsidiary features and side-shows, all of which amount to the best part of a day-long experience. The day-long aspect is important, because experience in all theme parks shows that, besides the usual all-inclusive ticket-entry price, people spend as much again, dollar for dollar, on beverages, food and gifts.

Local Tourist and Development Agencies are very positive about this concept.

In Oregon, we are receiving help and advice from both the State and Portland City Tourist authorities. Outside Oregon, we have received direct invitations from local authorities to consider opening Time Traveller Parks. In Toronto we have been offered The Ontario Pavilion, part of the Canadian National Exhibition Site, in a bid to make this prime Canadian location a major destination for local visitors and foreign tourists alike.

In Scotland we have been offered part of the Rosyth Royal Naval Dockyard, described by The Scottish Tourist Board as "*One of the best, if not THE best, sites in Scotland*".

While in Berlin, the President of the Lande (State) of Brandenburg (just outside Berlin) has invited us to consider a former Soviet Air base which is near Frederick the Great's famous palace of *Sans Souci* and the UFA Studios, where Eric von Stroheim, Peter Lorre and Marlene Deitrich made films before World War II,

Heading up the companies preparing the non-American parks are:

In Toronto: Allan Hodgson, former Chief Financial Officer of Alcan Aluminium Ltd., one of Canada's largest companies.

In Berlin: Fritz Kurz, premier impresario of Germany, builder of three major musical theaters, including one at Bokum, Germany for Andrew Lloyd Webber's *Starlight Express*, which is in its tenth year. He has produced most of the other Lloyd Webber shows in Germany to vast profitability. It was he who selected Potsdam, outside fast-growing Berlin (once again the German capital) for our Time Traveller Park.

In Scotland: Patrick Scott, a Member of The Queen's Bodyguard for Scotland, The Royal Company of Archers. An associate of Spring O'Brien, the international public relations company and of the Euro Center Group. He has been the youngest Chief Executive within the Distillers Company Group and Managing Director of the Dormeuil Group's London, England operations.

In none of these locations is there anything approaching a Time Traveller Park.

But to catalogue such competition as there is:

- In Portland, Oregon: The Zoo (1 million visitors); OMSI (a similar number); A noted Cheese Manufacturer (600,000 visitors), None of these duplicate in any way our Time Traveller Park.
- In Toronto: Fort York; an historic site (300,000 visitors), An Aquarium and a Funfair theme park (about 1 million). An Ice Hockey Hall of Fame (600,000 visitors). This city has 18 million visitors a year, mostly from the USA.
- In Edinburgh: The castle attracts a million people a year. Three hours drive away, Jorvic, which is a single time travel ride through Viking York, attracts between 7-800,000 visitors a year. It lasts ten minutes! Its capitalisation was probably less than \$400,000 eight years ago. Employing a dozen people it shows a gross of around \$6.0 million.
- In Berlin: Sans Souci, Frederick the Great's palace, attracts about a million people a year.

Our competitive advantage over funfair theme parks is large. All of these rely on monster thrill rides to keep their competitive edge. These can cost up to US\$40m each. *Intamin*, the firm that makes many of the most sophisticated rides, have their own steel mill, so critical are the tolerances in the steel-work, for safety's sake.

By contrast, our pavilions (which house our attractions) are plain steel frame buildings clad to simulate edifices from different periods, which are filled with scenery, projectors, screens and the conveyances, which may vary from a galleon at sea for Sir Francis Drake, to snow sleds in simulated winter at Potsdam. Our costs are mainly in the filming and in gadgetry such as simulators and computerised screens and effects. Our entire park may cost little more than one Doomsday ride at Six Flags. But no expense will be spared to make sure all is of top quality, nevertheless.

When it comes to competition over funfair theme parks, like Six Flags or Pearson's Alton Towers, we have a number of built-in advantages. We are appealing to a different, potentially much wider market:

- Funfair theme parks attract mainly teenagers and younger adults. Sub-teens drag their parents along too. In other ways, Funfair theme parks attract the least cerebral portion of the population. At Six Flags in Dallas they check everyone for their gun. Many are packing them.
- Time Traveller Parks, by contrast, are aimed at the population as a whole. From six to one hundred and six.
- In funfair theme parks they rely on the slightly perverse love of dare and be dared in the young. Kids leaving the big dipper rides shouting: "I had a bigger G-force in my face than you did!!"
- We, also, will have excitement in our dark rides. Waterfalls, explosions, earthquakes, but all highly motivated. 'Pink knuckle' rather than 'white knuckle'. But along with that, we will not ignore the breathtaking and the beautiful, the wondrous and the unforeseen.

All the countries we have chosen have extraordinary tales to tell. They deserve to be told with dignity and with taste - as well as with showmanship. To children, teenagers, parents and singles, young and old.

Doubters about the lure of real history as an Entertainment Feature, when linked to high tech showmanship, should consider the phenomenal success of Yorvik (a dark ride through 9th century York) and Vikingland (the Viking raiders dark water ride) outside Oslo. Capitalised at under a US\$ 1.0m for Yorkvik and about US\$ 3.0m for Vikingland, the former has played to over 800,000 people and is in its tenth year with a ticket price of US\$10. The latter attracts about 440,000 people a year with a ticket price of US\$ 13.50. Few, if any, funfair theme parks give such a return on capital. What is original and new about Time Traveller Parks is that they gather a series of such attractions together on the scale of a "destination" theme park.

To compare a Time Traveller Park with a conventional "funfair" theme park is extremely misleading. Only the organisation of handling crowds, parking, food and beverages, ticketing etc. have broad, comparable similarities. We believe that this point is adequately covered in our very comprehensive feasibility study.

### Financing Plans

ITTP needs to raise \$30 million in equity and \$10 million in borrowings or lease-financing to fund the Oregon park. For the equity component, a private placement in two stages is proposed. In stage one, ITTP will offer to investors, principally in the Portland, Oregon region, 668 common shares at \$748 per share for a total consideration of \$500,000. These funds will be used to bring the Oregon park to the start of construction. To recognise the early and continuing support from the "seed capital" investors buying these shares, attached to each common share will be a convertible preference share which is convertible into a common share upon completion of the financing arrangements for the Oregon park.

In stage two, ITTP will offer 40,107 commons shares at \$748 per share for a total of \$29.5 million. The borrowings and/or lease financing will come from banks and other financial institutions.

Financing to date for ITTP has been provided by about \$500,000 of cash investment by investors including certain Directors and the cash and in kind contribution of Robin Hardy, Donough O'Brien and certain Directors. Upon completion of the financing for the Oregon park, these investors will hold 20% of ITTP and the new private placement investors will hold 80% of ITTP.

The detailed financial projections included in the section Financial Return Dynamics of ITTP indicate the Oregon park will give ITTP net income of a loss of \$475,000 in year one, that is 1997, a profit of \$4.6 million in 1999, the first year of operation, \$5.1 million in 2002, \$5.5 million in 2003, \$5.9 million in 2005, and an average of \$4.2 million in 2006-2008 when original capital cost allowances have been fully utilised. Before allocating surplus cash to the funding of new parks, cash balances at end 1998 will be \$56 million.

Assuming a new park is undertaken each year through 2001, five in total, and surplus cash generation from existing parks is used to finance new parks, new equity needed for park five will be only \$13.5 million. After this surplus cash generation from these five parks will just about finance one new park each year from 2003 onwards.

Taking into account the addition of one park each year up to a total of five, and assuming economics similar to the Oregon park for these additional parks, ITTP's net income will be \$10.8 million in 2001 and \$25.2 million in 2003. Without new parks coming into operation after 2003, net income rises slightly and then plateaus. However, surplus cash available for new parks or dividends rises dramatically to a cumulative total of \$170 million at the end of 2008.

It is intended to take ITTP public and list the shares. If this is done based on the figures for 2003, ITTP will have net income of \$25.2 million as noted above, an average equity of \$143.3 million, and ROE of 17.5% and an earnings per share of \$202.87. There will be 124,217 shares outstanding. Given the growth record and future prospects, a price/earnings ratio of 20 on the public offering should be justified. This multiple would give a share price of \$4057 and a total market capitalisation for ITTP of \$503 million. A share price of \$4057 would give a compound annual return of 33% to the investor in ITTP shares now being offered at \$748 per share in connection with the Oregon park financing. The "seed capital" investor in the Oregon park would make double this return reflecting his pioneering role.

### Cost Mitigation for Time Traveller Parks

There are two major ways in which the capital and running costs of our parks can be reduced. The costs in the rest of this financial memorandum are calculated on a 'worse case scenario' which, in fact, will never be the case.

The two categories of cost mitigation which we will be urgently addressing as part of our pilot projects in each location will be:

- Sponsorship
- Government Support

### Benefits of sponsorship

Our sponsorship consultants Lyman Creasy, as associate of the worldwide Omnicom Company, point out that there are four advantages of having sponsor's involvement within the parks:

- Sponsorship can reduce the amount of initial capital required by sponsors contributing to the capital costs of those parts of the park to which their name has been attached.
- Sponsorship can also reduce running costs. This can be in the case of, for instance, a power company providing its electricity or a computer company installing systems at a reduced cost in return for publicity.
- Sponsorship can help in the process of rejuvenating and changing the rides and activities within the park.
- Sponsorship has the great advantage of reducing the marketing costs or conversely, increasing the marketing impact by harnessing the marketing support of the outside sponsors. We have available not only the public relations and advertising expertise of the individual sponsors but also their budgets ie. "Come to visit our new restaurant at the Discoverers of the Northwest Time Traveller Park opening next week."



As part of the next stage in the pattern of fund-raising, we will be conducting meetings with relevant companies and organisations in each location.

These will come into the categories of those who are very strong locally already and would not like to be left out of any such opportunity, those who would want to be involved almost for social reasons and those who would want to push their image for sound marketing reasons.

### Government Support

Our parks are going to be providing a significant employment boost both in the short term and the long term. As such, they will qualify for a range of government support at various levels.

To illustrate this, we have been told by our advisors in Scotland, Coopers and Lybrand, who are intimately involved in the inward investment process, that we may expect a probable total of \$7.5m at Rosyth made up of a combination of contributions from Fife Enterprise, Scottish Enterprise, the Scottish Office and funds from the European Union.

We would anticipate similar levels of government support in Potsdam because of the unemployment situation in former Eastern Germany. In Toronto and Portland the government, provincial state and city support maybe less generous and obvious but nevertheless, could be valuable. For instance, the provision of entrances, overpasses or railroad track would be the equivalent of direct funding.

## MARKET POTENTIAL

The Time Traveller Park concept is a sort of cultural heritage theme park, mixing entertainment with education regarding the specific region. This is a concept which is expected to draw equally well amongst residents and tourists. Industry data substantiates the fact that normally the propensity to visit attractions decreases as the distance between the residence and the site increases. The resident market for the Oregon attraction has been defined as Oregonians residing within a three-hour drive, or approximately 150 miles of the project site in the Portland/Salem area. It is anticipated that these persons would not spend the night in Portland when visiting the attraction, since they should be able to travel from their residence to the project and return home within the same day. However, some residents in the outer markets may decide to spend the night in the area. Also, Washington State residents within the 150-mile band are considered out-of-state visitors for the purposes of LARC's analysis. All this is detailed in LARC's accompanying Feasibility Report which we are submitting.

### Total Available Market

The total available market for the Time Traveller Park in Portland, Oregon is forecast for the years 1998 to 2002, the anticipated first five years of operation. Based upon patterns of change in population and visitor market size projected by Claritas, Inc., the United States Bureau of the Census, Davidson-Peterson Associates, Inc., various visitor profile studies and LARC, estimates of the resident and visitor market size in 1998 through 2002 have been prepared and are presented in the following table:

**Projected Available Market  
1998 - 2002**

<b>Market Segment</b>		<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
<i>Resident Market:</i>						
Primary Resident	1	1,965,000	1,998,000	2,032,000	2,067,000	2,102,000
Secondary Resident	2	520,000	527,000	534,000	541,000	548,000
Tertiary Resident	3	277,000	282,000	287,000	292,000	297,000
<b>Total Resident Market</b>		<b>2,762,000</b>	<b>2,807,000</b>	<b>2,853,000</b>	<b>2,900,000</b>	<b>2,947,000</b>
<i>Visitor Market:</i>						
Out-of-State Domestic Tourists	4	6,053,000	6,174,000	6,297,000	6,423,000	6,551,000
International Tourists	5	631,000	644,000	657,000	670,000	683,000
<b>Total Tourist Market</b>		<b>6,684,000</b>	<b>6,818,000</b>	<b>6,954,000</b>	<b>7,093,000</b>	<b>7,234,000</b>
<b>Total Available Market</b>		<b>9,446,000</b>	<b>9,625,000</b>	<b>9,807,000</b>	<b>9,993,000</b>	<b>10,181,000</b>

<sup>1</sup> Oregon population within 50 miles, annual growth of 1.7%

<sup>2</sup> Oregon population in the 50 to 100 mile band from the site; annual growth of 1.3%

<sup>3</sup> Oregon population in the 100 to 150 mile band from the site; annual growth of 1.8%

<sup>4</sup> Out-of-state domestic tourists to the Portland Metro and Willamette Valley areas; annual growth 2.0%

<sup>5</sup> International tourists to the Portland Metro and Willamette Valley areas; annual growth 2.0%

Source: Claritas, Inc.; Davidson-Peterson Associates, Inc.; U.S. Census Bureau; LARC

Ancilliary uses for attractions and pavilions

Some attractions, the Drake Dark Water Ride is one, could be moved to another Time Traveller Park, in this case to Panama, Hawaii or the Phillipines perhaps and very little extra expense would be needed to put it into running order there provided that TTP had an appropriate building to house it. Some of the pavilions will also lend themselves to night time entertainments, the structure in which our major railroad film "My Great Adventure" is shown may well be used for other film shows after hours. Other buildings could be exploited in a similar way for concerts and other entertainments.

## CURRENT STATUS

Donough O'Brien and Robin Hardy have developed this concept as an intellectual property of their film-related company, Euro Center Productions (Jersey) Ltd, of which they are the sole (50/50) owners. It should be understood that film and video images play a central role in all the story telling techniques to be used in the Time Traveller Parks. Both have extensive experience in the multi-media world and, in Robin Hardy's case, in the musical theater as well as cinema and television.

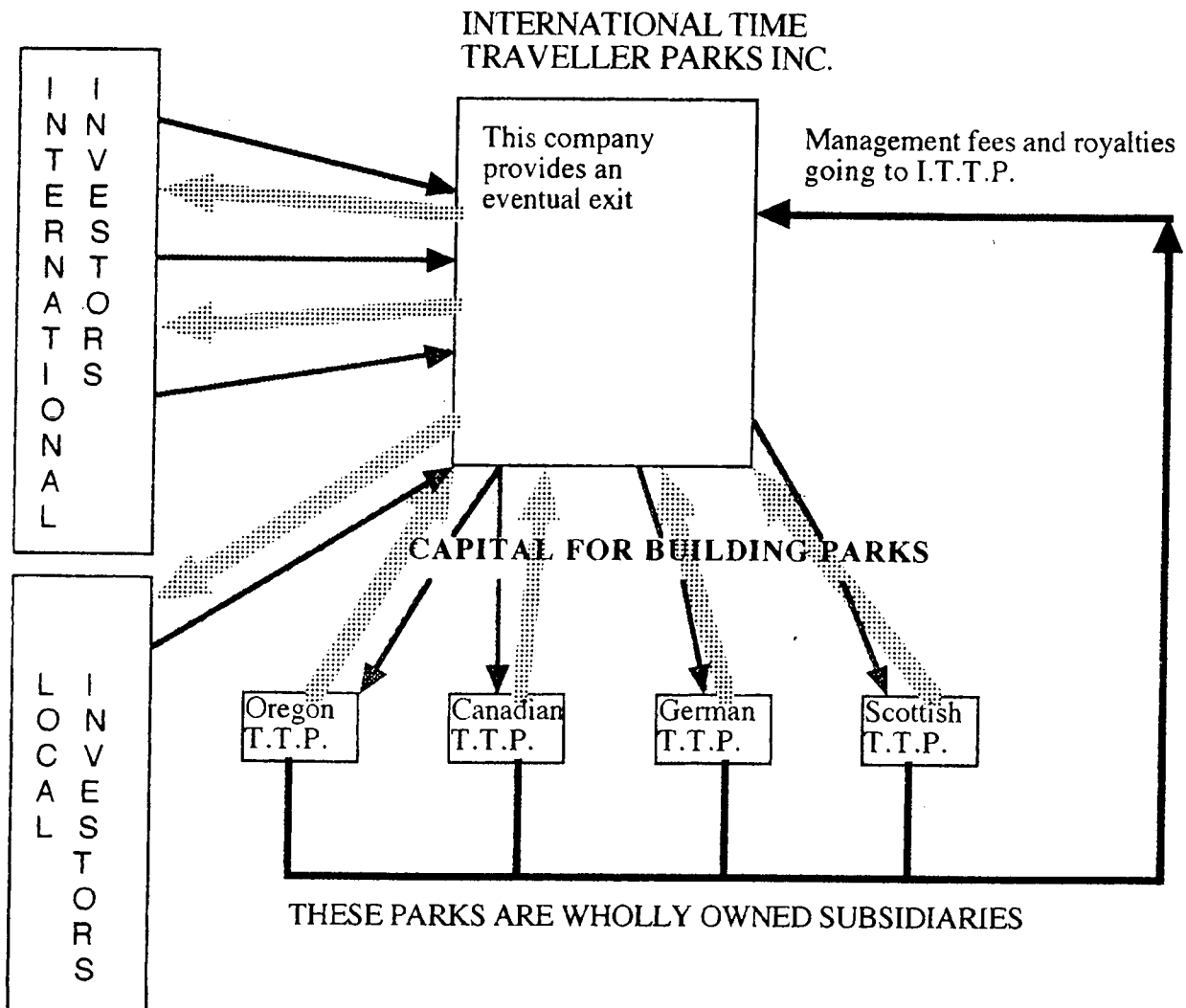
The Portland/Salem corridor was selected as the likely site for the first park because of Portland's high profile as a very progressive, medium-sized American city, with a relatively affluent, well-educated population who had evinced real interest in their past, evidenced by their excellent Historical Society and their recent care to preserve the good icons of their heritage wherever they can still be found. Added to that, the presence of many good hotels and an excellent mass transit system made the decision an easier one. It is received wisdom in the case of all theme parks that they be sufficiently far from the center of any conurbation to become a destination of themselves. For this reason sites near Salem as well as north-east of Portland have been considered before deciding on the present site.

Following the decision to start in Oregon, Euro Center Time Traveller Parks (Jersey) Ltd. was formed as a subsidiary of Euro Center Productions (Jersey) Ltd.. Further development of the project was funded by the sale of some of the subsidiary company's shares to outside persons and companies, starting with the Canada Steamship Lines Equity Investment Company of Montreal. The Hon. Paul Martin, currently the Finance Minister in the Government of Canada, is the controlling shareholder of CSL, although naturally the blind trust arrangements for a serving Minister are in place as long as he remains in government.

Subsequently, a Feasibility Study was commissioned after LARC had been selected as the most experienced company in the field, with wide international experience.

After wide consultations with investment bankers, and with Lawrence Graham and T.R. Cavendish, our London lawyers and accountants, and with Farleigh, Wada and Witt and KPMG Peat Marwick, our lawyers and accountants in Oregon we have developed the following structure for the Time Traveller group of companies:

## CORPORATE OPERATING STRUCTURE



**Note:** To the extent that profits are not already ear-marked for the renewal of the park all profits/dividends are to be withdrawn from the subsidiaries into ITTP.

→ Capital

→ Profits/Dividends

→ Management fees and royalties

**BANK LENDING:** It is anticipated that about 25% of funds for each of the four park companies will be provided by term bank lending or equipment leasing.

## CORPORATE OPERATING STRUCTURE

### Overview

The proposed corporate structure combines a parent holding company, International Time Traveller Parks Inc. (ITTP), and a separate company for each park, these to be incorporated in the relevant local jurisdiction. ITTP will own all of the intellectual property rights for which a royalty will be charged to each park at a percentage of gross revenues. ITTP will also arrange for the design and construction, and management of the individual parks for which management fees, at a percentage of capital costs and gross revenues respectively, will be charged. Equity investors will have the opportunity to invest into the equity of ITTP which will invest the funds into the parks. Debt financing is to be raised by the individual park companies and the intent is to secure these borrowings by the assets and revenue streams of the specific park, although parent company guarantees will likely prove necessary at least initially. The diagram on page 9 portrays the above described structure in simple form. Profits, partly in the form of royalties and management fees, will flow from the individual park companies direct to ITTP. ITTP will distribute dividends to its shareholders subject to their wishes and the need for funds for the development of further parks.

### The Development Company

The concept for the Time Traveller Parks was conceived and developed by Euro Center Time Traveller Parks (Jersey) Ltd. This Company led by Robin Hardy and Donough O'Brien and funded by private and corporate investors, has carried out the design and initial planning for the Oregon and Toronto parks and the preliminary conception and related work for the Edinburgh, Scotland and Potsdam, Germany parks. This has included procuring the LARC Feasibility Study for the Oregon park, the negotiation of a site for the Oregon park, the selection of suppliers of equipment to the parks, the engagement of professional advisors and arrangements for both the construction and management of the parks.

Euro Center Time Traveller Parks (Jersey) Ltd is being folded into ITTP in conjunction with the financing of ITTP and the Oregon park company. Thus, Robin Hardy and Donough O'Brien will become executives in ITTP and the intellectual property rights and contractual arrangements where relevant will transfer to ITTP. Euro Center Time Traveller Parks will have spent about \$500,000 on its activities up to the completion of financing for the Oregon park. A significant proportion of this amount will be reimbursed to Euro Center Time Traveller Parks, meaning ITTP, by the Oregon park company. The exact percentage of the equity of ITTP to be exchanged for the intellectual property and services of Euro Center Time Traveller Parks is yet to be fixed, but is assumed at 20% of ITTP's equity including that raised specifically for the Oregon park.

### Design, Construction and Management of Parks

ITTP will provide general supervisory services of the operation and management of the park during the design, build and operational phases of The Discoverers of the Northwest, and other parks. In the case of the Oregon park and more than likely in the case of other parks a sub-contractor for Management Services will be LARC.

ITTP will retain responsibility for the construction and management of all the subsidiary companies, appointing local boards to supervise all matters of local concern, to include labour relations, public relations, marketing, advertising and reinvestment - together with an Advisory Board for Cultural Relations.

The management services to be provided by LARC under its sub-contract with ITTP will include the provision of a full-time General Manager and other managerial staff to be provided in consultation with the Oregon company and ITTP. LARC will charge a general fee of \$150,000 a year for a [3-5] year contract term. LARC will also receive an incentive payment from the park's taxable net income. Similar arrangements will be made for the other parks with the management company concerned. At the end of this report an appendix lists the current or recent management activities of LARC.

### The Development Financing for the Subsidiary Companies

The Oregon Park (The Discoverers of the Northwest); The Scotland, The Brave Park; the Toronto Time Travellers Park and The Time Travellers Park of Germany are all incorporated locally, in the USA, Scotland, Canada and Germany. Each will need \$500,000 in seed capital to cover initial development costs and each will have a total funds requirement of around US \$40 million.

It is expected the necessary US\$500,000 in seed capital for each park will come largely from investors in the region where the park is to be established. An entitlement to a maximum of \$500,000 seed capital shares shall be limited to local investors in Oregon/Washington States, USA ; Ontario, Canada ; Scotland and Germany respectively. These monies will be invested direct into ITTP, with the funds to be dedicated to ITTP's work on their Park, which will include feasibility studies, option payments, research, design work, legal and accountancy fees, travel, executive time and expenses and overhead.

Seed capital investors for a given park will receive an equivalent number of convertible preference shares which will be convertible into common shares on a share for share basis when the financing for the specific park is completed. This bonus is designed to secure the early and enthusiastic support of prominent persons in the region where the park is to be established.

As noted above, each park will be designed to have a total capital requirement equivalent to approximately US\$ 40m. Depending on local circumstances, the land, equipment and forecast revenue stream should support debt from banks or other institutions equal to 25% of this amount for each of the parks. The remaining 75% will come in the form of equity investment from investors both international and local. Over time, the cash flow accruing to ITTP from existing parks will finance a rising proportion of the equity required for each new park.

The plan is to take ITTP public at an appropriate time. This will give liquidity to investors in this company. The timing of the IPO will depend on a number of factors, including the need for additional new equity funds to finance further parks, the relative value obtainable on the public as against the private market, the state of the stock markets etc. The objective will be to maximize shareholder value and in this context will balance fund requirements for further growth with value (P/E) available in the market. Entertainment/media stocks generally sell in the 15-20 P/E region. Premier Parks Inc, a theme park owner/operator is currently doing an issue at 22 times trailing earnings.

### The Oregon Park

The Oregon park is ready to be fully financed. Discussions with local Oregon lending institutions encourage us to believe that 25% of this sum can be obtained through a combination of local debt and equipment leasing. We believe that a further 25% can be raised there through a combination of local equity investment and local sponsorship, already under discussion. This means we will be looking for \$ 20m of further equity for the Oregon Park internationally.

In general it is expected that local banks or branches of national banks will provide most of the debt financing for individual parks with some to come in the form of lease financing from similar sources. Debt and leases will be on the books of individual parks but most probably guaranteed by the parent company, ITTP. Equity will be raised in ITTP and flowed into the park companies.

### Financing the Subsequent Parks

The pattern established for the Oregon park will be repeated for the Edinburgh, Toronto, Potsdam and subsequent parks. Initially, ITTP will have to raise new equity funds for each new park, until it has generated enough cash to finance direct from the holding company.



## MANAGEMENT

### Board and Management of ITTP

ITTP is led by two individuals with exceptional experience in the entertainment, media and marketing industries, namely Robin Hardy and Donough O'Brien. They are joined on the Board of ITTP by four other individuals with a combination of skills and experience in the worlds of entertainment finance and region specific knowledge.

These individuals and a short bio-data of each are as follows:

#### Robin Hardy - President

Robin Hardy was educated at Montana College, Switzerland; Bradfield College, England; The Beaux Arts and the Ecole des Art Decoratifs (Architectural Studies), Paris. From 1963-'74 He was Managing Director of Hardy Shaffer & Associates, a television company with branches in New York, London, Paris, Frankfurt and Milan. He is President of Ursus Entertainment, Intellectual Properties. He has wide experience of managing complex international operations from TV series to corporations with multi-subsiaries. He is an experienced Manager of creative entertainment ventures.

Robin wrote and directed for the Heritage Series for C.B.C.; he produced and directed for the Esso World Theatre: *The Ramayana* in India with Uday Shankar; *Cyrano* with Claude Dauphin; a dramatisation of *Paradise Lost* with Sir Ralph Richardson; *The Frozen Moment* with Sessue Hayakawa in Japan; he produced *Two* with Satijyt Ray directing. He directed shows for Alcoa Presents and wrote and directed *The Female Line* for P.B.S. He also directed *Mrs. Caudle's Curtain Lectures* with Sheila Hancock for the BBC. As a novelist Robin wrote *The Education of Don Juan*, a Book of the Month selection in the U.S.A., and *Don Juan's New World*, a sequel;

Together with Anthony Shaffer, he wrote *The Wicker Man*, which was made into a film which he directed starring Edward Woodward, Diane Cilento and Christopher Lee. He wrote and directed *The Fantast* starring Christopher Casenove and Timothy Bottoms. For the theatre, he wrote and produced *Winnie*, a musical about Winston Churchill, starring Robert Hardy and Virginia McKenna. Robin was awarded the Grand Prize at the New York International Film Festival for *Workativity* in 1964 and the Grand Prix of the Festival des Films Fantastiques et Science Fiction in 1974 for *The Wicker Man*.

**Donough O'Brien - Executive Vice President**

Donough O'Brien's key broad experience lies in marketing, advertising, public relations and communications. From 1962 he managed media at cinema contractor Rank Advertising films, then in 1964 became Marketing Manager of Rank's Hotel Division. He joined Hill & Knowlton in 1966 and went on to spend five years with Corporate Identity specialists, Lippincott & Marguiles (1967-72). In 1972 he created his own advertising agency, Wells O'Brien, attracting North American clients such as Inter-continental Hotels, Norlin Music and Union Carbide.

Donough created the Euro Center network in 1980 which attracted clients such as Mastercard Travellers Cheques, Air Travel Card, State of Maryland, Forbes, City of New York, Business International, and Philip Morris. The Euro Center network now covers the globe and serves many North American organisations.

**Allan Hodgson - Director and Vice President**

Former Chief Financial Officer of Alcan Aluminium Ltd., one of Canada's largest companies.

**Sir Robert Scott - Director and Vice President**

Sir Robert is a promoter of Sports, Theater and Radio shows. He is Chief Executive of the Greenwich Millennium Trust in the UK and is consultant to the Commonwealth Games Organising Committee for the 2002 Games, which he succeeded in attracting to Manchester. He is deeply involved in the performing arts, having created the Royal Exchange Theater and revived two other Manchester Theaters, the Palace and Opera House. He is now Special Projects Director for Apollo Leisure, the largest theatre company in Britain. He is Chairman of Piccadilly Radio and the Granada Foundation and is a leading figure in the Olympic Games movement worldwide. Honoured for his services to sport, his city and for tourism, he received a knighthood from Queen Elizabeth II in the 1994 New Years Honours List.

**Patrick Scott - Director**

A Member of The Queen's Bodyguard for Scotland, The Royal Company of Archers. An associate of Spring O'Brien, the international public relations company and of the Euro Center Group. He has been the youngest Chief Executive within the Distillers Company Group and Managing Director of the Dormeuil Group's London, England operations.

**John Wilbraham - Director and Vice President**

John has been a Financier for show Business and motion pictures. He is a member of the Securities Institute and has spent 30 years as a stockbroker with the added advantage of straddling the financial community and the arts. His show business successes have included the major funding for Andrew Lloyd Webber's various shows around the world. He is currently a non-executive Director of Ealing Studio Productions, a Director of the Manchester and London Investment Trust, a former Director of the English National Ballet and a Director of the International Foundation of Training in the Arts.

In addition, ITTP has two executives with park management and design experience:

**John Lake, Vice President - Theme Park Manager and Designer**

John Lake holds a B.S. Engineering degree from The University of Illinois. He took Post Graduate Business Studies at the University of Chicago. He was Vice President and General Manager of the world famous Universal Amphitheater for 12 years from their inception. He had a 20 year association with MCA, as Vice President MCA Inc.

(Universal Studios Tour/Amphitheater) and serving in a number of senior management positions dealing with the creation and development of these two financially successful attractions. He also worked as V.P. Operations and V.P. Sales and Promotions, managing 1500 employees on a daily basis. He travelled world-wide on behalf of MCA and Southern California.

John currently heads up Hollywood Amusement Parks USA Inc., a consultancy specialising in design management in all phases of a variety of mass audience venues, primarily amusement parks and attractions. His role will be to give us an overview of development on all four of our parks.

**Derek Nice - Theme Park Designer**

Derek studied Art and Design at Cambridge, the Central School of Art and London University. He worked as a Designer at BBC television in both London and Bristol on an extensive variety of productions: Drama Series; Natural History; Education and Information programmes. Teamed with writers, producers and directors e.g. Ken Russell *The Debussy Film* (Monitor), John McGrath, Troy Kennedy Martin, Ken Loach, *Diary of a Young Man*, Douglas Camfield *Beau Geste* and for HTV/CBS *The Master of Ballantrae* and HTV/Goldcrest's *Robin of Sherwood*. He has also collaborated on feature films in Europe and theater productions at the National Theater, Royal Opera House, Royal Court Theater and The Roundhouse in London, and at Expo Montreal on *British National Day Entertainment* with John Cox and John Wells. He has worked on the concept and co-ordination of various themed Parks and Visitor Centres in Britain, Norway, Malta and Ireland including 'The Gozo Heritage' (The Maltese Islands); 'Norsk Bremuseum' and 'Vikinglandet' (Norway), and 'The Lismore Experience' (Eire).

### Management for the Oregon Park

The ITTP Board and management team will lead the creation of the Oregon park. In addition, the Oregon park management will have the following:

Like many innovations, the Time Traveller Park actually uses a number of tried and tested technologies in a new way. The skills required to create it demand expert film-makers, film designers, model makers, park designers, engineers and project managers.

Well before the construction is complete, the Park will require talented marketing, advertising and public relations people, as well as top-notch Park managers to hire and train the approximately 150 staff required to go on to manage the park.

In addition to these experts LARC, who are already running four theme parks elsewhere and have participated in the design of hundreds of parks, museums and exhibitions worldwide, will be contracted to participate in the management of the Park from the outset.

### Chairman

It is hoped to appoint a person, native to the Northwest, whose local experience and influence will guide the Company from the start.

### Executive Vice President - Operations

To be appointed in consultation with Leisure & Recreation Concepts, Inc (LARC) (USA).

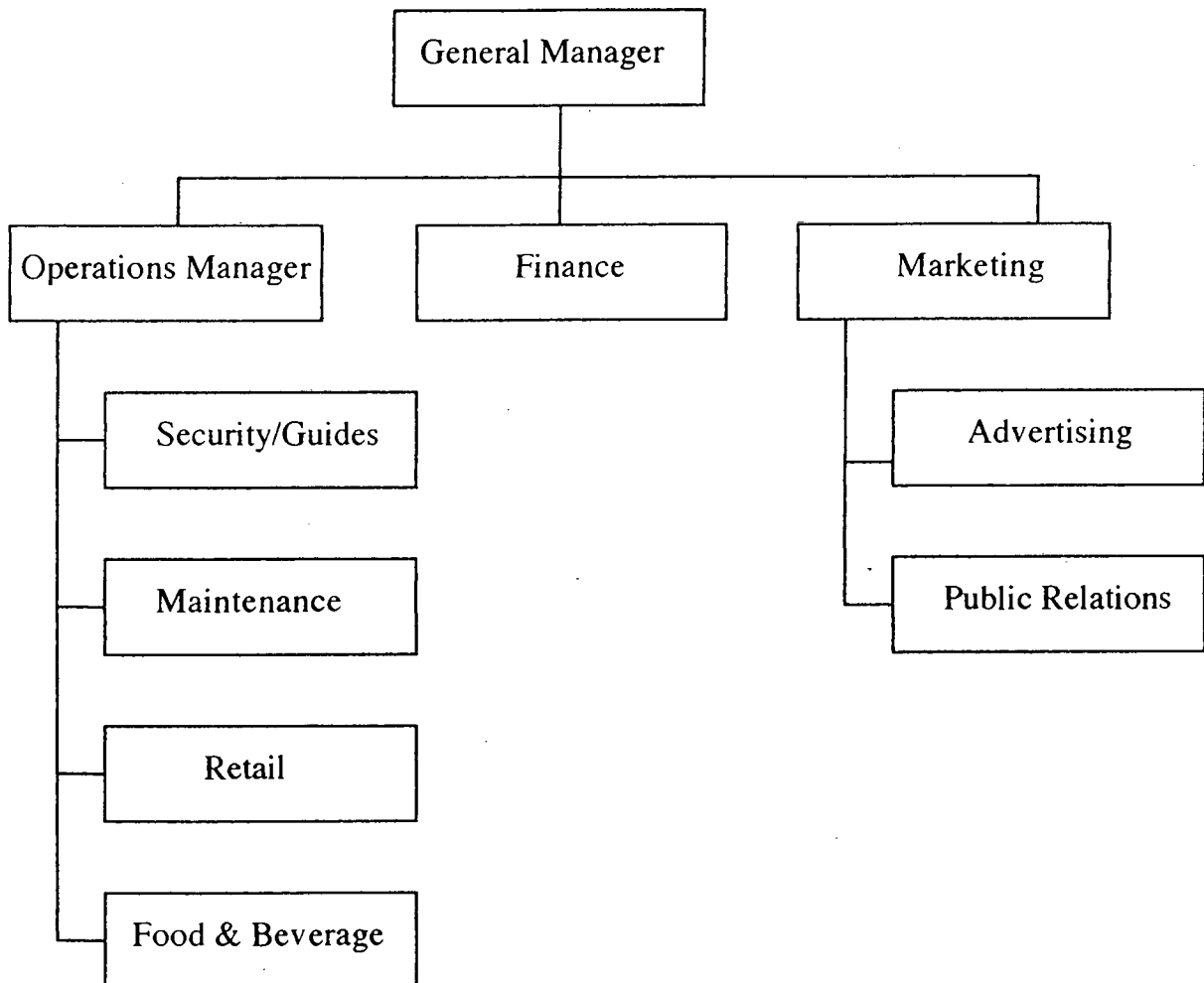
One of the largest design, feasibility and management companies in the theme park industry, LARC will be working with the Company in relation to the design, feasibility study and management planning of The Time Travellers Park. LARC, headed by Michael A. Jenkins, is located in Dallas, Texas. The LARC staff has 200 years' collective experience in the leisure industry - more than any other company in the field. Their work has taken them to more than 23 countries and more than 800 projects of all sizes and types.

### Tom Genne - Architect/Engineer

CH2M Hill

The well-known Engineering/Architectural company, headquartered at Corvallis, Or. have been in on the planning and cost of the Discoverers of the Northwest Time Traveller Park from the outset. We are working closely with Tom Genne, a Vice President working out of their Headquarters. CH2M Hill's North American and International experience is second to none.

THE OREGON TIME TRAVELLER PARK  
MANAGEMENT ORGANISATION CHART



# **THE OREGON PARK**

## **FINANCIAL FEASIBILITY**

### **Summary**

LARC have currently examined the Oregon Company's prospects and, on the basis of the principal assumptions set out below they have prepared the following illustrative financial projections. These have been based on their perception of the market place and illustrate the potential level of profitability should their estimates prove to be correct. The illustrative financial projections have been made after due and careful enquiry by the Company. Nevertheless, there is no guarantee that they will be achieved. **The illustrative financial projections set out below are not, and are not intended to be, a forecast and should not be relied on as a forecast by investors.**

### **PRINCIPAL FINDINGS OF AN ECONOMIC FEASIBILITY ANALYSIS OF THE TIME TRAVELLER PARK, OREGON, OCTOBER 1996**

**(PREPARED BY  
LEISURE AND RECREATION CONCEPTS, INC.  
DALLAS, TEXAS**

**FOR**

**EURO CENTER TIME TRAVELLER PARKS (JERSEY) LIMITED)**

**Projected total available market in 1998 9,446,000**

**Includes:**

**Primary (9-50 miles), Secondary (50-100 miles)**

**Tertiary (100-150 miles), Out-of-State Domestic Tourist and  
International Tourists.**

**Estimated attendance at Oregon TTP in 1999 922,000**

**This rises to 1,068,000 in fifth year of operation.**

#### **Ticket Prices:**

Adults	\$16	Children & Seniors	\$12
Groups	\$8		

**Producing an average ticket price of \$12.70.**

#### **Balance of per capita expenditure**

Food and beverage	\$5.20
Gifts and Souvenirs	\$3.00
Miscellaneous	\$0.10

**Total Revenue \$21.00 per capita**

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CONFIDENTIAL

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<b>Projected gross revenue in 1999</b>	\$19,361,000
Rising in 2003 to:	\$25,605,000
<b>Projected expenses:</b>	
Total cost of goods sold in 1999	\$2,937,000
Rising in 2003 to:	\$3,963,000
 Total operating expenses in 1999	 \$9,320,000
Rising in 2003 to:	\$12,028,000
 Total expenses in 1999	 \$12,207,000
Rising in 2003 to:	\$15,991,000
 <b>Projected net earnings in 1999</b>	 \$7,154,000
Rising in 2003 to:	\$8,114,000
(before depreciation, interest on debt and income taxes)	
 <b>Capital required:</b>	
Equity	\$30,000,000
Loans/Leasing/Sponsors	\$10,000,000
	=====

The following comments are reproduced from LARC's Executive Summary of their Feasibility Study.

**General Assessment**

LARC believes that, if built to high standards as planned, developed as a family entertainment park, adequately capitalized, and maintained and operated by a professional operating group, the proposed project should be financially viable in the Oregon market. When these factors are combined with adequate resident and tourist market sizes and characteristics, excellent location and creative concept, conditions are advantageous for the development of this project.

ITTP believe that these broad criteria will be found to apply to Toronto, Edinburgh and Berlin as well.

**Break Even Analysis**

Break even attendance is an important measurement in the feasibility of any attraction because the operating costs of the business remain relatively fixed and once the break even attendance point is reached, each admission ticket sold produces a high marginal profit. Assuming a first year attendance of 922,000 guests and per capita revenue of \$21.00 being achieved, the number of guests necessary to break even financially in the first year is 469,000 persons.

The revenue at the break even point in the first operating year is projected to be \$8,742,000, or 45.2% of the total revenue projected for the facility. These projections are exclusive of depreciation, interest on debt, and income taxes and are based on 80% of operating expenses being fixed once the project opens.

**Warranted Investment**

Based on a projected payback to the investor of between four and six years, the warranted supportable investment in the Time Traveller Park in Salem, Oregon is \$34 million to \$51 million. The calculation is based on five-year average earnings of \$8,488,000, exclusive of depreciation, interest on debt, income taxes, and capital additions.



## BUSINESS DESCRIPTION

Time Traveller Parks make business sense, because the arithmetic that describes the business they are is extremely simple:

If the Park can attract 920,000 people (and we believe it can) and they all pay an average of \$12.50 for a ticket (and we believe they will) and spend about another nine or ten dollars inside the park, because there is enough to do to keep them there for much of a day (and we believe there is), then the arithmetic very soon tells us that, if we keep our capital costs down to around \$US 40m and a reasonable control of our overhead, then we have a perfectly profitable business from year one. (See the Oregon park projection).

But, while we believe our Time Traveller group of companies are certainly a business and a profitable business at that, to understand what kind of business this is, one must describe it in the terms of 'an experience'.

Before we completed the Feasibility Study with LARC, we asked them to conduct telephone polls based on descriptions of most of our main attractions. (At that time we and our Native American friends had not decided exactly how their story would be told, as we now have, so research on that has been omitted). The poll results are listed after the description of each attraction as we reach it on our way through the Park.

### Approaching the Time Traveller Park

Visitors can reach the Park easily by road or by rail. Good communication links are a prime consideration.

If arrival is by car, covered walkways lead from an ample parking lot to the main entrance and also to the Park's own small railroad station (a simple platform "halt" with a small ticket office) - where visitors will disembark if they have arrived by train. The covered walkways continue inside the Park, linking the major attractions. While Oregonians appear to believe that their weather is unusually wet and windy for part

of the year, it is in fact, slightly less so than much of western Europe and Japan. In any of these countries an almost entirely indoor attraction such as 'The Discoverers of the Northwest' would be considered "year round", with the limiting factor in the winter being that there are less tourists about. We believe that effective marketing, advertising and PR can persuade Oregonians and Washingtonians that if they would go to the theater or the cinema when it rains they might just as well go to the Time Traveller Park.

Visitors buy one ticket at the main gate which provides entry to all the attractions. Once in the Park, visitors will then only need to pay for food, drink and gifts etc.

The first attraction is now in sight.

### Lewis and Clark and Sacajawea - The Dark Water Ride

This dark ride will literally be a water ride. The journey will take place inside a purpose built hangar or dome. The thrills and threats, the breathtaking views, the sensation of white water rapids will all be experienced by the customers riding in specially constructed canoes in a darkened area where a dream-like experience is illuminated all around them. Actors will play parts to combine with special effects, in a journey where multi-media and real white water are part of a seamless wonder.

The expedition of Captain Meriwether Lewis and Captain William Clark marks the first time that the brand new Republic we now know as the world's sole super power, started to look outwards, started to dream that it could one day become a great nation. President Jefferson, whose most important post before the Presidency was as Ambassador to France, knew that Great Britain might easily try and annex the Oregon Territory, already shown on many maps as New Albion (Albion was another name for England), while California still belonged to Spain.

With railroads still on the drawing board, Jefferson believed a river link might exist between the Missouri river and the Columbia, whose mouth had already been discovered by Britain's Captain Vancouver and America's Captain Gray. That the President should have thought this possible, given all the information to which he must have had access, both from contact with the native American tribes and from reports from the Pacific Coast explorers, shows how completely unexplored more than half the present United States was in his day.

He sent Lewis and Clark off on a mission into the totally unknown to see if the United States might have a viable future in one day expanding its territory to the Pacific Coast. Partly as a result of their journey, President Polk, less than fifty years later, annexed California from Mexico and risked war with Great Britain to claim all the territory South of the 49th Parallel. Thus a great nation was born.

Our Time Travellers will make that epic journey side by side with Lewis and Clark. The voices they hear will speak their authentic words (taken from their detailed diaries). They will meet with their indispensable guide and friend, Sacajawea. We will see the land they travelled through, the dangers they faced, the wonders they saw, and we will see it very much as they saw it at the beginning of the nineteenth century. This will be an awesome journey for our Time Travellers and one that they may wish to repeat several times.

**Telephone poll response on Lewis and Clark**

Value Label	Frequency	Percent	Valid Percent	Cum
Very fav	332	66.0	66.0	66.0
Somewhat fav	78	15.5	15.5	81.5
Somewhat unfav	52	10.3	10.3	91.8
Very unfavourable	2	0.4	0.4	92.2
OK	13	2.6	2.6	94.8
	----	----	----	
Total	503	100.0	100.0	
Valid Cases	503		Missing Cases 0	

**Sailing with Drake**

The Time Travellers pass through the doors of a big Elizabethan tithe barn. Inside, they find themselves on a quayside in Plymouth harbour. It is night and by the light of flambeaux they can see the 'Golden Hinde', Sir Francis Drake's flagship, awaits them. On board it is like a theater. They sit, the sails fill and the ship leaves the quayside to start its epic journey. Dawn is breaking.

The story that unfolds in this "Dark Ride" takes place on huge hundred foot screens with sensurround sound, wind, spray and looming Spanish galleons, whales, etc. This voyage, which Sir Francis Drake undertook in 1557, is perhaps the greatest of all sea adventures. It was, at the same time, a challenge to the world's current super-power, Spain, in that he single-handed took on their Pacific fleet and left it ravaged, robbed and reeling. It was the modern equivalent of a trip to the moon. His goal was the ocean Spain considered her own, the Pacific; theirs from the tip of Tierra del Fuego to the unexplored coast of the Northwest. Since Spain controlled the narrow isthmus of Panama, her ships had no need to go round South America. Goods were simply trans-shipped across the thin piece of land, where the Canal was to be built by the United States, three centuries later. On the Pacific side, Spanish ships, laden with gold and silver from the Philippines and Peru, would land their treasure to be carried across to the Caribbean and Atlantic side where other Spanish ships transported the treasure to help finance their vast European Empire.

Drake, with the tacit approval of his Queen Elizabeth I, (Spain's arch rival) planned to attack the Spaniards where they least expected, in the Pacific. But to get there he had to sail around South America, through the dreaded Straits of Magellan. All down the Atlantic coast he seized ship after ship, taking their treasure.

At the end of their adventure, our visitors leave the ship at another point on the Plymouth quayside. From there they emerge into an Elizabethan village with coffee shops, a restaurant and book and gift shops. In the lake beyond a full and detailed replica of the Golden Hinde rides at anchor. Little boats take visitors out to investigate. Drake was a tough captain, but a true knight. Travelling with him on Drake's Dark Ride will be an experience no Time Traveller will forget.

**Telephone poll response to "Sailing with Drake" Dark Ride**

In a specially commissioned telephone poll of the local community the following responses were given to the question "Would you like to see this attraction?"

Value Label	Frequency	Percent	Valid Percent	Cum
Very fav	123	24.5	24.5	24.5
Somewhat fav	280	55.7	55.7	80.1
Somewhat unfav	41	8.2	8.2	88.3
Very unfavorable	24	4.8	4.8	93.0
OK	12	2.4	2.4	100.0
	----	----	----	
Total	503	100.0	100.0	
Valid cases	503	Missing cases	0	

**My Great Adventure**

"I will make my mark on the face of this earth and no man will ever wipe it out"

Using state-of-the-art movie making technique, wrap-around screens, and sensurround, our Empire Builders' Cinema Theater will feature a specially produced film based on what James Jerome Hill (1838-1916) called 'My Great Adventure'. Lasting twenty minutes, it will be to stream trains what the famous film 'Flight' is to the Air and Space Museum at the Smithsonian Institute in Washington D.C.

James J. Hill must have been one of the most admired men of his generation. In the age of the Robber Barons, the Astors, the Rockefellers, the Harrimans and others like them, who sailed very close to the legal, ethical wind on their way to make their fortunes, Hill stood out as a visionary Empire builder: honest, brilliant and innovative. He spurned the Federal subsidies that many other railmen squandered. His Great Northern Railway was one of the few never to go into receivership. He said of himself "Most men who have really lived have had, in some shape, their great adventure. This railway is mine". It was said of him, with some justice, when his task was nearly completed: "He has captured more territory with the coupling pin, and made it habitable for man, than did Julius Caesar with the sword". His friendship with that other giant of the North West, Frederick Weyerhaeuser, the timber magnate, was one of the keys to the development of the region.

As he drove the Great Northern Railway westward, parallel with the Canadian border, he recruited the population who would people his newly conquered territory. They came in their thousands from Europe and worked on the railway, while along

the way they founded homesteads out of sod and canvas, braving the freezing winters and the sodden springs, to create what are now towns and cities stretching all the way from Minneapolis to Seattle.

Our Time Travellers will participate in Hill's Great Adventure as the Iron Horses of Native American folklore huffed and puffed and hooted their way across canyons bridged by impossibly teetering wooden bridges, through avalanches, mud slides and attacks by a race of hunters who (correctly) saw the railroad as signalling the end of, at least part of, their way of life. The tremendous exhilaration which the powerful technological age of steam opened up for our great grandfathers is here for our Time Travellers to share in an epic motion picture made possible by the latest technology of our own exciting age.

Value Label	Frequency	Percent	Valid Percent	Cum
Very fav	78	15.5	15.5	15.5
Somewhat fav	304	60.4	60.4	75.9
Somewhat unfav	3	0.6	0.6	76.5
Very unfavorable	7	1.4	1.4	77.9
OK	21	4.2	4.2	82.1
Never heard	90	17.9	17.9	100.0
	----	----	----	
Total	503	503	100.0	
Valid cases	503	Missing cases	0	

### The Loggers

While the first three main attractions at the Discoverers Of The North West Time Traveller Park are enclosed in buildings with state of the art climate control, the loggers work as they always have, out in the weather (whatever it may be). Not only that, but they work with the machinery their great grandfathers would have used. Tall stacked steam trains running on narrow gauge rails, steam cranes for lifting logs on and off the railroad cars, steam cranes for lifting logs on and off the railroad cars, steam donkeys for dragging great felled trees down skid row. A cascade will be created to show how the abundant water of the region was harnessed by the loggers to move and manoeuvre the logs, and all the time the trains will circle, dumping logs for the lumberjacks to show their skills in handling them, till the cranes and the train retrieve them. To add to the excitement, a water chute, not unlike a Big Dipper at a fun fair, will carry kids and their parents hurtling along on log-like gondolas for a splash down in the log pool

Observing all this, will be other Time Travellers in the comfort of the passenger railroad cars, using steam trains of the same vintage, with their Victorian carriages and cabooses. This same railroad will link all the other attractions, the Drake Dark Ride, the Lewis and Clark Dark Water Ride, and the Empire Builders' Cinema Theatre. Only in the parking lot, outside the Park, will the Time Traveller return to being a visitor, a tourist picking up his twentieth century conveyance (which may yet, one day, have to return to some form of steam technology. It is noteworthy that America's latest scientific triumph is the world's smallest machine, the size of a speck of pollen, which is driven by steam).

Adjacent to the sawmill could be an exhibition of many artifacts connected with the logging business in the nineteenth century. Clearly, sawing and axe wielding competitions, as well as log rolling on the appropriate lake, could all be added activities in that area.

#### Telephone poll response to "Loggers"

Value Label	Frequency	Percent	Valid Percent	Cum
Very fav	145	28.8	28.8	28.8
Somewhat fav	262	52.1	52.1	80.9
Somewhat unfav	34	6.8	6.8	87.7
Very unfavourable	8	1.6	1.6	89.3
OK	19	3.8	3.8	93.0
Never heard	35	7.0	7.0	100.0
Total	1503	100.0	100.0	
Valid cases	503		Missing cases	0

#### The Native American Experience

This attraction is housed in a Pavilion structure which closely resembles a series of jointed tepees which allow for a continuous journey inside. The interior will accommodate a dark ride which will follow the story of a single tribe, and we are for the moment assuming the Siletz from the time of their genesis until the present day. Clearly it will be important to have extensive consultation with the tribal elders and with Native American historians. But without wishing to forecast their recommendations it is possible to visualise a journey 80% of which takes place before the first shot of a white man's gun is heard, so that the early part of the voyage reflects the development of hunting and gathering methods, the raising of children, the rites of passage between childhood and adulthood and the over-arching practising of religious belief.

A rivalry with neighbouring nations may be included and the first arrival of Europeans will be featured. Well before Lewis and Clark Spanish settlers began making contact from the south and then came the penetration of French missionary groups from the north and east at much the same time as British sailor adventurers who were making contact along the coast.

This is followed by the Siletz's reaction to the arrival of the Lewis and Clark expedition on their Columbia River border. Then the early settlers and the annexation of the Oregon territory by the United States, following a treaty with Great Britain. The subsequent treaties with the United States guaranteeing the Siletz vast tracks of land, now reduced to a few hundred acres, leads to the present day at which some hopeful statement relating to the future of the tribe may perhaps be left with the visitor.

The journey will use a mixture of film, diorama, models, etc., to relate the Siletz's history.

No Poll was undertaken on this Pavilion, as the format had not been agreed at the time of polling.

### The Park's Other Attractions

#### A Ghost Town (With a "Live" Restaurant/Bar)

This will consist of four clapboard framed buildings including a house, a stable with blacksmith and carriage mending facilities and a fairly western bar with a small theater stage. The restaurant/bar will feature hourly entertainments appropriate to the era, such as a Marlene Dietrich "look-alike" singer, a piano player and half a dozen dancers.

#### The Abandoned Gold Mine

This would, in effect, be a Victorian Ghost Train ride with appropriate period effects backed seamlessly by up-to-date screen projections, etc.

#### Chapel of Worship

A small "Pioneer" Chapel of Worship is an appropriate feature. At Gardaland in Italy a small Roman Catholic Chapel is permanently open and being used. In the case of our Chapel, which would be strictly ecumenical, weddings and christenings could be celebrated there and licensed by the State for this purpose.

#### The Dressing up House

This would be a modest colonial building, like a small warehouse/photographic studio. Featuring a dozen hampers full of dressing-up clothes with, at the end of the studio, a series of eighteenth and nineteenth century backgrounds painted on blinds which can be pulled down. Using a selection of cameras to recreate the moods and images of the nineteenth century families can dress up and have their group photographs taken.

### The Acrobatic Show

The Golden Hinde replica in the lake, which can be reached by small boats, will also be specially rigged for an acrobatic show provided from the spars, masts and rigging.

### Themed Restaurants and Bars

The Elizabethan village within the "Sailing with Drake" attraction will include a coffee shop and a restaurant. The "Ghost Town" restaurant will probably serve traditional American food.

We have also allowed for a railroad turntable building which could be designed to double as a "Straw Hat" theater in the round, with refreshments available.

### Merry-Go-Rounds

Close the entrance of the Park the Company would like to have an authentic, nineteenth century merry-go-round, but operating of course with the most modern machinery and technology so that its operation is trouble free and to the highest modern safety standards.



## MARKET DEMAND ANALYSIS

The most accurate method of projecting attendance at any attraction is by applying reasonable market "penetration" or capture rates to the available resident and visitor markets. This is the approach used to forecast attendance at the major attractions in the United States. This same method will be used to project the attendance levels for all our proposed Time Traveller Parks.

### Patterns of Market Penetration

Analysis of the experience of most major attractions domestically and internationally indicates that market penetration is a function of attraction size and scope, and that it varies inversely with distance, ie., the farther they have to travel, the less likely they are to come.

### Penetration Rates in Initial Operating Year 1

<u>Market Segment</u>	<u>Low</u>	<u>Probable</u>	<u>High</u>
Primary Resident	17.0%	20.0%	23.0%
Secondary Resident	7.7%	9.0%	10.4%
Tertiary Resident	4.3%	5.0%	5.8%
<b>Total Resident</b>	<b>14.0%</b>	<b>16.4%</b>	<b>18.9%</b>
Visitor Market	6.0%	7.0%	8.1%

<sup>1</sup> Assumed to be 1998  
Source: LARC

The penetration rate in 1998 for the most accessible market area, the primary segment, which contains those persons residing within a one-hour drive of the site, is projected to range from a low of 17.0% to a high of 23.0%. The probable penetration rate is estimated to be 20.0%. In a market area with a few attractions and population with a higher-than-average education level, these rates are reasonable for the proposed Time Traveller Park.

The penetration rates for the subsequent market segments decline as driving time increases. In the market area from one to two hours' driving time from the proposed site, or the secondary segment, penetration rates range from a low of 7.7% to a high of 10.4%, with the probable rate being 9.0%. The probable penetration rate for the tertiary segment, or two to three hours' driving time, is anticipated to be 5.0% with a predicted range from 4.3% to 5.8%.

The visitor segment was defined to include only out-of-state, including international, tourists to the Metro Portland and Willamette Valley regions of Oregon. It is anticipated that the penetration rate for this segment will range from a low of 6.0% to a high of 8.1%. The probably rate of penetration for the time visitor market is estimated to be 7.0%. The probably total market penetration rate for the proposed Time Traveller Park is expected to be 9.8%.

**Attendance**

Based upon the penetration rates and projected market sizes, attendance at the proposed attraction in the first operating year is projected to be approximately 922,000 guests, within a predicted range of from 784,000 to 1,060,000 guests. This data is shown in the next table.

<b><u>Market Segment</u></b>	<b><u>Low</u></b>	<b><u>Probable</u></b>	<b><u>High</u></b>
Primary Resident	334,000	393,000	452,000
Secondary Resident	40,000	47,000	54,000
Tertiary Resident	<u>12,000</u>	<u>14,000</u>	<u>16,000</u>
<b>Total Resident</b>	<b>386,000</b>	<b>454,000</b>	<b>522,000</b>
Visitor Market Attendance	<u>398,000</u>	<u>468,000</u>	<u>538,000</u>
<b>Total Attendance</b>	<b>784,000</b>	<b>922,000</b>	<b>1,060,000</b>

Source: LARC

Attendance has been projected for the first five years of operation. LARC made this forecast based on the assumption that the Time Traveller Park will be well-designed and executed and operated in the same high-quality manner as similar, successful entertainment facilities. As presented in the following table, attendance is expected to increase annually, with an overall increase of 15.8% during the five-year period, reaching a forecast level of approximately 1,068,000 guests during the fifth operating year. This growth is also based on the facility introducing new attractions annually.

**Attendance Projection 1998 - 2002**

<b><u>Market Segment</u></b>	<b><u>1998</u></b>	<b><u>1999</u></b>	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>
Primary Resident	393,000	407,000	413,000	415,000	427,000
Secondary Resident	47,000	53,000	60,000	62,000	64,000
Tertiary Resident	<u>14,000</u>	<u>15,000</u>	<u>20,000</u>	<u>21,000</u>	<u>21,000</u>
Resident Market Attend	454,000	475,000	493,000	498,000	512,000
Visitor Market Attend	<u>468,000</u>	<u>494,000</u>	<u>514,000</u>	<u>539,000</u>	<u>556,000</u>
<b>Total Attendance</b>	<b>922,000</b>	<b>968,000</b>	<b>1,007,000</b>	<b>1,037,000</b>	<b>1,068,000</b>
Annual Increase	-	5.0%	4.0%	3.0%	3.0%

Source: LARC

As shown in the next table, attendance between the resident and visitor markets is evenly split, indicating that the project, to be successful, must effectively penetrate the resident market and visitor market segments equally. A strong marketing program, begun early, and targeting residents and tourists is being planned by TTP. This is especially important for the resident market because until the project becomes well-known in more distant market areas through promotions and word-of-mouth publicity, the attraction will rely heavily upon the primary resident market for support.

The following table presents the attendance mix by market segment forecast for the first five operating years. The proportion of attendance from the resident market segments is expected to decrease slightly over the five-year period as the newness of the project wears off. This is the reason why we plan to reinvest an amount starting at \$US1.0 m each year in the attraction's renewal. The visitor market segment is expected to become increasingly important as word-of-mouth and advertising targeting this segment become more effective over time.

#### Attendance Mix by Market Segment

<u>Market Segment</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Primary Resident	42.6%	42.0%	41.0%	40.0%	40.0%
Secondary Resident	5.1%	5.5%	6.0%	6.0%	6.0%
Tertiary Market	1.5%	1.5%	2.0%	2.0%	1.5%
Total Resident	49.2%	49.0%	49.0%	48.0%	48.0%
Visitor Market	50.8%	51.0%	51.0%	52.0%	52.0%
Total Attendance	100.0%	100.0%	100.0%	100.0%	100.0%

Source: LARC

As the word-of-mouth knowledge of the project radiates geographically from the Portland-Salem area over time, the popularity of the project can be expected to grow in the market segments more distant from the site, in particular, the secondary and tertiary resident and visitor markets. By the fifth year of operation, the project should generate at least 52% of its attendance from out-of-state visitors.

Resulting penetration rates by market segment are presented in the next table. The table indicates that the penetration in the primary resident market remains fairly stable over the planning period while each of the other market segments are further penetrated. It is anticipated that penetration rates in all market segments should stabilize by year five. Total market penetration in year five is anticipated to be 10.5%, an increase from 9.8% in year one.

#### Penetration Rate Forecast

<u>Market Segment</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Primary Resident	20.0%	20.4%	20.3%	20.1%	20.3%
Secondary Resident	9.0%	10.1%	11.2%	11.5%	11.7%
Tertiary Market	5.0%	5.3%	7.0%	7.2%	7.1%
Total Resident Market	16.4%	16.9%	17.3%	17.2%	17.4%
Visitor Market	7.0%	7.2%	7.4%	7.6%	7.7%
Total Available Market	9.8%	10.1%	10.3%	10.4%	10.5%

Source: LARC

### Operating Calendar

After considering weather conditions, school holidays and schedules, and public holidays, a typical operating calendar has been developed. The following table illustrates the anticipated annual operating calendar for the proposed Time Traveller Park, which should initially allow for approximately 289 days of full operations, corresponding to the 1998 calendar. This can be considered to be the basic operating season of the project. This total does not include any days in the off-season that portions of the attraction may be opened for private groups, parties and conventions.

### Typical Operating Calendar by Month Initial Operating Year - 1998

<u>Month</u>	<u>Week Days</u>	<u>Weekends/ Holidays</u>	<u>Total Days</u>
January	1	9	10
February	0	8	8
March	22	9	31
April	22	8	30
May	20	11	31
June	22	8	30
July	22	9	31
August	21	10	31
September	21	9	30
October	22	9	31
November	0	10	10
December	<u>8</u>	<u>8</u>	<u>16</u>
<b>Total</b>	<b>181</b>	<b>108</b>	<b>289</b>

### Distribution of Attendance

The projected monthly distribution of attendance in each of the first five operating years is presented in the following table. The peak month of attendance during the operating season is projected to be August, based on holiday and travel patterns and the number of weekend days. Attendance during this month in 1998 is anticipated to be 175,200 guests, representing 19% of total anticipated attendance. January and February are each expected to be the lowest attended months, only generating 1% of annual attendance in each of those months. After the first operating year, experience may dictate closing for upkeep and maintenance in those months. Regardless, limited staffing and operating hours should be considered.

**Projected Monthly Attendance**

<u>Month</u>	<u>% Of Total<sup>1</sup></u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
January	1.0%	9,200	9,700	10,100	10,400	10,700
February	1.0%	9,200	9,700	10,100	10,400	10,700
March	5.0%	46,100	48,400	50,400	51,900	53,400
April	8.0%	73,800	77,400	80,600	83,000	85,400
May	11.0%	101,400	106,500	110,800	114,100	117,500
June	15.0%	138,300	145,200	151,100	155,600	160,200
July	18.0%	166,000	174,200	181,200	186,700	192,200
August	19.0%	175,200	183,900	191,200	197,000	202,900
September	9.0%	83,000	87,100	90,600	93,300	96,100
October	6.0%	55,300	58,100	60,400	62,100	64,100
November	4.0%	36,900	38,800	40,300	41,400	42,700
December	3.0%	27,600	29,000	30,200	31,100	32,100
Total	100.0%	922,000	968,000	1,007,000	1,037,000	1,068,000

<sup>1</sup>Expected to remain constant over five-year planning period

Source: LARC

The following table establishes the monthly and daily distribution of projected attendance. Based on data from the International Association of Amusement Parks and Attractions (IAAPA), other industry information, and the experience of other attractions, weekends (Saturday and Sunday) are expected to account for 40% of weekly attendance, or 1.7 times the average weekday attendance. Average daily attendance during the peak month, August, is estimated to be approximately 7,900 guests in the first operating year. In the third year, 2000, or the planning year, weekend daily attendance is projected to be 8,600 guests. This establishes the 'design day' necessary for planning the project's facilities and attraction mix, and the Time Traveller Park will be planned properly to handle the anticipated crowds.

**Monthly and Daily Attendance**  
**Initial Operating Year - 1998**

<u>Monthly</u>	<u>Weekly</u>		<u>Weekend</u>		
<u>Month</u>	<u>Attendance</u>	<u>% of week</u>	<u>No.</u>	<u>% of Week</u>	<u>No.</u>
January	9,200	12%	800	20%	1,300
February	9,200	12%	1,000	20%	1,600
March	46,100	12%	1,200	20%	2,100
April	73,800	12%	2,100	20%	3,400
May	101,400	12%	2,700	20%	4,600
June	138,300	12%	3,900	20%	6,500
July	166,000	12%	4,500	20%	7,500
August	175,200	12%	4,700	20%	7,900
September	83,000	12%	22,300	20%	3,900
October	55,300	12%	1,500	20%	2,500
November	36,900	12%	3,100	20%	5,200
December	27,600	12%	1,500	20%	2,400
Total	922,000	na	na	na	na

Source: LARC

CONFIDENTIAL

The third year for this project, 2000, is considered the planning year for determining the appropriate guest services and amenities.

**Summary of Attendance Parameters**

<b><u>Category</u></b>	<b><u>1998</u></b>	<b><u>1999</u></b>	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>
Projected Attendance	922,000	968,000	1,007,000	1,037,000	1,068,000
Peak Mth Attendance	175,200	183,900	191,300	197,000	202,900
Weekly Attendance	39,600	41,500	43,200	44,500	45,800
Design Day Attendance	7,900	8,300	8,600	8,900	9,200
Peak In-Project Attendance	3,950	4,150	4,300	4,450	4,600
Peak Arrival Hour <sup>1</sup>	1,580	1,660	1,720	1,780	1,840
Length of Stay in Hours	5.0	5.0	5.0	5.0	5.0

<sup>1</sup>Anticipated to be 11 a.m. to noon.

Source: LARC

## MARKET OVERVIEW

### The Media Climate of our Times

It is a truism that every new media invention, every new way to tell a story that has emerged since the beginning of the century, has been heralded as the death of previous media. Yet books flourish, radio is alive and well, even as a story telling medium (in Britain at least). Theater is still with us, and even what we (in the trade) call 'steam television', to differentiate it from cable, video disc etc, seems likely to survive provided it keeps on reinventing itself to suit its audiences' tastes.

Noticeably, those audiences are increasingly demanding some information along with their entertainment. Since, in the US, most new programs are designed primarily to entertain, a means of selling advertising space, rather than simply using the medium to dispense news and information generally, it has left the public starved of really useful knowledge about the significant present.

Let alone the significant past.

Cable and subscription T.V. is finding it can help fill that gap, and do so profitably. Coincidentally, museums and exhibitions flourish. Hardly a day goes by without a new museum opening somewhere in the USA. Whilst most of these are 'not for profit', they indicate a perceived need on the part of the public to know more of their past and about their environment.

What is true in the U.S., particularly in the Northwest, is also true in Canada and in the United Kingdom and Germany.

Our concept of offering high levels of entertainment while seeking to conjure up the atmosphere, the very taste and smell as it was of the past, is part of the same trend. Time Traveller Parks are very much a venture whose time has come.

### A new Medium out of Old Media

Mixed media shows are not new. Projections, effects, music, all mixed up, are as old as The Rolling Stones.

But for the most part the new media: The Imax Screen projections, holograms, simulators, 3-D films etc are all used to impress the audience with the technical wonder of it all. And it does. And money is made.

But, storytelling, on radio, in the Cinema, on the stage, on television requires the suspension of disbelief to be successful. So, to achieve this, the medium itself must never intrude when a story is being told.

Time Traveller Parks will use part of virtually all the current new media available and much of the old. But it will only use these media to help tell the story. Never to draw attention to 'what a clever technique' TTP has acquired. The Sega/IMAX 3D Adventure in Niigata in Japan is typical of technology which will be used only if it serves the story we are telling in a given park. It is important to emphasise again and again that in our parks the medium is not the message. The story is the message and the medium is selected to serve the story.

We may be defined for some people by what we are not. We are not the Circus. We are not Carney. We are not primarily in the shock, horror business, although just occasionally we will provide both when a true story dictates it.

We use and we are an ad hoc mixture of every useful media tool that comes to hand, and there are now so many. We are a NEW MEDIUM in the field of storytelling.

The welcome our proposals are receiving internationally helps prove that the market has prepared our niche - and is waiting for us to fill it.



## MARKETING

The marketing of all the parks will be a critical factor, both pre-opening and in the coming years. Although each different country will dictate separate strategies, principles will remain very much the same.

In the case of Oregon, even before the final selection of the site, we have started the 'Marketing Process' because of the long lead times necessary. This process includes:

### A Steering Group

Under the leadership of Spring O'Brien Limited, with its experience in hotel, transport and supermarket facility launches, we will create a Steering Group consisting of:

- Spring O'Brien Limited (London/New York)
- The Park Management
- Oregon Public Relations Consultancy
- Oregon Advertising Agency
- LARC
- Historical Common Interest Corp ie. Lewis & Clark Committees, Affiliated Tribes of Northwestern Indians etc.
- Historical Societies

This group will begin to map out the marketing policy, allocate tasks to others and create a Timing Plan.

We would ensure that we co-opted, whenever appropriate, the public relations departments of interested parties, such as sponsors, so that their interests are met and their knowledge and expertise (and budgets) are used.

These can include, but by no means be limited to:

- State of Oregon
- City of Oregon
- Department of Tourism
- Railroads
- Logging Industry

### 'Brand' Identity

One of the first tasks is to create an identity for 'The Discoverers of the Northwest' Park, on which all merchandising and promotion will be based.

It will be different in its style from other 'brands' ie. Toronto, Manchester, Berlin and also different from the 'Corporate Identity' of International Time Traveller Parks Inc (ITTP), which has been designed with a more financial and corporate feel.

### **Budget**

A substantial budget has been allocated to marketing the Park each year. Obviously there is heavy expenditure and effort before opening and in the first year, but experience dictates that each year will require substantial effort to maintain interest, announce new features and therefore continue to increase attendance.

### **Markets**

We will use the LARC feasibility study to guide both the expenditure and marketing mix. This will determine the allocation of funds to local, national and international markets.

### **Marketing Tools**

We envisage a highly integrated program, in which each of the marketing tools feeds off the others. These tools will include:

- Advertising (consumer and tourism)
- Advertising (travel trades)
- Co-operative advertising
- Public relations
- Sponsorship
- Direct marketing

### **Advertising Media**

A broad spectrum of advertising media will be used to fit each market segment. For instance:

- Television (Oregon, neighbouring States and Canada)
- Radio (as above)
- Print (newspapers, magazines, directories)
- Outdoor (posters)
- Leaflets, handouts.

### **Public Relations**

The public relations effort would include:

- News releases
- Video news releases
- Interviews
- Journalist visits
- Historical articles
- etc

These public relations efforts will include other interested parties and will start almost at once with announcement features, interviews with key people (participants, historical groups, architects).

### **Merchandising**

- Publishing
- Posters
- Clothing - T-shirts, etc.,
- Videos, audio tapes, CD-Rom
- Gifts
- Merchandising announcements and allied advertising

### **Educational Program**

Because of the historically accurate and educational aspects of our Parks, detailed planning will take place with the Department of Education and the hundreds of schools and other facilities within our target market area.

We will ensure, where appropriate, that the Park becomes part of the regular education process in the area and we will produce collateral material to support this aspect. LARC have estimated that 300,000 school children may visit the Park during school hours in the Spring and Fall semesters.

## CAPITAL COSTS FOR THE OREGON PARK

Time Traveller Parks use a very wide variety of equipment and it is manufactured all over the world. We have sought quotations where we believe the highest quality work can be had, not necessarily at the lowest cost. In no case where there was more than one bidder have we taken the lowest. Closely allied to the need for quality is the absolute necessity of taking every possible precaution in the interests of the public's safety.

- Intamin is a Swiss Company and an acknowledged leader in their field, which is building rides, conveyances of all kinds and simulators. They work all over the world, and have done many major funfair projects in the USA and all over South East Asia.
- Electrosonic is an Anglo/American company with offices in Los Angeles. Their work with huge video screen projectors is probably the most advanced in the world.
- Stage Works built a Viking Ship, which seats 200 people, to the design of our designer Derek Nice, for a dark water ride which features a journey across the Baltic Sea and up the Russian Rivers. Their prices are competitive. Their scope of work runs the gamut from Major Motion Picture to Grand Opera.
- Ride Trade is a subsidiary of Intamin and a leader in the simulator business. Their factory is in Germany.
- Mike Severn-Lamb builds replicas of Steam Engines, and has had many of the major park companies as clients, including Disney.
- Euro Center Productions (Jersey) Ltd is the "rights" owning company belonging to Donough O'Brien and Robin Hardy with a 50/50 share ownership and will act as film producers. Robin Hardy (resume p.) has written, directed and produced every type of motion picture from television commercials to full feature films. The film production created for the ITTP will be wholly owned as to copyright and exploitation rights by ITTP. The production work will be completed at cost plus a 15% overhead charge. This will be far more economical than sub-contracting to any other motion picture company and the control of production will be as direct as it possibly can be.
- The Euro Center network are a group of independent companies co-ordinated by Donough O'Brien out of New York and London, England. Their function is primarily to market and publicise American and Canadian goods and services throughout the world and they are unique in that function.

Allowance has been made for all these companies to send engineers, designers and other specialists on extended trips to Oregon in the assembling stage. Allowance is also made for extensive after-sale servicing.

<b>SUPPLIER/SPECIALISATION</b>	<b>PROJECT/ITEM</b>	<b>COST/CURRENCY (US\$)</b>
ECTTP/LARC Project Development	<b>Feasibility study</b> and preparatory services work in Oregon & England	\$ 500,000
<b>Colliers International</b>	<b>Site Acquisition</b>	\$3,250,000
<b>CH2M Hill</b> Architects/Engineers (Corvallis)	<b>Site Preparation</b> incl, water works and landscaping	\$3,400,000
	<b>Total</b>	<b>\$7,150,000</b>
<b>Border Oak</b> (Herefordshire UK, offices Connecticut & Virginia USA)	<b>DRAKE'S PAVILION</b> <b>Elizabethan Village</b> Contingency for shipping & transport Shop furnishings	\$1,064,201 \$ 288,000 \$ 250,000
<b>CH2M Hill</b> <b>Electrosonic</b> (Kent, UK, offices LA, USA) <b>DHA Design</b> (Adam Grater) <b>Stage Works</b> (Cardiff, Wales) <b>Saxon Lifts</b> <b>Euro Center Productions Ltd</b>	<b>Drake Dark Ride</b> Buildings Projection/Screen  Lighting  Golden Hinde & all scenery Hydraulics - Saxon Ship Simulator trials/shipping Production Costs <b>Total</b>	\$1,000,000 \$1,056,000 (£660,000)  \$ 85,760 (£53,600)  \$1,008,000 (£630,000) \$ 284,800 (£130,000) \$1,000,000 <b>\$6,036,761</b>
<b>CH2M Hill</b> <b>Intamin</b> (Zurich Switzerland)	<b>LEWIS &amp; CLARK PAVILION</b> <b>Lewis &amp; Clark Dark Ride</b> Building Flumes/Gondolas etc.	\$1,750,000 \$2,220,000 (CHF2,800,000)

## CAPITAL COSTS I

Electrosonic (UK and USA)	<b>LEWIS &amp; CLARK PAV. (contd)</b> Projection/Screens/Control computers & sound	\$1,116,800 (£698,000)
DHA Design (Adam Grater - UK)	Lighting	\$ 400,000 (£250,000)
Stageworks	Shipping & installation	\$ 500,000
Euro Center Productions	Scenery	\$ 300,000
	Production Costs	\$1,000,000
	<b>Total</b>	<b>\$7,286,800</b>
CH2MHill	<b>CINEMA "My Great Adventure"</b>	
Ride Trade (RTC) (Liechtenstein)	Building	\$1,000,000
	Projection Systems	\$ 638,736 (CHF 805,000)
	48 seats	
Euro Center Productions	Film	\$1,998,301
DHA Design	Lighting	\$ 11,200 (£7,000)
	Shipping & Installation	\$ 200,000
	<b>Total</b>	<b>\$3,848,237</b>
CH2MHill	<b>LOGGING LAKE</b>	
Mike Severn-Lamb (Stratford UK)	Sawmill	\$ 250,000
	Engines and rolling stock	\$ 450,000
	Water slide for children (Check quote)	\$ 200,000
	<b>Total</b>	<b>\$ 900,000</b>
	<b>NATIVE AMERICAN VILLAGE</b>	
	<i>Estimate</i>	<b>\$1,000,000</b>
Stage Works (Wales)	<b>GOLDEN HINDE LAKE</b>	
	Building Golden Hinde & mounting in lake	\$ 560,000
	Boats to service Golden Hinde	\$ 175,000
	<b>Total</b>	<b>\$ 735,000</b>

## CAPITAL COSTS II

	<b>OTHER ATTRACTIONS:</b>	
	Ghost Town	\$ 600,000
	Abandoned Gold Mine	1,000,000
	Chapel of Worship	90,000
	Dressing-up House	120,000
	Aerobatics Show	70,000
	Hot Air Balloons	150,000
	Native American Village	400,000
	Logging Section	25,000
	Theme Restaurants & Bars	700,000
	Merry-go-round	250,000
	Lakeside Pavilion & Boating Center	500,000
	<b>Total</b>	<b>\$ 3,905,000</b>
Farleigh, Wada & Witt (Portland)	<b>Start Up Accountancy &amp; Legal fees</b>	<b>\$ 280,000</b>
T.S.R. Insurances (Lloyds London)	<b>Insurances</b>	<b>\$ 200,000</b>
	<b>Architect/Engineering fees</b>	<b>\$ 700,000</b>
	<b>SUB TOTAL</b>	<b>\$32,041,798</b>
	<b>Contingency 10%</b>	<b>\$ 3,204,180</b>
	<b>TOTAL</b>	<b>\$35,245,978</b>

### CAPITAL COSTS III

**Note:** The cost of the railroad station, really a "halt" with a small ticket office and waiting room, will be \$75,000 approximately but it has not, as yet, been sanctioned by the relevant railroad companies and may not be available in the first year of operation. For this reason it has not been included in the capital costs above.

## **THE OREGON PARK - FINANCIAL PROJECTIONS**

### **ASSUMPTIONS USED IN PREPARATION OF PROJECTIONS**

#### **1. TIMETABLE FOR BUILDING AND OPENING THE PARK**

Building work starts in 1997 and the park opens for business on 1st January 1999 following two months of pre-opening operations for staff training and operational testing.

#### **2. REVENUES**

1999-2003 is as per the LARC report

2004-2008 have been calculated assuming a 2% increase per annum.

#### **3. COSTS**

1999-2003 is as per the LARC report with the addition of the costs noted below. 2004-2008 have been calculated assuming a 2% increase per annum.

The following costs have been added:

- A management fee
- Royalties paid by the Oregon park to ITTP are reduced from 7% as in the LARC study to 1.75% of revenues to match the actual overheads in ITTP for developing and managing the Oregon park
- Pre-opening costs
- Deprecation on a straight line basis at rates of 5% (buildings) and 10% (equipment) on the original cost and improvements
- Taxation based on the profit as adjusted for tax purposes at a rate of 38.5%

#### **4. FINANCING**

The company raises \$30 million in equity and \$10 million as loans or equipment leases repayable over 8 years from 1999. The capital raised will fund the building of the park and the necessary working capital. Interest is assumed at 12%. No credit is given for interest on cash balances.



ITTP

# THE OREGON TIME TRAVELLER PARK

BUDGET 1997 TO 2003

	\$ 1997	\$ 1998	\$ 1999	\$ 2000	\$ 2001	\$ 2002	\$ 2003
<b>REVENUE</b>							
Ticket Sales			11,709,000	12,661,000	13,564,000	14,394,000	15,272,000
Concessions			7,652,000	8,349,000	9,024,000	9,657,000	10,333,000
Total			19,361,000	21,010,000	22,588,000	24,051,000	25,605,000
<b>COSTS</b>							
Concessions cost of sales			2,937,000	3,203,000	3,461,000	3,704,000	3,963,000
Payroll & Related	100,000	150,000	3,367,000	3,569,000	3,783,000	4,010,000	4,251,000
Advertising & Promotion		300,000	1,365,000	1,447,000	1,534,000	1,626,000	1,724,000
Operating Supplies		83,333	500,000	520,000	541,000	563,000	586,000
Repair & Maintenance		113,667	682,000	750,000	900,000	1,080,000	1,296,000
In-Park Entertainment			455,000	473,000	492,000	512,000	532,000
Insurance		37,833	227,000	236,000	245,000	255,000	265,000
Utilities		144,000	864,000	907,000	952,000	1,000,000	1,050,000
Time Traveller Park Royalty			338,750	367,750	395,250	421,000	448,000
Miscellaneous		75,833	455,000	473,000	492,000	512,000	532,000
Management Fee Flat	75,000	150,000	150,000				
Management Fee incentive				197,000	235,000	267,000	297,000
Depreciation			2,297,602	2,397,602	2,522,602	2,647,602	2,797,602
Loan Interest	300,000	1,200,000	1,125,000	975,000	825,000	675,000	525,000
Total Costs	475,000	2,254,666	14,763,352	15,515,352	16,377,852	17,272,602	18,266,602
Profit before Tax	-475,000	-2,254,666	4,597,648	5,494,648	6,210,148	6,778,398	7,338,398
Taxation	0	0	0	-399,951	-1,433,644	-1,631,630	-1,822,590
Profit after Tax	-475,000	-2,254,666	4,597,648	5,094,697	4,776,504	5,146,768	5,515,808

ITTP

## THE OREGON TIME TRAVELLER PARK

BUDGET 2004 TO 2008

	\$ 2004	\$ 2005	\$ 2006	\$ 2007	\$ 2008
<b>REVENUE</b>					
Ticket Sales	15,577,000	15,889,000	16,207,000	16,531,000	16,862,000
Concessions	10,540,000	10,751,000	10,966,000	11,185,000	11,409,000
 Total	 26,117,000	 26,640,000	 27,173,000	 27,716,000	 28,271,000
 <b>COSTS</b>					
Concessions cost of sales	4,042,000	4,123,000	4,205,000	4,289,000	4,375,000
Payroll & Related	4,336,000	4,422,000	4,510,000	4,600,000	4,692,000
Advertising & Promotion	1,758,000	1,793,000	1,829,000	1,866,000	1,903,000
Operating Supplies	598,000	610,000	622,000	634,000	647,000
Repairs & Maintenance	1,322,000	1,348,000	1,375,000	1,402,000	1,430,040
In-Park Entertainment	543,000	554,000	565,000	576,000	588,000
Insurance	270,000	275,000	280,000	286,000	292,000
Utilities	1,071,000	1,092,000	1,114,000	1,136,000	1,159,000
Time Traveller Park Royalty	457,000	466,250	475,500	485,000	506,500
Miscellaneous	543,000	554,000	565,000	576,000	588,000
Management Fee	312,000	330,000	344,000	350,000	349,000
Depreciation	2,947,602	3,022,602	3,197,602	3,397,602	3,597,602
Loan Interest	750,000	225,000	75,000		
 Total Costs	 18,949,602	 18,814,852	 19,157,102	 19,597,602	 20,127,142
 Profit before Tax	 7,167,398	 7,825,148	 8,015,898	 8,118,398	 8,143,858
Taxation	-1,732,115	-1,972,644	-3,822,088	-3,938,550	-3,915,242
Profit after Tax	5,435,283	5,852,504	4,193,810	4,179,848	4,228,616

ITTP  
**THE OREGON TIME TRAVELLER PARK**  
 SOURCE AND APPLICATION OF FUNDS  
 1997 TO 2008

	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
Net Profit / Loss after tax	- 475,000	- 2,254,666	4,597,648	5,094,697	4,776,504	5,146,768	5,515,808	5,435,283	5,852,504	4,193,810	4,179,848	4,228,616	
Depreciation			2,297,602	2,397,602	2,522,602	2,647,602	2,797,602	2,947,602	3,022,602	3,197,602	3,397,602	3,597,602	
Cash Flow from Operations	- 475,000	- 2,254,666	6,895,250	7,492,299	7,299,106	7,794,370	8,313,410	8,382,885	8,875,106	7,391,412	7,577,450	7,826,218	
Issue of Shares	15,000,000	15,000,000											
Debt drawdown / (repayment)	5,000,000	5,000,000	- 1,250,000	- 1,250,000	- 1,250,000	- 1,250,000	- 1,250,000	- 1,250,000	- 1,250,000	- 1,250,000			
Capital Expenditure	- 18,000,000	- 17,250,000	- 1,000,000	- 1,000,000	- 1,250,000	- 1,250,000	- 1,500,000	- 1,500,000	- 1,750,000	- 1,750,000	- 2,000,000	- 2,000,000	
Working Capital			- 1,000,000										
Cash Flow	1,525,000	495,334	3,645,250	5,242,299	4,799,106	5,294,370	5,563,410	5,632,885	5,875,106	4,391,412	5,577,450	5,826,218	
Closing cash	1,525,000	2,020,334	5,665,584	10,907,883	15,706,989	21,001,359	26,564,769	32,197,654	38,072,760	42,464,172	48,041,622	53,867,840	

# The Oregon Time Traveller Park interest calculation

## ITTP LOAN INTEREST

	1997	1998	1999	2000	2001	2002	2003	2004
Year start / advance	5,000,000	10,000,000	10,000,000	8,750,000	7,500,000	6,250,000	5,000,000	3,750,000
average balance	5,000,000	10,000,000	9,375,000	8,125,000	6,875,000	5,625,000	4,375,000	3,125,000
Year end balance	5,000,000	10,000,000	8,750,000	7,500,000	6,250,000	5,000,000	3,750,000	2,500,000
Interest at 12%	300,000	1,200,000	1,125,000	975,000	825,000	675,000	525,000	375,000

	2006
Year start / advance	1,250,000
average balance	625,000
Year end balance	-
Interest at 12%	75,000

## Notes

1. Loan drawn down \$5m July 1997 \$5m January 1998
2. Monthly payments of interest and capital therefore interest calculated on average balance outstanding

# TAX CALCULATIONS

## ITTP

### Taxation Oregon Park

	1997	1998	1999	2000	2001	2002	2003	2004	2005
Profit before tax	- 475,000	- 2,254,666	4,597,648	5,494,648	6,210,148	6,778,398	7,338,398	7,167,398	7,825,148
Loss brought forward	-	475,000	4,229,666	2,022,416					
Depreciation	-	-	2,297,602	2,397,602	2,522,602	2,647,602	2,797,602	2,947,602	3,022,602
Tax write down Build	-	-	4,545,000	4,545,000	4,545,000	4,545,000	4,545,000	4,545,000	4,545,000
Tax write down improvement	-	-	143,000	286,000	464,000	643,000	857,000	1,071,000	1,179,000
Adjusted Profit for year	- 475,000	- 2,729,666	2,022,416	1,038,834	3,723,750	4,238,000	4,734,000	4,499,000	5,123,750
Tax at 38.5%	-	-	-	399,951	1,433,644	1,631,630	1,822,590	1,732,115	1,972,644
Original Build	15,000,000	31,675,000							
Improvements (cumulative)			1,000,000	2,000,000	3,250,000	4,500,000	6,000,000	7,500,000	8,250,000

	2006	2007	2008
Profit before tax	8,015,898	8,118,398	8,143,858
Depreciation	3,197,602	3,397,602	3,597,602
Tax write down Build			
Tax write down improvement -	1,286,000	1,286,000	1,572,000
Adjusted Profit	9,927,500	10,230,000	10,169,460
Tax at 38.5%	3,822,088	3,938,550	3,915,242
Original Build			
Improvements (cumulative)	10,000,000	12,000,000	14,000,000

## FINANCIAL DYNAMICS OF ITTP

The attached schedule "A" gives the capitalisation of Euro Center Time Traveller Parks (Jersey) Ltd, its conversion into ITTP and the equity financing for the Oregon park. In the exchange from ECTTP to ITTP, 1 share of ECTTP is exchanged for 10 shares of ITTP. The seed investors for the Oregon park receive an equal number of convertible preference shares which are convertible into common on completion of the financing for the Oregon park.

As spelled out in the previous section, the net income for the Oregon park and, it is assumed, for each of the subsequent parks, moves from a loss of \$475,000 in the initial year to a profit after tax of \$4.6 million in year three, of \$5.1 million in year six, of \$5.9 million in year nine and of \$4.2 million in year twelve. Capital cost allowances related to the original build exhaust in year nine.

Assuming a new park is undertaken in each year from 1997 through 2001 (five in total), and each park is financed 25% by borrowings, the amount of equity to be raised for each new park declines from \$30 million for the first park to \$13.5 million for park five, this achieved by using surplus cash flow. After the fifth park is financed, surplus cash flow will amount to \$4.4 million in 2002, rising to \$24.5 million in 2003 and between \$26.5 million and \$27.3 million in each of 2004 through 2008. Thus ITTP will be able to just about internally finance the equity for one new park in each of 2003 through 2008.

Assuming new shares are issued as necessary for each of the first five parks and at prices per share starting at \$748 for Oregon and rising by 10% for each park thereafter, the total shares outstanding in 2001 will be 124,217 and the equity raised will be \$96.6 million. Net income of ITTP will be \$11.7 million in 2001, \$17.3 million in 2002, \$25.9 million in each of 2003/4 and \$26.7 million in 2005. Without the benefit of additional parks beyond five, net income modestly declines after 2005 to \$23.9 million in 2008.

In 2003 the after tax return on equity is 17.5%. The earnings per share are \$202.87. Assuming a market capitalisation of 20 times earnings, ITTP would have a market value of \$504 million and a share price of \$4,057. Such a price represents a compound annual return of about 33% to the equity investor in the Oregon park.

Apart from the above anomaly, the model shows the debt/equity ratio of ITTP progressively declining from the starting 25/75 as debt is paid off. It is safe to assume the amount of new equity required for new parks beyond the first two or three can be reduced by restoring the debt/equity ratio of ITTP consolidated to at least 25/75, if not higher. As well, the premium interest rate of 12% should decline. Furthermore, no account has been given for interest received in the growing cash pool after 2002. Thus the above noted net income and earnings per share should be enhanced with consequent benefit to ROE, market value per share and total market capitalisation.

The following schedule "B" gives summary highlights from the financial statement projections of ITTP as a five park company.

## Schedule "A"

Euro Center Time Traveller Parks (Jersey) LtdCapitalisation

	<u>Value Received</u>	<u>Shares</u>	<u>%</u>
Euro Center Productions	In kind	510	50
Other investors - Now	\$380,000	359	
Shortly	<u>\$214,000</u>	<u>151</u>	
	\$594,000	510	50

ITTP Capitalisation including Oregon

- ECTTP into ITTP on 10 for 1 basis	10,220 shares		
- New equity required	\$30 million		
	<u>Cash Rec'd</u>	<u>Number</u>	<u>%</u>
- Existing shares	\$594,000	10,200	20
- Seed investors for Oregon	Free on Conv.	693	1.4
- New issue	<u>\$30,000,000</u>	<u>40,107</u>	78.6
	<u>\$30,594,000</u>	<u>51,000</u>	100
	=====	=====	
- Each new share sold for \$748			

ITTP  
**Five PARK OPERATION**  
 Earnings per Share  
 1997 TO 2008

	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
Net Profit / Loss after tax													
Park 1	- 475,000	- 2,254,666	4,597,648	5,094,697	4,776,504	5,146,768	5,515,808	5,435,283	5,852,504	4,193,810	4,179,848	4,228,616	
Park 2	-	475,000	- 2,254,666	4,597,648	5,094,697	4,776,504	5,146,768	5,515,808	5,435,283	5,852,504	4,193,810	4,179,848	
Park 3			475,000	- 2,254,666	4,597,648	5,094,697	4,776,504	5,146,768	5,515,808	5,435,283	5,852,504	4,193,810	
Park 4				475,000	- 2,254,666	4,597,648	5,094,697	4,776,504	5,146,768	5,515,808	5,435,283	5,852,504	
Park 5					475,000	- 2,254,666	4,597,648	5,094,697	4,776,504	5,146,768	5,515,808	5,435,283	
Total Profit/Loss after tax	- 476,000	- 2,729,666	1,867,982	6,962,679	11,739,183	17,360,961	25,131,425	26,969,060	26,726,867	26,144,173	26,177,263	23,890,061	
Number of shares average													
Existing shareholders	10200	10200	10200	10200	10200	10200	10200	10200	10200	10200	10200	10200	
Seed capital one .5m	1336	1336	1336	1336	1336	1336	1336	1336	1336	1336	1336	1336	
Seed capital two .5m		1215	1215	1215	1215	1215	1215	1215	1215	1215	1215	1215	
Seed capital three .5m			1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	
Seed capital four .5m				1004	1004	1004	1004	1004	1004	1004	1004	1004	
Seed capital five .5m					900	900	900	900	900	900	900	900	
issue one 14.5m	19385	19385	19385	19385	19385	19385	19385	19385	19385	19385	19385	19385	
issue one 15m		20054	20054	20054	20054	20054	20054	20054	20054	20054	20054	20054	
issue two 14.5m		17618	17618	17618	17618	17618	17618	17618	17618	17618	17618	17618	
issue two 5m			6075	6075	6075	6075	6075	6075	6075	6075	6075	6075	
issue three 14.5m			16022	16022	16022	16022	16022	16022	16022	16022	16022	16022	
issue three 3m				3315	3315	3315	3315	3315	3315	3315	3315	3315	
issue four 14.5m				14573	14573	14573	14573	14573	14573	14573	14573	14573	
issue five 12.5m					11416	11416	11416	11416	11416	11416	11416	11416	
Total Shares year end	30921	69808	93009	111901	124217	124217	124217	124217	124217	124217	124217	124217	
Average number in issue	16460	60366	81408	102455	118059	124217	124217	124217	124217	124217	124217	124217	
Earnings per share			22.96	67.96	99.43	139.76	202.32	209.06	216.16	210.47	202.69	192.32	
Share Capital	15m	45m	65m	83m	96m	96m	96m	96m	96m	96m	96m	96m	
Issue Price 1		748											
Issue Price 2			823										
Issue Price 3				905									
Issue Price 4					995								
Issue Price 5						1095							



SCHEDULE "B"

ITTP  
FIVE PARK OPERATION  
PROFORMA BALANCE SHEETS

\$

	1997	1998	1999	2000	2001	2002
<b>Tangible Assets</b>						
Cost	18,000,000	53,250,000	89,500,000	126,750,000	165,250,000	187,000,000
Cumulative Depreciation		-	2,297,602 -	6,992,806 -	14,210,612 -	24,076,020
	<b>18,000,000</b>	<b>53,250,000</b>	<b>87,202,398</b>	<b>119,757,194</b>	<b>151,039,388</b>	<b>162,923,980</b>
Cash at Bank	1,539,583	3,635,306	965,369	1,587,731	2,065,324	8,355,433
Accounts Payable	- 14,583 -	89,972 -	754,451 -	1,468,930 -	2,239,534 -	3,053,284
<b>Net Current Assets</b>	<b>1,525,000</b>	<b>3,545,334</b>	<b>210,918</b>	<b>118,801 -</b>	<b>174,210</b>	<b>5,302,149</b>
<b>Accounts Payable after one year</b>						
Loans and Leasing Finance	- 5,000,000 -	15,000,000 -	23,750,000 -	31,250,000 -	37,500,000 -	37,500,000
<b>Net Assets</b>	<b>14,525,000</b>	<b>41,795,334</b>	<b>63,663,316</b>	<b>88,625,995</b>	<b>113,365,178</b>	<b>130,726,129</b>
<b>Capital</b>						
Share Capital	15,000,000	45,000,000	65,000,000	83,000,000	96,000,000	96,000,000
Retained Earnings	- 475,000 -	3,204,666 -	1,336,684	5,625,995	17,365,178	34,726,129
<b>Shareholders Funds</b>	<b>14,525,000</b>	<b>41,795,334</b>	<b>63,663,316</b>	<b>88,625,995</b>	<b>113,365,178</b>	<b>130,726,129</b>

th May 1997

SCHEDULE "B"

ITTP  
FIVE PARK OPERATION  
PROFORMA BALANCE SHEETS

\$	2003	2004	2005	2006	2007	2008
<b>Tangible Assets</b>						
Cost	193,000,000	199,500,000	206,750,000	214,500,000	223,000,000	232,000,000
Cumulative Depreciation	- 36,739,030 -	50,052,040 -	63,990,050 -	78,603,060 -	93,966,070 -	110,129,080
	<b>156,260,970</b>	<b>149,447,960</b>	<b>142,759,950</b>	<b>135,896,940</b>	<b>129,033,930</b>	<b>121,870,920</b>
Cash at Bank	34,715,562	61,492,820	88,871,989	115,806,443	142,985,040	170,383,489
Accounts Payable	- 3,868,978 -	4,114,166 -	4,328,458 -	4,506,269 -	4,644,063 -	4,739,441
<b>Net Current Assets</b>	<b>30,846,584</b>	<b>57,378,654</b>	<b>84,543,531</b>	<b>111,300,174</b>	<b>138,340,977</b>	<b>165,644,048</b>
<b>Accounts Payable after one year</b>						
Loans and Leasing Finance	- 31,250,000 -	25,000,000 -	18,750,000 -	12,500,000 -	7,500,000 -	3,750,000
<b>Net Assets</b>	<b>155,857,554</b>	<b>181,826,614</b>	<b>208,553,481</b>	<b>234,697,114</b>	<b>259,874,907</b>	<b>283,764,968</b>
<b>Capital</b>						
Share Capital	96,000,000	96,000,000	96,000,000	96,000,000	96,000,000	96,000,000
Retained Earnings	59,857,554	85,826,614	112,553,481	138,697,654	163,874,907	187,764,968
<b>Shareholders Funds</b>	<b>155,857,554</b>	<b>181,826,614</b>	<b>208,553,481</b>	<b>234,697,654</b>	<b>259,874,907</b>	<b>283,764,968</b>