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**THE MAYOR'S
ANNUAL MESSAGE
TO THE
CITY COUNCIL**

1966

TERRY D. SCHRUNK, MAYOR
City of Portland



CITY OF PORTLAND
OREGON

FROM: Mayor Terry D. Schrunk
TO: The City Council and the People of Portland
SUBJECT: 1965 Summary and Recommendations for 1966

We in Portland and Oregon have just completed one of our greatest and most prosperous years. Outstanding progress has been seen in the employment figures, bank clearings, retail sales, shipping and industrial development of our entire state.

Early in January of 1965, Portland opened its first Job Corps recruitment center at the old Beech School. Thus we recognized that, in spite of our economic progress, there are men and women in our community who need help in training and retraining, in order to take a more productive place in our economic growth.

The steering committee for Portland-Multnomah County participation in the Economic Opportunity Act was appointed to coordinate an intensive effort to assist less advantaged citizens. Under the guidance and leadership of this strong and vital committee, many of our people will be aided in programs which will help them to help themselves develop new employment skills and raise their standard of living. We can be proud of the progress already made by this committee, a

special report of which is being prepared to present to the City Council. It is commendable that through the dedication of so many fine people in our community, of all races and creeds, we have a strong based local program.

Even with this optimistic report, we still have much to do in our efforts to develop even better racial understanding among our people and the assurance that all men are entitled to equal opportunities for education, employment, and housing.

The evidence of our progress is all around us. Early in 1965, ground was broken for a fine new Oregon Historical Society building; the new, beautiful Equitable Building was dedicated; and the restoration and beautification of the old St. Johns City Hall was started. In May, the Lewis Building was remodeled to become the World Trade Building. It will serve traders and shippers for the entire Columbia River Basin.

In August, we topped out the first of three high-rise apartment buildings in the South Auditorium Urban Renewal area. In November, the Bank of Tokyo established its first full service branch bank in the United States here in Portland, the better to serve traders, shippers, and industries of both of our nations.

Mr. Shigeo Hori, Chairman of the Board of The Bank of Tokyo, and Mr. Matsudaira, Managing Director, came from Tokyo for the ceremony.

In addition, a host of new buildings were constructed, and many other businesses and plants were enlarged and modernized.

Work on our Japanese Gardens continued, and a public preview was held in the early fall of 1965, which attracted thousands of visitors.

The Tryon Creek Interceptor Sewer and the treatment plant were completed in 1965, and the new Willamette Interceptor Sewer to the same plant will be completed early in 1966. Plans are ready for the new Guilds Lake Interceptor Sewer, and specifications are being prepared to call for bids on this large important project. Funds are available from the Sewer User charges for the first phase of this multi-million dollar project. A large number of lesser sewer construction projects were completed during 1965, and a backlog of petitioned improvements are keeping our engineering staff very busy.

The Portland Air Pollution Control program is making definite progress. Open burning has been drastically curtailed throughout the city, and all open burning has been stopped at the refuse disposal fill operated by the city in north Portland. A new air filter system was placed in operation by the Oregon Steel Mills in the Guilds Lake area, at a cost of approximately \$120,000. It recovers over six tons of dust per day which was formerly discharged into the air. Several other industries and building owners have made significant progress in eliminating air

pollution in the city. There is much yet to be accomplished both in the city and in the surrounding area. We must move toward an area-wide air quality control program.

Portlanders, and the entire nation, were enthusiastic about the 1965 record-breaking performances of the Portland State College TV College Bowl Team. They not only won the maximum number of matches (5), but broke a seven-year record for points in doing so. These young men and their coach, Ben Padrow, brought much glory and attention to Portland State College and stimulated nationwide interest in and attention to Portland and Oregon.

Conventions and tourism continued to play an increasing and significant part in our economy during 1965. Close cooperation between the City, Chamber of Commerce, and the business community have made this possible. Many state, regional, national, and international gatherings were held in Portland this past year. Such successful meetings as the National American Legion Convention, the Women's International Bowling Congress, the Grand Council Session of Ladies of the Oriental Shrine, the Japanese Camera Industries Northwest Show, National Conventions of Nurserymen, Cattlemen, Wheat Growers, Veterinarians, Conservation Districts, and many others brought thousands of new people to our area and many new dollars to our economy. In addition, we hosted the Western Regional Conference of Sister Cities, as well as many visitors and trade groups from around the world,

including a group of Japanese mayors and a special delegation led by Mayor Harada from our sister city of Sapporo Japan.

A proposed reorganization study (Stover Report) of custom districts throughout the United States was submitted to the Congress early in 1965. The plan was two-fold in that it eliminated politically appointed custom district directors and replaced them with career personnel promoted from the Custom Service; secondly, it drastically reduced the number of custom districts and established regional districts. The Oregon district was to be a sub-office under the Seattle office. Because of the serious damage such an action would cause to the shippers of Oregon and the Columbia River Basin area, a citizens committee was promptly organized. It was composed of representatives of the business community interested in shipping and finance; the Chamber of Commerce, the Dock Commission, the Port of Portland; and the City of Portland. We immediately informed our Congressional delegation of our deep concern, and asked for an opportunity to be heard by the Secretary of the Treasury. Donald McClung, President of Pacific Power and Light Company, accepted the chairmanship of the Citizens Task Force. Archie Davis of Trans-Pacific Transportation Company and Keith Hansen, Assistant General Manager of the Dock Commission, acted as co-vice chairmen. Prior to this organization, we sent Keith Hansen on a hurried trip to Washington to emphasize our concern and investigate the best methods of attempting to stop the proposed action. It was his recommendation that a detailed factual report be

developed on the growth and needs of the Columbia River ports. This was done under the leadership of Mr. McClung, with wonderful cooperation from the business community and Dock and Port Commissions on the Columbia River in both Oregon and Washington.

Early in May we started getting indications that the Treasury Department was reviewing our situation, and then after a formal presentation of our case in late May, a decision was made to retain the Oregon Custom District as originally constituted, with full services and equal status with the Seattle District. This was a very significant defensive action that will have both long and short range effects to encourage the continued development of our shipping and foreign trade.

During 1965 the city continued to study various permits and franchises affecting the city. A complete study of the street lighting contracts was made by Mr. Sam Maerz, City Rate Analyst, and several substantial changes were made in the contract which has resulted in financial savings to the city. A continuation of that contract and the services rendered under it will be made as the program is expanded.

A review of the telephone company's operation and reporting system was also made and various items were renegotiated. This has resulted in additional revenue to the city government. In 1966 we intend to review other franchises and permits affecting utilities in our community.

The entire City Council visited the historic Colony on upper S. W. Jefferson which has been assembled by Mr. Eric Ladd. Attempts have been made to interest private organizations in assisting in preserving the historic houses and buildings assembled at this location and other locations throughout the city. A detailed study has been and is continuing to be made by the City Attorney in a search for means of preserving various historical buildings in our community. Unfortunately funds are not available for acquisition by the city and the fact that buildings are quite widely scattered throughout the city creates a serious problem in their preservation. I would hope that during 1966 various organizations and professional people will obtain some of our historic buildings, remodel them, and preserve them as office space or other compatible uses for whatever area they might be located. It now appears that enabling legislation will be necessary in order to make a historical building preservation ordinance effective. The City Attorney will continue to explore this matter.

RECOMMENDATIONS

I PROPOSE:

- (1) THAT the City Council increase the franchise tax on Northwest Natural Gas Company from its present two percent to three percent.

The Council will recall that originally this tax was set at a lower figure because of the low returns to the investors and the high cost of operation in manufacturing gas for this area. This condition was substantially changed by the use of natural gas. The present earnings of the company indicate that in equity they should pay a higher tax.

(2) THAT the City Council give top priority for a capital improvement program for a solution of our city jail, police, and court facilities problems.

It is hoped that this solution can be worked out with the Multnomah County Board of Commissioners for the development of either a new city-county office building, or a combination county and city jail, law enforcement, and court facilities centrally located. If such a facility is constructed, I would further recommend that the City Bureau of Police be taken completely out of the jail business, and that all city prisoners be booked directly into the combination county and city jail, under the jurisdiction of the Sheriff. Such consolidation would make it even more practical to combine other police functions, such as records, communications, crime laboratory, and other related activities. This could eventually result in the consolidation of these two law enforcement bodies.

(3) THAT the City Council continue to urge the expansion of the Air Quality Control program, to develop a combination Multnomah County-City of Portland program as soon as possible, and the eventual extension of the program for the entire metropolitan area.

Air quality control is actually an area-wide problem, and should be met on that basis as soon as possible. Significant advances have been made within the city during the past year, but there is much yet to be done to protect the health of our citizens and to protect property against tremendous losses caused by air pollution. Should it be possible to work out such an arrangement between Multnomah County and the City of Portland, I would recommend to the Council that our fine Air Quality Control staff be transferred to county jurisdiction, if they so desired.

(4) THAT the City Council and the individual officers of the city actively support the referendum measure to impose a four-cent cigarette tax in the 1966 election.

The measure, enacted by the 1965 State Legislature, recognizes local government's need for additional revenue from other than real property taxes. It allocates one-cent of such tax to cities, and one-cent to counties, throughout the state. The balance (50 percent) of the tax will revert to counties as a real property tax offset.

I promised the Oregon State Legislators that if they recognized the need of cities for this new source of revenue and relief of the real property taxpayers, I personally would do everything I could to support the referendum. This I intend to do. I hope that my fellow officials, employees of the City of Portland, and the vast majority of our citizens will feel likewise.

(5) THAT the City Council continue to move toward the consolidation of as many of the health services of the city and county as are feasible.

The school health program and the public health nursing program should be unified as soon as possible, to insure adequate and equal services to the people both inside and outside the city. Other vital programs dealing with general health, such as dental, hearing, and sight programs should be expanded on a county-wide basis.

For the time being, the city must maintain its sanitation section and meat and milk inspection, until such a time as the county either has home rule provisions to establish comparable standards, or until the state standards are raised to meet those of the city, with adequate inspection services provided to insure such standards.

(6) THAT the Council explore, with the Board of County Commissioners, the possibility of expanding the Portland Traffic Safety Commission to county-wide operation. The membership of the Commission could then include appointments from the unincorporated area of Multnomah County, as well as from other cities in the county. Such arrangements should involve the sharing of expenses and the expansion of the program.

(7) THAT the taxpayers of the City of Portland and Multnomah County continue to explore the feasibility of the consolidation of governments of the City of Portland and Multnomah County, and the increased public services and economy that would result from this merger.

It is my personal opinion that such a consolidation would not only eliminate much duplication, but would centralize responsibilities for the planning and execution of various programs vital to this social and economic unit. It is also my opinion, that as taxpayers we cannot afford the luxury of the tremendous hodge-podge of local governmental units in this area. While competition is wonderful in private business, it doesn't make sense to me for the city and county to be so often in competition with each other for rendering urban services. The central city has made substantial investments in capital improvements that have created employment, recreational and cultural opportunities, paid for by the people in the central city, but utilized by the entire social and economic area. Wherever possible, the base should be expanded and planning and administration consolidated.

(8) THAT should the foregoing recommendation become a reality, I would further recommend that the people of the adjoining counties explore and study the feasibility of realigning our county boundaries by a vote of the people of the entire state, in order to bring a unification of as much of the metropolitan area as possible.

(9) THAT the City Council eliminate from the 1966-67 budget the operation of the Municipal Paving Plant, and secure through competitive bids from various manufacturing firms in this community the asphalt required for city purposes.

The property involved should be declared surplus at as early a date as possible and made available to the Property Control Officer for disposal. The first opportunity for the land should be given to the Dock Commission and the Port of Portland, should they desire to acquire it for public purposes.

(10) THAT the City Council review the operations of our City Planning Commission, in order to explore the possibility of relieving our citizen Planning Commissioners of as much of the detail work as possible. Thus they will be able to give more thought and consideration to broader area-wide or city-wide plans for the best use of land in our community and to provide for the orderly development or redevelopment of our city area.

I have often felt that we sometimes burden unnecessarily our volunteer citizens with too many details, and I am constantly amazed at and very proud of the tremendous amount of time these prominent citizens give to the city, without any financial compensation. We must ever strive to utilize their broad knowledge to the very best advantage of the entire city, without causing undue hardship on them as individual business people.

(11) THAT the City Council submit various Charter revisions and changes to the voters during 1966, in order to modernize and update some sections of the Charter.

This is a continuing program, and the City Attorney's Office is in the process of preparing drafts of several of these sections of the present City Charter.

Special attention should be given this year to removing from the Charter the six percent engineering fee, in order that the Council may establish a policy that more nearly reflects the actual costs of such services rendered.

(12) THAT the Council initiate various organizational changes that will tend to consolidate, wherever possible, the maintenance of all city-owned buildings into one major bureau under one Commissioner. This would result in pooling various crafts such as painters, carpenters, plumbers, maintenance electricians, custodians, and other related workers in a single bureau with a single budget. It is my feeling that such a reorganization will better utilize our existing manpower and will effect certain economies.

I respectfully recommend that the City Council cooperate and support such a reorganization.

(13) THAT we continue our space and architectural studies for the relocation of Stanton Yards and at the same time design building facilities adequate to consolidate many of our shop operations in a single location under a single supervision, where practical.

(14) THAT the City Council support my intention to appoint a committee composed of city government people, plus interested citizens, to review completely our outdoor sign control provisions and to develop a unified system of administration in a single code, the regulations of which are now contained in a number of codes.

(15) THAT the Council authorize the Superintendent of Parks and the Zoo Director to enter into negotiations and make recommendations, through the Commissioner of the Bureau of Parks, on the trade or sale of additions to our elephant herd. It appears that this population will continue to grow. The young elephants can be traded for other species of animals, or direct sales can be negotiated for them, including our most recent addition. Funds resulting from direct sales can be earmarked for future improvements and/or acquisition of new specimens for the Zoo.

(16) THAT the City Council explore all means possible of acquiring, through the use of open space matching funds, the approximately 17 acres presently owned by the Drake Company, on the east side of the upper Willamette, near Oaks Pioneer Park, in order to preserve this area as a parkway for the public use of all of our citizens.

(17) THAT the City Council give serious consideration to placing on the ballot a ten-year serial levy of \$300,000 per year for the purpose of park development;

open space land acquisition, such as river frontage; community facilities, such as swimming pools; and city beautification projects. It is impossible for the city adequately to plan and execute a comprehensive project of the type noted above unless we have a source of funds that is constant over a period of years, such as a park levy. It should also be noted that because of Federal and State matching funds for park, open space, and beautification programs, a \$300,000 Portland levy would more than likely bring in a like amount from other State and Federal Sources. It makes sense for this city to take advantage of these programs, which are on an ever-expanding basis. I suggest that the Bureau of Parks and the Planning Commission staff update our planning efforts regarding these programs.

(18) THAT the City Council continue to strive, working with our Legislative representatives, to develop a more adequate and realistic division of state gas tax funds to the cities of this state.

You will recall that the vast majority of both houses of the Oregon State Legislature at the 1965 session recognized this need of city government, and authorized a change in the formula of division. This unfortunately was vetoed by the Governor. Naturally the losers were the cities throughout the State of Oregon, who are faced with tremendous costs caused by the automobile.

We should continue our policy of doing all in our power to make motor vehicles pay their own way, rather than being a burden on the real property taxpayer.

(19) THAT the City Council again press for a state statute which would make it mandatory, in the construction of any highways or freeways, to consider the re-location of city-owned facilities even outside the city limits, as a cost of the construction project. Such a bill was passed by the 1965 session of the Oregon State Legislature, and subsequently vetoed by the Governor. This was another serious blow to the cities and tends to place undue burdens on them for the re-location of such facilities outside city boundaries, when, in fact, such costs should be paid through Federal and State motor vehicle fuel funds.

(20) THAT the City Council continue to explore all practical and economically feasible means of perserving historic buildings in the city, and do all in their power to encourage private organizations and business and professional people to utilize such buildings for commercial or non-profit use.

(21) THAT the City Council attempt to negotiate, as soon as is practical, a new franchise for Pacific Power and Light Company, increasing their franchise tax from its present three percent to three and one-half percent. Should the Council be successful in negotiating such a franchise, the tax on Portland General Electric Company should be equalized and raised from its present three percent to three and one-half percent, to be effective on the same date as an increase on Pacific Power and Light Company.

(22) THAT the City Council cooperate with all interested groups in developing both temporary and long range plans, in order to make certain that this metropolitan area has a major stadium facility.

(23) THAT the Planning Commission, City Engineer, and other relevant divisions of the city develop by ordinance, formal regulations concerning subdivision development. The need for these formal regulations is becoming much greater because of the large vacant **land** areas that have been recently annexed by the city and are in key locations for maximum residential development.

CONCLUSION

The foregoing is only a very brief resume of some of the important things that have happened during the very successful year of 1965, together with some of my comments and recommendations on things I hope will happen in 1966 and the years ahead.

Much of great importance, I am certain, has been omitted from my comments, such as our highly successful Rose Festival which brought thousands of new visitors to our area. The Grand Floral Parade was viewed live on color TV by

our neighbors throughout the Northwest. It is my hope that in the near future it will have nationwide coverage, live and in color.

It was during the Rose Festival that the Portland Rose Society, on the completion of a highly successful International Rose Show, offered to act as guides at our world-famous International Rose Test Gardens on weekends during the summer months. This offer was quickly accepted by the City Council, and was a great success. It is my understanding that the Rose Society will repeat this fine public service in 1966. The outstanding work of our Royal Rosarians in welcoming distinguished guests to our city and acting as official Ambassadors of Good Will for the "City of Roses" has been another excellent public service. The Rainmakers, too, play an important part in their informal hospitality to our guests.

1965 was a banner sports year for Portland. Hosting the NCAA Basketball Championships at the Memorial Coliseum brought nationwide publicity to Portland. Our Winter Classic Basketball Tournament and the Indoor Track Meet continues to grow. Our Portland Open Golf Tournament brings the top people in professional golf to our area. The Portland Beaver Baseball team won the Western Division Championship of the Pacific Coast League and thrilled thousands of fans with their exciting play. The Portland Buckaroo Ice Hockey team continued to attract record crowds as they fought their way to the Western Hockey League Championships and then won the Patrick Cup playoffs.

Thousands of young people participated in our many and varied amateur sports programs.

Many of our citizens have given much of their valuable time to serve without compensation on boards, commissions, and special committees. The achievements and progress of the City of Portland is largely due to these dedicated, public-spirited citizens who are truly the builders of this community. To all of them, may I express on behalf of the people of Portland, our grateful thanks for their fine services.

In addition, a great many of our citizens have devoted their time and efforts to serve as auxiliary police officers. The thousands of hours that they have contributed are invaluable to the City of Portland and give strong support to our Police Department.

Another dedicated group of citizens has made possible the successful work of our Sunshine Division, and they, through their work and with the support of the business community, have made it possible to provide thousands of people with emergency rations of food, clothing, and furniture. These are provided not only at Christmas-time, but throughout the year. The work of the Sunshine Division has been supplemented by the fine work of the Portland Fire Bureau's Toy and Joy Makers, who have brought happiness to thousands of unfortunate children in our community.

These two organizations, working together and with the wonderful support of all of our citizens, have again proven that the people of Portland truly are concerned about the welfare of their less fortunate neighbors.

Further proof of this deep concern in 1965, was indicated by another 100 percent United Good Neighbors campaign, in which thousands of people in all walks of life, under the general chairmanship of William Wessinger, again met our budget to keep our vital community service programs in operation throughout the entire year. To all of those who played a part in this successful campaign, I say "thanks", as they have significantly contributed to the public welfare and to the general image of our "City of Roses", across the nation.

I appreciate the excellent cooperation I have had from the other members of the City Council and the Auditor. Their help and advice are most appreciated. As this brief report goes to press, Commissioner Ormond Bean, who has served the citizens of Portland so well for so long, has announced that he will not be a candidate for re-election. All of us, as citizens of the City of Portland, are thankful for the dedicated public service of people like Ormond Bean. Personally, I have learned a great deal from him. He has announced that after his term expires he will be available to public agencies as a consultant, and I therefore will feel free to consult with him and to suggest to the Council that he be retained from time to time as a consultant, wherever his broad knowledge in municipal affairs can be useful to the taxpayers of this city.

To all the city employees who have served this city so well, may I express, on behalf of all the people of Portland, sincere thanks for their dedicated service to good, efficient, local government. I appreciate their cooperation, assistance, and advice in resolving the multitude of problems that face our city government.

I am fortunate to have an office staff of dedicated public employees and am grateful for their advice, cooperation and assistance. Their understanding in dealing with a great number of people and problems which come to the attention of the Mayor's Office is deeply appreciated.

1965 has been a good year for the City of Portland. 1966 can and will be even better.

