



CITY OF  
**PORTLAND, OREGON**

**OFFICIAL  
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 29TH DAY OF SEPTEMBER, 1999 AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi and Saltzman, 3.

OFFICERS IN ATTENDANCE: Cay Kershner, Clerk of the Council; Ben Walters, Deputy City Attorney; and Officer Chuck Bolliger, Sergeant at Arms.

**NOTE:** DUE TO THE ABSENCE OF TWO COUNCIL MEMBERS NO CONSENT AGENDA OR EMERGENCY ORDINANCES WERE CONSIDERED THIS WEEK

Mayor Katz noted that the City had received the 1999 Community Arts Enhancement award in recognition of the leadership on behalf of the Arts.

**REGULAR AGENDA**

- 1392** Vacate a certain portion of SW River Parkway east of SW Moody Avenue, under certain conditions (Order of Council; Second Reading Agenda 1349; C-9959)

**Disposition:** Ordinance No. 173798. (Y-3)

- 1393** Amend City Code Chapter to regulate personal escort/modeling businesses (Second Reading Agenda 1391; amend Chapter 14.44)

**Discussion:** Mayor Katz said she would like to allow testimony today from a young woman who spent considerable time discussing her concerns about this ordinance with City staff.

Jennie Clark, owner of Masquerade Entertainment, said the statute as it stands is overbroad and vague about who it applies to and what methods of conducting business are actually prohibited. She said she has made specific suggestions regarding this issue. Her second issue is the City's micro-managing of the way a small business operates, apart from regulating the illegal aspects associated with a certain type of business. Requiring businesses to have storefronts open to the public, limiting the use of cell phones and pagers and requiring open records without privacy protections are all regulations over and above regulating illegal activity. She said the City should not micro-manage the way other businesses do business apart from regulating illegal activities. She has made suggestions to limit the definition of escort/modeling businesses to eliminate such activities as exotic dancers who perform for a group of people. Regarding privacy, she would like to add language to the ordinance to keep customer files private and not open to the public. She said the requirement that such businesses keep an open office for patrons or prospective patrons should be eliminated. Many businesses do not have open offices for safety reasons, especially those who do business on an out-call basis. Such businesses want to be able to screen potential customers over the telephone in order to refuse entrance to those who have requested illegal services over the phone. Ms. Clark said this ordinance discriminates

against owner/operated businesses if they are required to be in an office and yet must make out-calls. She said there also seems to be some confusion as to whether people are allowed to use cellular phones and pagers. Finally, when she phoned many of the escort services in the adult business area, she was disturbed that on several occasions young children answered phone. The ordinance does not specify that children are not allowed to answer the phone, it just says they are not allowed to act on behalf of the business. She believes the language should be tightened up to keep children from even answering the phone regarding any sort of adult entertainment business. This is a child safety issue.

Mayor Katz asked staff to respond to the issues raised.

Dennis Merrill, Assistant Police Chief for Investigations, said staff believes the proposed ordinance, as written now, serves its intended purpose. The language makes it clear the City is trying to regulate those businesses that provide entertainment on a one-on-one basis, rather than to a group of people. An entertainer at a bachelor party would not be covered by this ordinance. The Code also requires the Police Bureau to keep files associated with this operation in a separate location from other records. The City and the State already have public records laws that regulate the release of records from the Police Bureau or personnel records.

Assistant Chief Merrill said Ms. Clark requested, in her letter, that contracts between escort/models and patrons be allowed to be signed by someone using an assumed name. The requirement of the contract says nothing about the patron having to give a full name, just the phone number and address where the act is taking place and the escort's name and identification number. An escort could use a stage name as the Police will be able to tell who it is from the identification number. Regarding the requirement for an open office, he said that issue has been discussed at great length. The purpose of the open office is not only to prevent prostitution but also theft, fraud or deceptive business practices. Since these businesses all purport to be legal and legitimate, it is hard to understand why they are afraid of their customers. They are not required to advertise their location but they have to have an open office where the Police or License Bureau staff can come to inspect their records. That could mean a home office. People have expressed concern about people coming to their homes but if that is a concern, they ought to put their offices in another location. He said nothing in the ordinance prevents the use of cell phones or pagers. Section 14.44.020 (E) (5) just states that phone lines or numbers have to terminate at the open office as the Police want to make sure the escort services are operating out of an office and not forwarding phones to several locations.

Mayor Katz asked what is to prevent children in home businesses from picking up the phone.

Assistant Chief Merrill said such businesses are required to have a separate phone and whoever picks up the phone or takes messages is assumed to be acting on behalf of the business. Most such businesses have several phone lines going into their homes and some have different rings for each number. Anyone under age 18 who answers would be in clear violation. He said staff discussed Ms. Clark's concerns with her and believes they have been addressed and that this ordinance does what it is intended to do.

Mayor Katz said this discussion also indicates the intent of the ordinance for the record.

Commissioner Francesconi said the testimony of the citizen who spoke today actually supports Council's passage of this ordinance. There is a problem when there are children answering phones for escort services so this actually is a child safety provision. There is no reason the legitimate businesses cannot operate in the open where they can be reached by the public. When the question is child safety and protection, this is a very reasonable set of regulations.

Commissioner Saltzman said this is a sound ordinance and it is important to get this on the books and get it working right away. This is a very strict ordinance and he does not expect any escort service business to meet all the conditions but then he does not really think there is such a thing as a legitimate escort business.

Mayor Katz said this goes into effect in 60 days which will allow clarification of a lot of the issues and notification to those businesses which have addresses. If this is too broadly written, it can be returned to Council for corrections.

**Disposition:** Ordinance No. 173799. (Y-3)

**Mayor Vera Katz**

- 1394** Confirm reappointment of Dale Rasmussen and Richard Wride to the Hospital Facilities Authority (Report)

**Disposition:** Confirmed. (Y-3)

- 1395** Confirm appointment of Loren Waxman to the Design Commission (Report)

**Disposition:** Confirmed (Y-3)

- 1396** Authorize submission of the FY 1999-00 Fall Supplemental Budget to the Multnomah County Tax Supervising and Conservation Commission (Resolution)

**Discussion:** Mark Murray, Office of Financial Planning, said this supplemental was driven by some updated accounting requirements from the Governmental Finance Officers Association.

Larry Nelson, Office of Financial Planning Division, said this year's Fall Supplemental Budget totals \$563 million and, despite the large size, it is very routine. The majority of the supplemental requests are required due to creation of special revenue funds, which total \$437 million. The purpose of this newly created fund is to serve as a storage area for bond proceeds which are then transferred to the appropriate bureaus for various projects. Five actions are occurring in this fund: 1) recording and payment of PERS obligation costs; 2) recording of all urban renewal back debt, which increases the size of the City's debt by about \$88.5 million; 3) recording of proceeds for the Permanent Housing Facility; 4) recording of \$4 million in bond proceeds associated with school funding; and 4) the transfer of bond proceeds to Airport Way, the Convention Center, government bond redemption and pension debt funds. The majority of these transactions provide appropriations to pay off the line of credit associated with these funds as well as the refinancing of the Airport Way bond participation notes.

Mayor Katz asked what the City's total debt is today compared to five years ago

Eric Johanson, City Debt Manager, said the City's total debt is about \$1.2 billion today, about twice what it was in 1993. Much of that is due to the Combined Sewer Overflow and other sewer-related projects. There are a number of other projects that will be coming to Council within the next year, including authorization of pension obligation bonds in an amount not to exceed \$325 million.

Mr. Nelson said the biggest programmatic change in the Supplemental Budget is the decrease of revenues and expenditures formerly associated with the Planning Bureau. These requirements and resources will be transferred to the Buildings Fund as a result of the consolidation of the two bureaus. A transfer of funds is also recognized from the Parking Facilities Fund to the Central City Streetcar project and the Facilities Services Fund is recognizing an additional beginning fund balance to transfer appropriations in support of the new Development Services Building.

Commissioner Saltzman asked where the school funding is contained.

Mr. Johanson said the \$4 million is contained within the Special Finance Resource fund and will be used to pay off the debt associated with issuing the bonds.

Commissioner Saltzman said the funds Council made available to the schools are not capital related.

Mr. Johanson said they will bring an ordinance to Council next week seeking authority to borrow about \$29 million for a number of projects, including the \$4 million for the schools. He said there is favorable federal tax law which allows the City to grant funds to other public entities and to borrow to do so and have them treated favorably from an arbitrage/rebate standpoint. That is a different approach than the capital swap which was discussed earlier.

Mayor Katz said originally the City planned to borrow money for the schools through the capital construction fund but has since found a better way to handle that.

**Disposition:** Resolution No. 35827. (Y-3)

**Commissioner Dan Saltzman**

- 1397** Accept completion of the Inverness Force main landscape restoration, Project No. 6446, and authorize final payment to Pro Landscape, Inc. (Report; Contract No. 32063)

**Disposition:** Accepted. (Y-3)

- 1398** Accept completion of the NE Alameda sewer reconstruction project, Project No. 6264, and authorize final payment to S-2 Contractors, Inc. (Report; Contract No. 32222)

**Disposition:** Accepted. (Y-3)

SEPTEMBER 29, 1999

**Commissioner Erik Sten**

- 1399** Agreement with David Evans and Associates, Inc. for an amount not to exceed \$75,000 to provide engineering services for miscellaneous professional services in the area of natural resources and provide for payment (Second Reading Agenda 1386)

**Disposition:** Ordinance No. 173800. (Y-3)

At 10:10 a.m., Council adjourned.

GARY BLACKMER  
Auditor of the City of Portland

*Cay Kershner*

By Cay Kershner  
Clerk of the Council

**SEPTEMBER 29, 1999**

**WEDNESDAY, 2:00 PM, SEPTEMBER 29, 1999**

**DUE TO THE LACK OF AN AGENDA  
THERE WAS NO MEETING**