

The Oregonian

Portland officials 'uncertain' about launch of much-delayed bike share system

By Joseph Rose

Already a year behind schedule, Portland's highly anticipated \$4 million bike-sharing system is facing further delays.

In fact, the sudden bankruptcy of Bixi, the company used by Portland-based Alta Bicycle Share to provide the high-tech bikes and stations, may have scrapped any chance of the local program starting up in 2014.

"We're uncertain as all get out," said Commissioner Steve Novick, who oversees the Portland, on Monday.

In late January, after years of providing bicycles and stations for Alta on bike-sharing systems around North America, Montreal-based Bixi filed for bankruptcy. The company reportedly paid out hundreds of thousands of dollars in bonuses to executives and employees before filing for protection from its creditors.

Alta, run by former Portland city employee Mia Birk, has since partnered with 8D Technologies, the company that developed the technology powering Bixi systems. Alta already contracts with several cities, including New York, Chicago and Washington, D.C., to run bike-sharing systems.

However, the city officials in Portland, as well as Vancouver, B.C., say they won't sign the final agreement with Alta until it can provide an iron-clad business plan.

No one was answering the phones at Alta's Portland offices on Monday. A message left for Birk was not returned.

In the last year, Alta has also been hit with technology and problems connected to its myriad bike-share contracts.

Before the city commits to bike-sharing, Novick said, "We're waiting to see what happens."

After years of study, the City Council voted in 2012 to use \$4 million in startup funds -- half from a limited, flexible federal funding pot, half from private investors -- for the automated community bicycling program. The plan was approved by Metro.

Expected to open in Spring 2013, the Portland bike-sharing project would be nothing like the Yellow Bicycle loaner program that left abandoned and vandalized bikes littering the city in the 1990s.

It works more like car-sharing services such as Zipcar and Car2Go. With dozens of bike-sharing stations around the city, commuters will be able to drive or take TriMet to work downtown and check out specially designed bikes for short trips and lunchtime errands.

Different pricing structures are being discussed, but city planners say the service is expected to be very economical -- with an annual membership getting the first 30 minutes free. Bike sharers don't have to return their rides to the same spot. They can check them back in to any station in the city.

Initially, Portland's 75 sharing stations would be in the central city and some pilot stations, possibly in Hillsdale, Multnomah Village and along the MAX Yellow Line on North Interstate Avenue.

Making the situation even more frustrating, PBOT says, is the fact that it is on the verge of inking more than one corporate sponsorship.

Those deals are on hold until City Hall is confident that the new bike vendor is financially sound and won't suffer the same fate of Bixi, leaving Portland with dozens of unsupported rental stations.

"We're leaning more on the private sector than almost any bike-share system in North America," said PBOT spokesman Dylan Rivera.

Alta has provided some options for ways the city could launch bike share this year, "but the city is trying to use an abundance of caution," Rivera said.

At the same time, Dan Bower, manager of PBOT's active transportation division, is optimistic that bike-sharing will come to Bike City U.S.A. If not this year, then in 2015.

"There are a lot of moving parts," Bower said. "The politics and funding need to come together. So, no, I'm not surprised (that the project is running behind schedule). The emphasis is on doing things right."

Indeed, he said, if PBOT had rushed the plan through the City Council to get the Bixi bikes on the street, there would be a lot of anxiety about millions of dollars already spent.

"I'm still confident it will happen," Novick said, "if not this year then next year."

Of course, there's more than one way for a city to make money off bike-sharing.

As the Chicago Tribune found, the Windy City's new Divvy bike share raked in about \$2.5 million in user fees during its first five months, with about \$703,500 coming from late fees imposed on users who didn't return their rented rides on time.

The Portland Tribune

Hales peels back renewal plans, adding \$1 billion to tax rolls

By Steve Law

Mayor Charlie Hales wants to overhaul Portland's urban renewal districts, enabling more redevelopment near OMSI and the South Waterfront while freeing more property taxes for public schools, Multnomah County and the city.

Hales also wants to ditch the new urban renewal district around Portland State University championed by former Mayor Sam Adams.

Hales' draft plan would eliminate two urban renewal districts, shrink two others so some property value goes back on the tax rolls, and expand two others where the mayor sees ripe development potential.

Hales says he wants to shut down the district near PSU and one in the Willamette River industrial area, neither of which ever got off the ground.

He also wants to peel off some of the booming Pearl District, part of the River District Urban Renewal Area, to put it back on the tax rolls, and do the same with a big chunk of the Airport Way district.

Hales says he would be making good on a campaign promise to reduce the city's bloated urban renewal program. His proposals would put more than \$1 billion in property value back on the tax rolls, producing property tax revenue for the county, state schools and the city's own general fund.

His plan also would reduce the net acreage tied up in urban renewal areas by 1,700 acres, or about 13 percent.

In the past, Hales says, the City Council tended to use urban renewal districts as an "ATM" to fund pet projects. He says he wants to show the public that urban renewal is still a good tool, but needs to be used more prudently and strategically.

Redrawing the urban renewal districts is the first step in rethinking the city's approach, Hales says. "There is a larger discussion that we're launching about the future of the Portland Development Commission and its multiple missions."

Though he promises changes at PDC, his proposed plan supports the agency's historic role in using subsidies and other development tools in the central city area.

"I believe the traditional mission of PDC is still very valid and this is an affirmation of that belief," Hales says.

Patrick Quinton, PDC executive director, adds: "I think it's kind of updating the structure of our urban renewal areas to fit the opportunities that we see in front of us to pursue."

Help for Old Town buildings

Hales wants to expand the Central Eastside Urban Renewal Area by about 130 acres, and extend its life by five years, so the city can spur redevelopment near the new MAX line to Milwaukie, especially the light rail stops at OMSI and Clinton Street. That could yield an additional \$21 million to spend, including \$3.6 million for subsidized housing.

Hales also sees ripe opportunities to assist redevelopment of the Zidell barge site on the waterfront, as well as the Knight Cancer Research Institute proposed on Oregon Health & Science University's adjoining property. To do that, Hales wants to add about 35 acres to the North Macadam Urban Renewal Area that includes the South Waterfront, and give it five more years to raise money.

"What we don't want to do is shut down that urban renewal area before we make the most of it," Hales says.

The expansion could yield about \$60 million additional funding for PDC and about \$24.5 million for low-income housing projects, says Kimberly Branam, PDC deputy director.

Hales had indicated months ago that the Pearl District doesn't need much more city subsidies, and he suggested he might put the entire district back on the tax rolls. Property values in the district have grown from \$461 million when it was created to \$2.1 billion now, and PDC collects taxes based on the increased property value, making it a veritable golden goose for funding projects.

But Hales' proposal would put only about 15 percent of the River District Urban Renewal Area property value back on the tax rolls.

Hales realized that he needed to keep the urban renewal area mostly intact to raise more money to improve Old Town and Chinatown. He'd like the PDC to focus on subsidizing Old Town's historic properties in need of seismic upgrades that don't now pencil out.

But first Hales must get buy-in for his plan from members of the PDC board and the rest of the City Council.