

The Oregonian

Portland street fee road show continues, as governments, businesses want 'certainty'

By Andrew Theen

(UPDATED: This story was updated. The transportation committee was not presented with cost estimates on Friday as originally planned, Novick said on Saturday)

The road to victory for Portland's proposed street fee is still studded with political potholes.

On Friday Mayor Charlie Hales and Commissioner Steve Novick tried to allay concerns of the city's business community, but, the Portland Business Alliance is still not taking a formal position.

Sandra McDonough, PBA president and CEO, said her 1,700-member organization still needed "certainty" about specific details.

"We still have a lot of questions," she said.

The PBA isn't the only organization with questions, and answers are expected to come within the next two weeks as transportation leaders race to get a funding proposal on the June City Council docket. Novick said he still has a sense of urgency to find more money for road maintenance, as the Rose City's roads continue to fall further into disrepair.

Hales and Novick continued to meet with business owners and other important stakeholders this week to talk about what a street fee, the proposed revenue tool to bring in up to \$53 million per year for road safety and maintenance projects, might look like. Earlier this spring, Portland Bureau of Transportation officials hosted a series of town halls to talk about the fee, which could either be \$8 or \$12 a month for residents and potentially much more for businesses.

The biggest uncertainty – and potential political problem – is what the fee will cost local governments and businesses. They'll be charged a monthly fee based on the square footage they occupy and the number of monthly trips generated to their doors.

Hales and Novick discussed the fee in broad strokes -- in some cases offering estimated costs -- with the leaders of Portland Public Schools, OHSU, the Port of Portland and Portland State University.

Novick said the city is telling stakeholders "what the ranges are" in terms of annual costs. On Friday afternoon, he briefed the 26 person city-appointed Transportation Needs and Funding Committee, a group of business, freight, education and transit officials who serve an advisory role, on how the eventual council ordinance would look. City officials didn't talk about street fee cost estimates for specific public agencies as previously planned, Novick said Saturday.

Novick and Hales tried to remove one major question mark this week: when the fee would begin. If and when the street fee is approved, it wouldn't go into effect until July 2015, allowing local governments to budget accordingly. A budget year typically starts on July 1.

Dana Haynes, the mayor's spokesman, said that while many of the details are murky, Hales didn't want to dump a new fee on agencies in the middle of a budget cycle.

Willamette Week first reported the 2015 timeline as well as Hales' phone calls to major stakeholders.

Jon Isaacs, a Portland Public Schools spokesman, said Hales called Superintendent Carole Smith to give her the district's annual estimated street fee bill: \$300,000 to \$400,000.

"We're talking about the price of three or four teachers," Isaacs said of the estimated cost. (His figure includes salaries and benefits.)

Oregon's largest school district isn't ready to take a position on the street fee, Isaacs said.

"Anything that anyone proposes that's going to cost this type of money is something that we're going to look very closely at," he said.

The Port of Portland, which owns and operates Portland International Airport, a marine terminal, and more than 45 other properties, could be one of the agencies hardest hit by a street fee. Novick met with port officials Thursday.

Susie Lahsene, the agency's regional transportation and land use manager, said port officials weren't caught off guard by the possibility of a street fee, thanks to a previous effort in 2008 to enact a street fee. Lahsene declined to give an estimated cost, saying it's "still under refinement."

But port leaders disagree with some of the city's trip modeling, particularly for the agency's industrial properties.

"We want to make sure that if this kind of fee goes into place that it's based on a realistic assessment of trips," Lahsene said.

If and when the city moves forward with a fee, Lahsene said, the port wants an independent oversight committee to watch how money raised is spent.

In addition to the 26-person committee that will advise Novick on what specific proposal to bring before the City Council the city has a technical advisory committee that is boring deep into the details of how a street fee would affect other agencies. That committee includes staff from multiple city bureaus and representatives from Multnomah County, TriMet, the Port of Portland and Metro.

Jim Middaugh, Metro spokesman, said the regional government's elected council has not discussed the fee yet. But Middaugh notes that the regional transportation plan includes language saying city governments need to do more to fund local transportation.

Novick said the discussion with the PBA was productive. He said he's heard loud and clear that some residents are concerned about how the city spends transportation money. He's asked staff at the city transportation agency to post an explanation of how the bureau pays to maintain streets on its website. He also posted the roster of the 26-person Transportation Needs and Funding Committee, whose meetings are not open to the public.

Other city agencies would pay the fee, too. Novick told Bureau of Parks & Recreation director Mike Abbate, for example, that his agency would pay in the tens of thousands of dollars annually.

"He'd probably prefer not to pay what we told him to pay," Novick said. "But he understands."

PBOT spokeswoman Diane Dulken said the city would post an online calculator next Thursday that will allow both residents and business owners to find out how much they would owe.

Despite all the questions, City Council members expect to vote on the street fee in early June.

Portland Business Alliance violates city lobbying rules by not reporting meeting, correspondence

By Brad Schmidt

The Portland Business Alliance failed to disclose a lobbying meeting this year with the director of the Portland Development Commission, violating city lobbying regulations and prompting a warning this week from Auditor LaVonne Griffin-Valade.

Portland's chamber of commerce also didn't disclose two instances of lobbying via writing from 2013, the auditor found.

The lapses mark the first confirmed violations by a lobbying entity in the history of the city's 9-year-old program that requires transparency in government.

But it's not the first violation overall – in February, the auditor determined that Patrick Quinton, who heads the development commission, violated rules for city officials when he didn't disclose a \$100 meal paid for by a California developer looking to do business with the city.

The city created lobbying regulations in late 2005 to offer greater transparency for the public.

City officials are required to post calendars of meetings and disclose gifts they receive. Groups attempting to influence city business are required to register as lobbyists; lobbying efforts greater than eight hours in a quarter must be disclosed in detail.

On March 28, Sandra McDonough, the president of Portland Business Alliance, met with Quinton for an hour. The meeting, to discuss urban renewal areas and Greater Portland Inc., appeared on Quinton's calendar but not the PBA's lobbying report.

The auditor's office also found that two written communications from the third quarter of 2013 weren't disclosed. The correspondence, brought to the attention of the auditor's office by the Portland Mercury, centered on sidewalk management and relocating the Right 2 Dream Too homeless camp.

"The PBA ... failed to comply with the City Code requirement by not reporting multiple instances of lobbying meetings or communications as part of its submitted reports," Griffin-Valade wrote in a May 13 letter.

McDonough said Friday that her organization generally errs on the side of over reporting meetings, even if no lobbying takes place. McDonough said it was an oversight and she simply missed reporting the March 28 meeting.

"We're very scrupulous," said McDonough, whose organization reported more than 50 lobbying contacts in the first quarter.

The Portland Business Alliance has agreed to receive training from the auditor's office. Griffin-Valade did not seek a fine, which could run up to \$500 under city rules.

"We're trying to get people to that place where they're disclosing everything that needs to be disclosed," said Deborah Scroggin, who handles the lobbying program for Griffin-Valade.

The Grove Hotel: San Francisco hotelier excited to resurrect Old Town building, bring 'pride' to neighborhood

By Andrew Theen

The Grove Hotel in Old Town is in good hands.

Portland Development Commission leaders said as much this week when they pegged Naito Development, Eagle Point Hotel Partners and Filament Hospitality as the best team to bring the historic building back to life.

The plan: a 52-room hostel complete with in-room bathrooms and beds for 190. The roughly \$7 million rehabilitation of the century old hotel includes a rooftop patio, ground floor restaurant and adjacent speakeasy lounge and other retail options.

Perhaps most importantly from the city's perspective, the plan calls for no public assistance. The sales price is expected to be \$630,000 once the developers and PDC sign a final agreement.

The Grove Hotel sits on Northwest Fourth Avenue and West Burnside Street and has sat vacant and in a rapidly deteriorating state for years. The city bought the building for \$3.7 million from the then-Housing

Authority of Portland. It's been close to development before, but a team led by adjacent property owner David Gold withdrew its plans for an Asian-themed hostel last March.

The new team has local stakeholders, financial backing from an East Coast hotelier, and a San Francisco industry veteran who says she sees great promise in the Grove.

Ingrid Summerfield spent more than 18 years at Joie de Vivre Hotels in the Bay Area, eventually rising to president of the company that's developed chic hotels across four states and the District of Columbia. She focused on "taking old buildings and giving them a new look," citing the Phoenix Hotel in San Francisco as the most famous example.

Summerfield is the principal of Filament Hospitality. In a career spent in the boutique hotel industry, she said her role is to bring the Grove from concept through operation to its new life.

"I love to give old buildings a new lease on life, call it a facelift or a fashion make-over with a solid story and concept," she said in an email.

Summerfield said she has a good feel for Old Town. Her nephew attends Portland State University, "and I was able to pick his brain a lot," she said.

She also perused Google street view and pictures sent from the Portland part of the team prior to visiting earlier this year. Summerfield said the development will change the face of the neighborhood.

"All of a sudden that entrance to Chinatown has a sense of arrival again," she added.

We talked to Summerfield, a Stuttgart, Germany native, about the project. Answers were sent via email and some questions and answers were edited for brevity and clarity.

The Grove Hotel sites at the entrance to a district that Portlanders know has long been neglected and is described as 'gritty.' There's also a homeless community next to the site. What did you think of the neighborhood when you first saw it?

I think the area overall is not a large area and it is surrounded by vibrancy and activities. By activating this empty building you change the grittiness of the street. Homeless in itself is not a crime and often quality of life crimes (drug deals and petty crime) are used in the same sentence. The solution to each is very different, one requires social and civic activity and the other requires law enforcement with rehabilitation efforts. In San Francisco I served on the Homeless Coordinating Board at Willie Brown's request a number of years ago and am currently a Board Member of Community Housing Partnership, a non profit organization that buys buildings, rehabilitates them for Permanent Housing with social services in each building. A great solution with proven results. I am a firm believer that a well executed plan for the Grove will help the area and bring about change and civic pride.

The Grove building has a checkered history and is in bad shape currently. Does that add or subtract from its development potential?

While it is in really bad shape, it is a great opportunity to do this right instead of putting lipstick on a pig.

From everything we've heard, hostels are becoming more popular in U.S. cities. Is that true? Why do you think that is?

They are in key markets. What we are proposing is a format that still provides ensuite bathrooms so it can appeal to larger segment of the population - young and old. Most importantly is to create great communal areas, a thoughtful partnership with local stores and vibrant food and beverage offering.

Why are you so excited about this particular project?

As I said I think Portland is a beautiful, vibrant City and rebuilding the Grove is an honor.

What exactly will be your role in this project?

My role will be to help drive the operational program of the property, assemble the opening team, oversee the launch and ongoing management of the hotel.

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The project is expected to be completed in early 2016.

The Mercury

The Portland Business Alliance Is Back in Trouble Over Lobbying Reports

By Denis C. Theriault

Months after the Mercury caught the Portland Business Alliance failing to report lobbying correspondence with Mayor Charlie Hales' office, the group has earned a mild-but-serious rebuke from the city auditor's office after getting caught in a fresh lapse.

City Auditor LaVonne Griffin-Valade chided the downtown business association in a letter (pdf) dated May 13—after the city's lobbying program czar, Deborah Scroggin, noticed the group had failed to report a March 28 meeting with Portland Development Commission boss Patrick Quinton. That meeting should have been in the PBA's most recent disclosure report, which was made public this month.

The letter, first reported by the Oregonian today, also mentions two missing emails flagged by the Mercury from the third quarter of 2013, one on sidewalk enforcement and another on Right 2 Dream Too. The Mercury had obtained both in separate records requests and contacted Scroggin after noticing the emails hadn't been included in the PBA's quarterly report.

Scroggin says the missing emails prompted her to begin taking a closer look at the PBA's lobbying reports. That closer look (pdf) helped unearth the latest lapse, and, as such, the letter to the PBA.

"There had been a couple of violations, and we needed to let them know about that," Scroggin told me. "It was kind of a culmination."

Emails (pdf) obtained by the Mercury also show a few more omissions in the recent PBA report. The PBA initially failed to report two meetings with Police Chief Mike Reese, but fixed them within an allowed period for amendments.

Lobbying groups who spend more than eight hours in a three-month period lobbying city hall are supposed to report all of their contacts—and could face fines if they don't.

The O talked to Sandra McDonough, head of the PBA. She insisted the group is "very scrupulous" and that the mistakes were just that. Mistakes.