

The Oregonian

Portland fire station project named after Randy Leonard is \$4 million over budget

By Brad Schmidt

A new fire station project spearheaded by former Portland Commissioner Randy Leonard and named in his honor is \$4 million over budget.

Costs have jumped from the original estimate of \$7.9 million to \$11.9 million, a 50 percent increase.

The city's initial budget not only underestimated the cost of rebuilding a fire station on the banks of the Willamette River but also didn't cover expenses for a related boathouse.

The costly project serves as a stark, some might say fitting conclusion to a political career both revered and reviled when Leonard retired 18 months ago.

In his 10 years at City Hall, Leonard rocked the status quo. He tried to end reserved sidewalk seating for the Rose Festival Grand Floral Parade, pushed to add fluoride to city water without a public vote and steered Water Bureau ratepayer money toward pet projects.

Now his name will carry into Portland's future with the over-budget "Commissioner Randy Leonard Fire & Rescue Station 21," slated for completion in October, three months behind schedule. The naming came as he left office.

"I don't consider it my legacy project, by any means," Leonard said in a recent interview.

"I'm not sure I want any project named after me," he added. "That's not why I worked on the projects I did."

Tragedy spotlights need

Leonard, a former firefighter, fire union leader and state legislator, proposed rebuilding a fire station at the eastern foot of the Hawthorne Bridge in 2010.

As commissioner over the Fire Bureau at the time, Leonard wanted to replace Portland's recently reopened, but seismically unsound Station 21 to improve firefighters' ability to respond to river emergencies.

A year earlier, Amanda Stott-Smith threw her 7-year-old daughter and 4-year-old son off the Sellwood Bridge and into the Willamette River, killing the boy.

Leonard included the fire station and two fire boats in a \$72.4 million bond measure that the City Council sent for voter approval in November 2010. It narrowly won at the ballot

The bond earmarked \$7.9 million to construct a "fire station and related facilities" which the city said would "provide adequate river rescue services."

Leonard, who drafted the bond measure, said the cost estimate included money for a boathouse or boathouses.

City officials and a citizen oversight committee created to monitor bond spending say it did not.

In a statement, the Office of Management & Finance and Portland Fire & Rescue said the \$7.9 million was a "low confidence estimate" and officials didn't recognize the need for a boathouse until several months after the bond's approval.

What isn't in dispute: the \$7.9 million budget wasn't enough.

Today, more than half of the project's cost overruns, or about \$2.2 million, are directly tied to building a boathouse for two rescue boats, and related in-water work.

The firehouse cost more than expected, too. Construction costs are now nearly \$6.3 million, some \$1.3 million more than the \$4.9 million originally budgeted.

The remaining \$500,000 increase comes from temporary relocation expenses during construction, soft costs and contributions for public art.

Building on the site has been difficult, to be sure. Because the soil is unstable, crews drilled nearly two dozen 80-foot to 100-foot pilings into the ground to ensure the fire station doesn't slip into the river during an earthquake.

Leonard said the city's original pricing "woefully" underestimated that foundation work. He blamed that for busting the budget.

"It skewed everything else in the fire station project," he said.

But shoring the foundation doesn't come close to accounting for the \$4 million budget increase. The total cost of pilings, soil stabilization and site work, according to the city: \$1.5 million.

"The costs are what they are," Leonard said. "I don't feel bad about it. I'm glad they have other resources to fill the gap because it needs to be built correctly."

Finding the money

To make up for soaring costs, officials had to find \$4 million.

They tapped \$900,000 from the 2010 bond measure initially earmarked for fire trucks, a dive apparatus and project management. The city also spent \$1.6 million from a 1998 fire bond measure authorizing seismic upgrades and \$800,000 in federal grant funds.

Still in need of money, Portland Fire & Rescue sold nearly \$700,000 in westside property originally purchased for future fire stations.

Despite the bigger budget, officials didn't get their entire wish list. Among the items cut from the project: a green roof, plaza landscaping and a second boathouse, which would have housed the historic David Campbell fireboat.

Commissioner Dan Saltzman inherited the over-budget project in June 2013, when Mayor Charlie Hales assigned him Portland Fire & Rescue. Saltzman did not respond to requests for comment.

But Saltzman did join the City Council in December 2012, at one of Leonard's final meetings, to support naming the fire station after his long-time colleague and sometimes adversary.

"It's been a real pleasure to serve with you," Saltzman told Leonard. "And this is a very appropriate honor."

Portland wants to build \$1.35 million boathouse but excludes cost from Randy Leonard's fire station

By Brad Schmidt

Already \$4 million over budget, Portland Fire & Rescue cut a second boathouse from a fire station project named after former city Commissioner Randy Leonard that would have increased costs \$1.35 million more.

Fire officials still want to build the boathouse, however.

They also want to park the boathouse, at least some of the time, where they planned to put it all along: at the new "Commissioner Randy Leonard Fire & Rescue Station 21."

The cost of the boathouse? Not part of the Station 21 project, officials contend.

Portland Fire Chief Erin Janssens said she wants to build a new boathouse for the historic David Campbell fireboat at its existing home, Station 6 in Northwest Portland – not at Station 21, as the city originally planned.

Janssens said she also wants to move the boat and boathouse at least some of the year to Station 21, where pilings have already been installed in anticipation of the Campbell's arrival.

"I do think it would be nice to have it there to share it with people in the summer months," she said.

The Campbell was commissioned in 1927 and named after a fire chief who died in the line of service. Janssens said the vessel requires a lot of upkeep, and Station 6 isn't as busy as Station 21.

Providing shelter for city fireboats has been a major cost driver in the Station 21 project. At one point, officials planned to build two boathouses for three boats, including the Campbell.

Officials ditched the Campbell project in the face of soaring costs. Even so, the Station 21 budget jumped from \$7.9 million to \$11.9 million, with more than half of the increase tied to building one boathouse, with two slips for two rescue boats, and related dock work.

Two months ago, Janssens began searching for a different source of money for the Campbell boathouse.

In April, the City Council authorized a federal grant application to help cover costs for a new \$1.35 million boathouse. The grant provides \$1 million. The city would cover the rest.

According to the ordinance, the Campbell "will be relocated at the highly visible Station 21."

Janssens said the ordinance was wrong – it should have said Station 6.

"That," she said, "was my error."

Portland to open tax abatement program beyond 'distressed' neighborhoods

By Brad Schmidt

Update: The City Council delayed a vote until June 18.

The Portland City Council is expected to abolish geographic restrictions tied to a tax abatement policy frequently used by minority homebuyers.

On Wednesday, city leaders will be asked to tweak its tax exemption program so that it is open for units citywide that sell for up to \$291,000.

The existing program exempts homebuyers from paying property taxes on a new home while still paying taxes on the land.

But the program has been offered only in Portland neighborhoods that are considered "distressed," with high crime and low home-ownership rates, among other things. The program has been offered in much of North Portland and east Portland, as well as the Cully and Brentwood-Darlington neighborhoods.

Portland is thought to be the only city in the state that offered tax abatements in distressed neighborhoods. A change to state law has enabled Portland to extend it citywide.

The program requires homebuyers to purchase three-bedroom units, although two-bedroom units in transit-friendly neighborhoods also qualify.

Homebuyers must earn no more than 100 percent of the regional median family income, or \$69,400 for a family of four.

In past years, anywhere from 44 percent to 69 percent of homebuyers who took advantage of the program were members of minority communities. More than 2,000 families have taken advantage of the program.

Dory Van Bockel, a program coordinator for the Portland Housing Bureau, said the officials hope that opening the program citywide will provide homebuyers more choice to live in stronger neighborhoods.

But given the rising cost of housing in Portland's core, she noted that many prospective homebuyers may still turn to parts of east Portland or North Portland to find qualifying new homes selling for \$291,000 or less.

Van Bockel said the city caps the abatements at 100 homes a year. Applications are accepted beginning July 1.

"We do have a very heavy stream when July 1 comes around," she said.

The Portland Tribune

Sources Say: Millions for bridge, but city piggy bank empty for streets

By Jim Redden

The timing of TriMet's ceremony marking the joining of both sides of the Tilikum Crossing bridge over the Willamette River was a little awkward.

Elected officials from throughout the region walked across the bridge shortly before noon on Friday to mark the milestone in the \$1.49 billion Portland-to-Milwaukie light-rail project. The ceremony ended about the same time that Commissioner Steve Novick began telling the City Club that Portland needs a new source of transportation funding because it does not have enough money to maintain or add safety features to its streets.

TriMet's MAX project is funded from a variety of different sources, of course, including the federal government, which is paying 50 percent of the project's costs. But Portland also has put millions of transportation dollars into it, although much of the money, like System Development Charges, can't legally be spent on maintenance.

Cover Oregon at top of dubious list

Cover Oregon is the most expensive health exchange failure in the country, according to a June 4 Wall Street Journal story.

The story looked at five states with the most costly problem-plagued websites. It found Oregon's cost the most to build, \$255 million compared with \$141 million for Minnesota, the next most expensive state. The story also pointed out that Oregon will spend \$41 million to switch to the website operated by the federal government. Although Massachusetts will pay more to switch, \$121 million, its total cost still will be less than Oregon — \$257.9 million compared with \$296 million.

Such stories help explain why Republican state Rep. Dennis Richardson is making Cover Oregon the major — in fact, practically only — issue in his uphill general election campaign against Gov. John Kitzhaber.

"Cover Oregon is John Kitzhaber's signature achievement, which should tell you a lot about what he's accomplished during his tenure. He made promise after promise when he sold it to us, and now he's making excuse after excuse for the promises he broke, which is pretty much all of them. And it's the reason his office is now being investigated by the FBI," Richardson said in a June 4 campaign email, referring to reports of the investigation into how federal money was spent on the website.

Bridge talks hit a dead end

The Washington state legislators who recently hosted a discussion relaunching the process to build a new bridge over the Columbia River are deluding themselves if they think they accomplished anything.

Republican Washington state Rep. Liz Pike of Camas was one of the lawmakers who convened last week's closed-door meeting of what she called the Bi-State Bridge Coalition. It was attended by eight

Washington and four Oregon legislators. Afterward, Pike was quoted as saying she thought it was the start of rebuilding the relationship between the two states after the bitter collapse of the Columbia River Crossing.

Oregon legislators were quoted as saying they didn't hear anything to convince them to attend a second meeting, however. The Washington Legislature refused to fund its share of the CRC, and Pike and the Olympia lawmakers didn't offer an alternative proposal — or even a realistic process for coming up with one — that a majority of both state legislatures would be likely to support.

Activists want city to boost minimum wage for its employees

By Steve Law

Portland activists asked city commissioners Wednesday to take a stand on raising Oregon's minimum wage — and to boost the wages of city employees and those on contract with the city to at least \$15 an hour.

Justin Norton-Kertson, cofounder of the new group 15 Now PDX, presented 1,000 petition signatures to the Portland City Council.

"This is an increasingly expensive city in which to live," Norton-Kertson said in public comments at the beginning of Wednesday's council meeting. "The cost of rent here is rising at more than twice the national rate of inflation. Rents increased by 4.9 percent from 2011 to 2012."

A single woman trying to support a family on Oregon's \$9.10 minimum wage would need to work a 78-hour week to afford a basic two-bedroom apartment, Norton-Kertson said.

City councilors have pledged to ask the Oregon Legislature to lift a state ban on city-level minimum wage ordinances. Activists want city commissioners to go beyond that promise, by endorsing an amount they'd like to see the minimum wage raised to, and by paying at least \$15 an hour within the sphere the city controls.

Commissioner Amanda Fritz responded that she researched the impact of a \$15 minimum wage on the Portland Bureau of Parks and Recreation, which she oversees, and found more than 2,000 bureau employees earn less than \$15 an hour. Boosting them all up to \$15 an hour would cost \$2.7 million a year, Fritz said.

"It certainly is a great goal," Fritz said of 15 Now PDX's proposal. However, she said the city lacks the funds to do it now, and there are other alternatives worth considering with that money. That \$2.7 million, for example, could raise some 40 to 50 seasonal parks bureau employees to fulltime jobs with benefits, Fritz said.

While Oregon has the nation's second-highest minimum wage, plus an automatic inflation requirement that raises the wage each year, there is growing pressure around the country to raise the minimum wage to a level that could support a family. Seattle's recent move to a \$15 minimum wage has emboldened supporters here, but there is a "preemption" in Oregon law that bars cities and counties from going beyond the state minimum wage.

Mayor Charlie Hales said the city lobbyist will ask the 2015 Oregon Legislature to lift that preemption. "We don't like preemptions in general and we don't like this one either," Hales said.

The mayor acknowledged there are other steps the city could take, as suggested by 15 Now PDX. "We're aren't preempted from doing anything at all," Hales said.

The Mercury

Hall Monitor

A Good Idea Gone Wrong

By Denis C. Theriault

THE HOUSING ADVOCATES who strode into Portland City Hall on the morning of Wednesday, June 4, had a spring in their step almost as big as their smiles.

Housing Commissioner Dan Saltzman had baked them up one hell of a treat: a promise to earmark hundreds of thousands of bucks for affordable housing, every year, thanks to new tax money from soon-to-be-legal short-term rentals (like the ones offered through Airbnb).

As policy proposals go, it was both elegant and magnanimous. It tackled a looming problem—a potential loss of long-term rentals, what with owners maybe banking on better returns in the short-term market—by turning it into part of its own solution.

Saltzman even upped the ante by increasing the amount he'd spend on affordable housing at the 11th hour.

And the advocates, along with various dignitaries from the Portland Housing Bureau, had come to watch Saltzman triumphantly present his winning recipe to the rest of the city council.

But maybe you can guess what went down instead.

Saltzman's stunned colleagues—aside from Commissioner Nick Fish, who co-sponsored the proposal—blithely spit the whole thing back in his face and told him it needed more work.

It was a rare public repudiation in a council that's usually a bit more scripted and collegial. It also marked a major disappointment for advocates who thought they'd invested their hearts and time in a winning effort.

Even worse? The blame for that collapse, city sources say, rests with Saltzman himself.

The proposal, it turns out, had been coming apart politically well before the hearing, even as Saltzman's office was making changes meant to make advocates even happier.

First off, Saltzman nearly immediately annoyed two votes on the five-person council, Mayor Charlie Hales and Commissioner Amanda Fritz, with a procedural gaffe. He wanted to divert the money from short-term rentals even before the council technically approved them. In a hearing on the rules for those rentals later that day, the council tabled the discussion for several more weeks.

Beyond that, he and his staff didn't realize until the hearing that the new money he was hoping to start spending, in 2015-2016, had already been included in the city's financial forecasts—and therefore was being eyed by other bureaus. Never mind that Hales has made it his mission, since taking office, to eliminate earmarks as often as possible—and that commissioners typically prefer waiting for budget negotiations every spring for those kinds of discussions.

Sources say Saltzman also threatened to abuse the council's willingness to invest in housing and homelessness services, so soon after devoting millions more in the city's most recent budget.

And looming over the whole thing was a sense that Saltzman didn't sufficiently try to sell his colleagues. A bit of bonhomie might have found a receptive audience. (It also didn't help that his plan came up for discussion after another punchy session on the city's delayed street fee proposal, something he's opposed.)

Saltzman's proposal is back on the council agenda this Wednesday, June 11. But as of press time, it wasn't clear whether it would be defeated or pulled back until the final short-term rental rules emerge this summer.

"It feels like it's been a group effort," says Saltzman's chief of staff, Brendan Finn. "We definitely gave everybody a heads up."

Saltzman's staff didn't seem keen on backing down. "We've got problems in the city now," Finn says.

But Fish, the co-sponsor, seemed resigned to the reality.

"This is the kind of linkage [between short-term rentals and affordable housing] that's good to salt in the public discussion," Fish says. "We accomplished our initial goal."

The Neutral Zone

Police Tape at Sidewalk Homeless Camp Could Become Permanent

By Denis C. Theriault

SUNDAY, JUNE 8, marked a peculiar and largely overlooked milestone for Portland's Old Town.

Precisely three months after a homeless man was stabbed on a sidewalk beneath the Burnside Bridge, that crime scene—a problematic springtime campsite but also the only public walkway directly linking SW Naito with the Skidmore Fountain MAX station—was still walled off by wooden barricades and sagging police tape.

And that bureaucratic limbo shows no sign of lifting anytime soon, thanks to some mild political wrangling.

Though no one's keen to see overnight violence and drug use return to the belly of the Burnside, the one proposal that would permanently bar camping from the sidewalk—closing it at night, calling it a "high-traffic" area during the day—remains in a holding pattern. It appears to have been overtaken by a much larger discussion on homelessness in Portland City Hall, led in part by Commissioner Amanda Fritz.

If sidewalks are out, and if shelters are full, then where exactly should campers go?

"My suggestion was we have more conversations about that space and where people can be instead," says Fritz.

Fritz tells the Mercury she's begun talking with officials in the one major landowning city bureau under her control, Portland Parks and Recreation, about letting people stay for the night—provided they aren't causing trouble. And while cautioning that the talks are "very preliminary," she's also hoping to have the same chat with other big property-holding bureaus, like water and transportation.

"Are there situations where, if people were on city property, other than sidewalks, and if they weren't causing a problem," Fritz says, "that we would not be moving them on until morning?"

Camping enforcement in Portland has always been spotty. Officials insist the city, for years, has unofficially tolerated low-impact camping.

But after some newly muscular rhetoric from city hall about enforcement last summer, cops and park rangers and others have been very visibly sweeping larger campsites—often drawing public complaints from homelessness advocates about property confiscations.

The sidewalk beneath the Burnside Bridge was an example of both.

After those sweeps, campers began gathering in the winter, drawn by the promise of shelter from the elements. And with so few people actually using the sidewalk to cut to the MAX station overnight, cops and private security guards decided to tolerate what sprang into a makeshift campsite.

Slowly though, that began to change. Guards working for nearby Mercy Corps tell the Mercury that drug dealers and others showed up, too, crowding out some of the original campers.

Meanwhile, in late February, Right 2 Dream Too co-founder Ibrahim Mubarak was arrested on suspicion of disobeying an officer after advocates confronted police who'd showed up at the camp. Then came the stabbing on March 8—in which a bleeding 39-year-old man went stumbling into traffic on SW Naito.

It wasn't the first stabbing for the site, city officials say. But with all the notoriety, it was the last straw for cops, who shut it down.

"Most of the people who stayed the night are still around," says a private security guard working for Mercy Corps.

The guard—who asked to remain anonymous because he's not authorized to speak with reporters—says his own son was briefly among the group camping beneath the bridge. Some of those who left, he says, wound up a few blocks away, beneath the Steel Bridge.

"I got to know some of the people," the guard says. "Some people wanted to sleep, but it just got out of hand."

The police bureau, through a spokesman, says it realizes the crime tape "isn't a permanent solution, obviously." That's why they want to put up signs limiting who can use the sidewalk and when.

But since the tape went up, says Sergeant Pete Simpson, complaints have dried up. And so have arrests.

Simpson also says he's heard no beefs from pedestrians or people concerned about civil liberties.

Because of the tape, there's technically no legal way to get from Naito to the MAX station; to do that, you have to cut through private parking lots controlled by Mercy Corps and the University of Oregon. Guards theoretically could discriminate against people who "look homeless."

"As long as people are only walking through," the Mercy Corps guard insists, "that's all we care about."

Diane Dulken, a bureau of transportation spokeswoman, says police and transportation officials have briefed city hall on their sidewalk-closing proposal—even though they technically don't need council permission.

But "there is no firm timetable right now," Dulken says.

That's partly because of Fritz—who's been a champion for Right 2 Dream Too and emerged as one of the council's loudest advocates for people on the streets.

"There needs to be somewhere where people can go," she says, "when they're hungry, tired, and poor."

The Golden Fleece?

A Recent Investigation Raises Questions About the City's "Expert" Spending

By Dirk VanderHart

AS A HIGH-PRICED "vocational consultant," Scott Stipe is paid a premium for his time—nearly \$200 an hour.

But Margie Sollinger, the City of Portland's ombudsman, needed less than 20 minutes last year to poke holes in some steep overcharges Stipe had billed to the city.

Stipe, the president of Career Directions Northwest, had been helping the city with two recent lawsuits. Sollinger found he'd incorrectly invoiced the city for hours that he hadn't worked—and that he'd attempted to charge, in one case, a higher hourly rate than he was contracted for.

"This was way too easy," Sollinger says of the errors she identified. "I looked at this for maybe 15 minutes and I found a couple thousand dollars."

What's more, the city attorney's office wasn't clear what certain charges even meant, and Sollinger noted that services similar to Stipe's could be had for much cheaper.

The city attorney's office says it's taking steps to better monitor its spending, and notes that the overbilling Sollinger identified amounted to a relative pittance in the grand scheme of city expenses.

But the investigation calls into question just how much the office scrutinizes relatively common agreements with expensive expert consultants, and whether these types of billing errors have slid by unnoticed for years.

"The concern extends to all of the city's expert consultant contracts," Sollinger says, "not just those with the city attorney's office."

The city has contracted with Stipe twice, for two lawsuits that ran more or less at the same time.

In August 2010, a man named Thomas Glenn sued the city, claiming police had injured him during a rough, unnecessary arrest at his home in 2008. A lawsuit from the family of Lindsay Alyse Leonard, a 23-year-old Portlander who was fatally run down by a car on SE Foster in 2009, came two days later. That suit claimed the city hadn't properly maintained the crosswalk.

In both cases, city attorneys decided to hire a "vocational expert"—someone who could help put a dollar amount on how much income the plaintiffs might have lost out on because of the city's alleged actions. For Stipe's services, attorneys promised to pay \$190 an hour. Neither contract was supposed to exceed \$20,000.

In the Glenn case, that threshold was reached in less than six months of intermittent work. According to invoices the Mercury obtained via Oregon's public records law, Stipe worked off and on beginning in June 2011. He charged the city for hours of reviewing documents, labor market research, consultations, and preparations for consultations. Invoice items ranged from six-minute phone calls on specific dates to vague, hours-long blocks of time labeled only "September 2011."

The lack of specificity concerned Sollinger.

"I would expect that the city attorney's office is assessing whether the quality of a consultant's work is commensurate with the number of hours spent," she wrote in an email to the Mercury. "I would also expect that the city attorney's office is conducting a detailed review of the invoices."

In an invoice submitted after his February 2013 testimony in the Glenn trial (which the city ultimately won), Stipe billed the city for six hours—\$1,140—for a "cancellation fee," indicating he'd blocked off a full day to testify in May 2012, but that the trial had been rescheduled.

But the city had given warning of that postponement months in advance, according to emails obtained by the Mercury, much longer than the seven days required in Stipe's services agreement. The city attorney's office didn't realize that until Sollinger pointed out the error.

Stipe, who declined to be interviewed for this story, told officials it was an honest mistake, and removed the six hours from his invoice.

Next, Deputy City Attorney Bill Manlove struggled to explain what certain items on the invoice meant, and why they were being charged. The investigation prompted him to seek clarification on a series of billings in which Stipe had charged for an hour of work listed as "case staffing."

Stipe explained, in an email to city staff, that he charges for a minimum of one hour for any meeting he has to block off on his calendar.

"I have to set aside time and put it on my calendar and I have no idea if it will take 10 minutes or an hour," Stipe wrote. "That is my policy and I have never had it questioned before."

The consultant's final pay for the Glenn case: \$25,673.

The billing inconsistencies in the second lawsuit Stipe worked are less clear. The city attorney's office declined to provide invoices because the suit is still in litigation. But City Attorney Tracy Reeve tells the Mercury that Stipe attempted to bill the city for \$200 an hour, rather than the agreed-upon \$190—something Sollinger caught right away.

And emails show the ombudsman pointed out a further wrinkle in Stipe's services: They're very, very expensive. A vocational expert hired by the plaintiffs in the Glenn case, John Lipnicki, charged about \$18,000 less in pre-trial fees, Sollinger wrote in an email to the city attorney's office.

"For what it's worth," Sollinger wrote, "I talked to an attorney in Multnomah County counsel's office and he mentioned that he has used Lipnicki before and thought that he was a very good vocational expert."

In response to Sollinger's findings, then-City Attorney Jim Van Dyke said he'd put new language into contracts with expert witnesses, demanding invoices be "sufficiently detailed to justify the amount claimed."

But Reeve, who officially became city attorney in January, downplayed the problems with Stipe's billing, and shooed away suggestions they might extend to the city's frequent contracts with experts.

"We're talking a total of less than \$2,000," Reeve says. "We do expert witness contracts at much higher rates."

In the Glenn case alone, court records show, attorneys also tapped police and medical experts—not just Stipe. The city attorney's office, Reeve says, is putting new practices into place demanding better scrutiny of invoices. But she says that's not because of Sollinger's findings.

"We changed them as a result of looking at best practices," Reeve says. "One of our goals is making sure we're good stewards of public resources."

Even so, the city's attorney's office was worryingly inconsistent when the Mercury requested public records associated with Sollinger's investigation.

First, the office said no emails existed between the ombudsman and city attorney's office staff. When that proved false, the office said it had made a mistake. But it declined to release the emails, saying they fell under "attorney-client privilege"—even though they involved an investigation into internal practices, not legal counsel.

When pressed again, the city attorney's office reversed that stance, releasing 34 pages of emails. With only minor redactions.

The Portland Business Journal

Portland Council approves ambitious \$5M-plus Foster Road plan

By Andy Giegerich

Portland's City Council has given the thumbs-up to a plan that could dramatically change a battered Southeast Portland streetscape.

The Council has unanimously approved a Portland Bureau of Transportation plan that would improve safety along Foster Road between Southeast Powell Boulevard and 90th Avenue. The plan could also make the busy road more physically attractive, in a ploy to attract businesses.

The street, a four-lane corridor that's seen its share of crashes and pedestrian deaths, hosts a cadre of both older-line and newer businesses.

"We have an ambitious goal of providing the vibrant and distinctive neighborhoods along the Foster Road corridor with safe streets and walkable communities," said Commissioner Steve Novick, who oversees the transportation bureau, in a release. "Today we moved forward with implementing the fruit of this labor."

The project will cost \$5.25 million. Some 60 percent of that will come from federal funds while the rest will come from the city's urban renewal program. Part of the corridor is in the Portland Development Commission's Lents Urban Renewal Area.

Portland council approves Google Fiber franchise agreement

By Malia Spencer

In a 5-0 vote, the Portland City Council signed off on an agreement that extends the possibility of a Google-provided super-fast Internet.

Wednesday marked the second reading of a franchise agreement that would allow Google to operate a fiber network through December 2024.

The agreement includes a 5 percent franchise fee Google would pay the city quarterly. The fee is based on the company's gross revenue from the service.

Under the agreement, Google can determine which areas of the city, "dubbed fiberhoods" will receive the service. In an effort to ensure access to the service, the company has also agreed to provide free service to certain community organizations for 10 years.

Mary Beth Henry, manager of the city's Office for Community Technology, countered critics of the agreement — notably incumbent Internet providers — by pointing out that Google is making a big infrastructure investment to bring gigabit Internet speeds to the city where no one else has.

She also told the council Google is not receiving special treatment and the agreement pushes the goals of the city's broadband strategic plan.

Though the franchise agreement with Portland is approved, it is still not certain Google will follow through and build out the service.

"This franchise agreement is an important step along the path to Fiber, so it's great that it's been approved. There's still a lot of work to do beyond this one agreement, but we hope to provide an update about whether we can bring Fiber here later this year," said Google spokeswoman Jenna Wandres in an email.

In February, Google announced Portland and several suburbs made the short list for the next round of communities that could get the company's super fast Internet service called Google Fiber.

The service is already offered in Kansas City, Kan., Austin, Texas and Provo, Utah.

Since revealing its interest in the Portland area, Google has been evaluating a series of items — particularly how to work with local governments for the needed permits and approvals — for the feasibility of the project.